

Polestar

# Inclusion Statement

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## 1. Introduction and purpose

This Statement details how Polestar implements its Sustainability Policy as it relates to social sustainability and the topics of diversity, equality, inclusion and human rights. It makes clear the commitments and principles Polestar apply to these topics and describes how we continuously work through a comprehensive due diligence process to embed responsible business conduct, identify and assess potential adverse human rights impacts and opportunities, take action to cease, prevent, mitigate and remediate impacts, track and monitor progress, communicate and report.

### 1.1. Definition

Inclusion is integral to Polestar's stance on human rights. Across the supply chain, our own workforce and among Polestar customers, we strive to include the perspectives of the people we impact, creating an environment of diversity, equality, and respect to human rights principles. We consider inclusion to mean that people from any number of backgrounds and identities can be welcomed, valued, respected and heard, and given the opportunity to positively contribute. It is an ongoing journey with the aim to improve the conditions for vulnerable people and people who might otherwise be excluded or marginalized.

## 2. Commitments and expectations

We are committed to protect human rights and embed social justice principles in the transition to electric mobility. We act responsibly, compete fairly, and comply with applicable laws and regulations as it relates to human rights, diversity, equality and inclusion. We foster a compliance and ethics culture that permeates all operations. All employees must respect our human rights statement and our position on conflict minerals which are in line with internal human rights standards.

Our commitment to the focus area Inclusion is adopted by Polestar's Board of Directors and management team. Our approach to human rights due diligence and inclusion as described in chapter 3 must be employed within the organisation. This Statement applies to all Polestar Employees.

### 2.1. International human rights standards

We recognise that human rights issues across value chains are complex and require collaboration and harmonised efforts. We believe that continuous multilateral engagement is the best way to contribute to lasting progress. Polestar supports recognised global standards and frameworks on human rights, in particular the International Bill of Human Rights, the fundamental conventions of the International Labour Organization, Article 32 of the United Nations Convention on the Rights of the Child, the United Nations Guiding Principles on Business and Human Rights, the Ten Principles of the United Nations Global Compact, the OECD Due Diligence Guidance for Responsible Business Conduct, the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas and the OECD Guidelines for Multinational Enterprises.

We aim to respect these standards and frameworks and to comply with national law wherever we operate. Where they are in conflict, we respect national law while seeking to honour the principles of the standards and frameworks.

### 2.2. Human rights statement

Polestar's human rights statement (Appendix 1) outlines our stand, commitments and principles on non-discrimination and equal opportunities, child labour and special protection for young workers, forced labour and modern slavery, freedom of association and collective bargaining terms of employment, fair living wages and decent working hours, occupational health and safety, as well as affected communities and indigenous rights, and how they align with the international standards and frameworks we follow.

### 2.3. Position on Conflict Minerals

Minerals trade can be used to finance armed groups, fuel forced labour and other human rights abuses, and support corruption and money laundering. Our Position on Conflict Minerals addresses the challenges linked to their mining, manufacturing and use, and lays out how Polestar works to manage conflict mineral risks within our global supply chains. Please find the Position on Conflict Minerals and our Conflict Mineral Report here [Ethics and Codes of Conduct | Polestar](#)

## 3. Our approach to due diligence

### 3.1. How we embed responsible business conduct for Inclusion

We embed responsible business conduct and promote human rights, diversity, equality and inclusion in our daily activities through:

- maintaining appropriate policies,
- our governance and management system,
- implementing key processes for trainings, organizational capacity and setting clear expectations on our business partners.

#### Policies and directives related to Inclusion

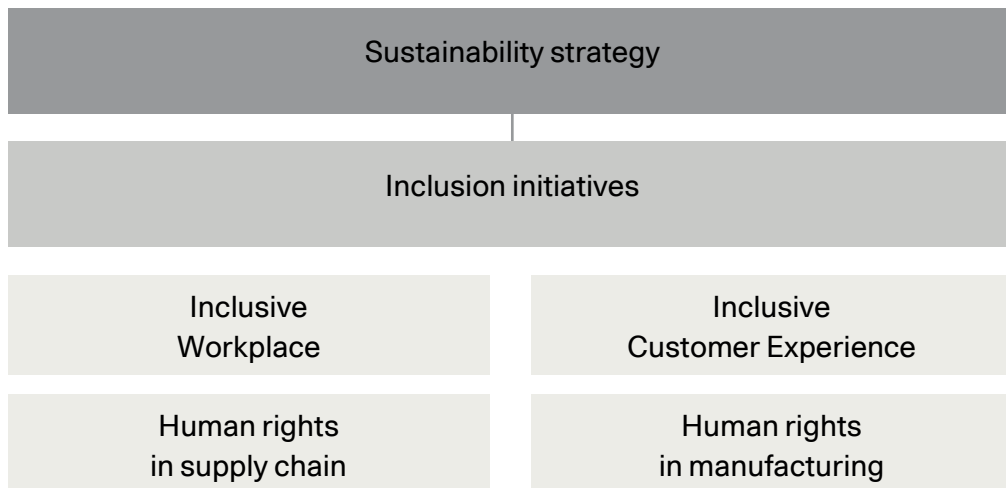
The following policies outline commitments and principles that promote human right, diversity, equality and inclusion that all employees must follow:

- The Sustainability Policy outlines the commitments and principles Polestar applies to drive sustainable development and ensure that we act in compliance with applicable sustainability obligations and laws.
- The Polestar Code of Conduct for our employees defines, inspire and guide us in our daily activities and operations concerning human rights, non-discrimination, equal opportunities, child labour, forced labour, freedom of association, collective bargaining, occupational health and safety, and terms of employment including remuneration and working hours.
- The People Policy includes related corporate directives that provide Polestar employees with the human rights principles that apply when working at Polestar, reflecting Polestar's human centric approach to people.
- The Code of Conduct for Business Partners and our Procurements Policy sets principles that Polestar requires all its Business Partners, including suppliers and subcontractors, to abide by. It covers legal compliance, human and labour rights, environmental care and business integrity. We expect our business to comply with the principles and standards set in our Code of Conduct for Business Partners and to ensure that their employees and subcontractors are made aware of and comply with its principles.
- Polestar SpeakUp Policy describes the different ways of speaking up, and the principles which apply when suspected or confirmed misconduct is reported.

#### Governing inclusion

We use insights from our assessment of risks and opportunities to continuously inform our sustainability strategy. The strategy is developed by the Global Function Sustainability and reviewed and approved by the Group Management Team. Our process for steering sustainability reflects the principle of due diligence. It is designed to take action to cease, prevent or mitigate potential negative impact on people and society as well as environment, while enhancing positive impacts. It is regularly reviewed by the Board of Directors.

Sustainability Strategic Initiatives are assigned to Polestar global functions, enabling them to integrate sustainability into their core function and create targets, KPIs, and a clear action plan that activates and enables all coworkers to contribute. Global functions monitor KPIs for each strategic initiative, taking corrective action when progress is insufficient. These functions report to the Head of Sustainability twice a year on the progress and efficiency of strategic initiatives. The Head of Sustainability, in turn, reports the overall status of the sustainability strategy and its initiatives to Polestar's Group Management Team and the Nominating and Governance Committee of the Board at least twice annually.



Our Human Rights Audit strategy provides a framework for monitoring the impact of actions on human rights through audits, such as those conducted in the supply chain or other parts of the value chain

Key processes for managing Inclusion

- Employee surveys

Surveys are conducted biweekly for most of the year and provide a data-driven method for all employees at Polestar worldwide to give feedback. The surveys measure employee satisfaction and include questions and feedback on engagement, accomplishment, freedom of opinion, management support, workload, recognition, inclusion, peer relationships, work environment, and more. This approach enables teams to learn, leaders to listen, and everyone to take action to enhance engagement and change when needed.

- Training and Competence development

When it comes to labour rights and human rights principles, training and competence development for all types of workers as well as non-discrimination and equal access to opportunities are important elements. A Learning Management System (LMS) has been established to enhance support for the organisation in competence development. The system offers our employees learning opportunities for their current and future roles.

Throughout the year, mandatory training courses are assigned to all employees, such as the Code of Conduct training.

- Channels for workforce concerns

At Polestar, we speak up. Having a speak-up culture at Polestar means everybody should feel comfortable asking questions or reporting misconduct when they see it - regardless of who they are or who they are reporting about. The first point of contact for raising concerns is the manager. If speaking to the manager is not an option, employees can approach their HR representative or the Legal Team. For those who prefer to report suspected misconduct anonymously, the whistleblowing system SpeakUp is available. The SpeakUp tool is accessible by all Polestar Employees as well as externals and is communicated on Polestar's website and the first page of Polestar's intranet.

- Procurement process

As part of Polestar's procurement policy and processes, suppliers and business partners are evaluated against various criteria, such as quality, cost, sustainability, and business ethics, through due diligence processes. These include notably sustainability assessment questionnaires, business ethics questionnaires, and sanction screening. During the Request for Quotation phase, suppliers and business partners are introduced to the requirements, and assessments are conducted to select those who can meet sustainability standards and adhere to the principles outlined in Polestar's Code of Conduct for Business Partners. Before placing orders, all business partners must agree to adhere to Polestar's Code of Conduct for Business Partners or similar principles and ensure these requirements are cascaded to their own partners.

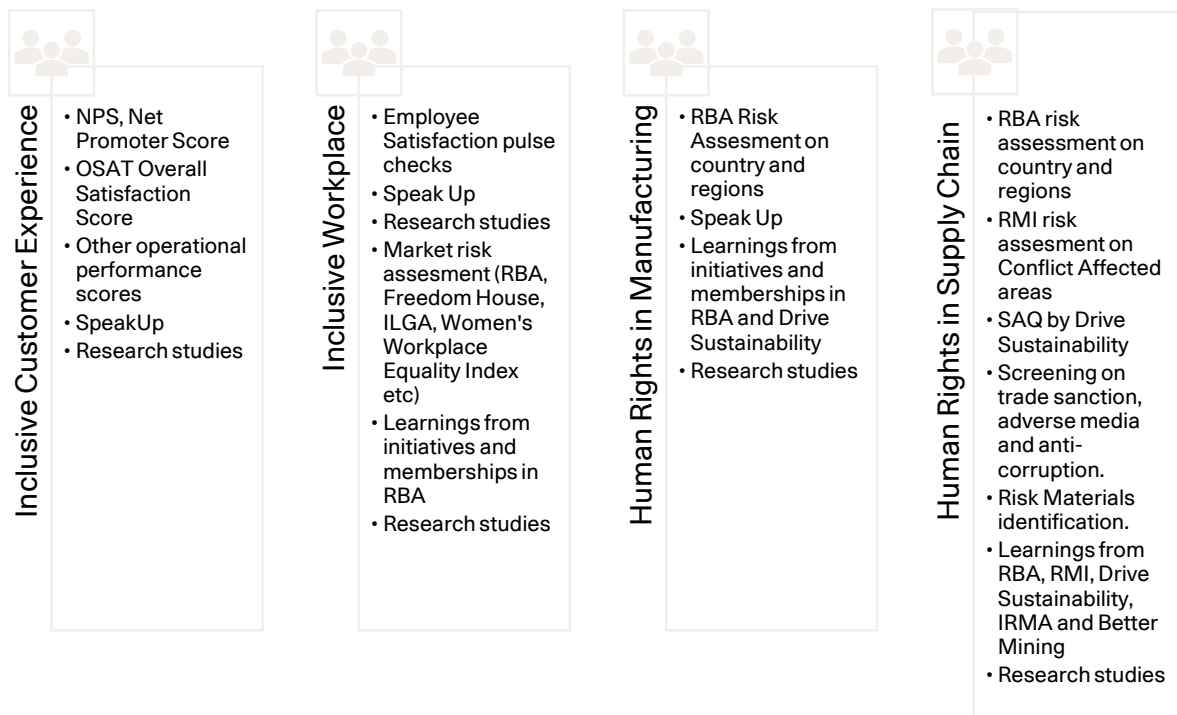
- Conflict Mineral Campaign

Each year, manufacturers, suppliers, and suppliers of components containing conflict minerals are requested to declare their due diligence measures and disclose the smelters used in their supply chain through a Conflict Minerals Reporting Template (CMRT). The CMRT assists in identifying potential discrepancies, selecting suppliers for independent audits aligned with OECD standards, and following up on risk mitigation action plans to address adverse impacts.

### 3.2. Inclusion risk and opportunity management

Polestar utilizes various tools and means to identify and assess risks, opportunities and impacts related to human rights, diversity, equality and inclusion. Through our dialogue with stakeholders and engagement in multistakeholder initiatives, we gather important insights through meetings, workshops, events, research studies etc. and use many of their tools to conduct risk and impact assessments.

The figure below shows the different tools to identify and assess risk used in different areas of operations.



#### Materiality Assessment

Polestar performs an annual Double Materiality Assessment (DMA) to identify sustainability topics that are material to the company. The DMA process incorporates input from internal and external stakeholders affected by or influencing Polestar's operations and takes into account findings from the various risk and impact assessments we conduct on social issues. The results inform our sustainability strategy and enable the identification and assessment of actual and potential adverse impacts throughout the value chain.

#### Material risks and impacts relating to Inclusion

The following issues are identified as material to Polestar, representing various risks, and potential impacts and opportunities. These are the issues that need to be continuously monitored and acted upon within the scope of our strategic focus area Inclusion.

- **Own workforce - working conditions**  
Polestar aims to be a responsible employer of choice to secure future growth and success. The availability of the right skills is crucial, particularly given the global



presence and operations spanning multiple countries and the risk of employee turnover remains significant. Polestar's future success relies on attracting, integrating, and retaining highly skilled personnel, Therefore, establishing secure, fair, and favorable working conditions remains essential for us. Working conditions encompass the work environment and employment terms, including job security, working hours, fair wages, social dialogue, freedom of association, collective bargaining, work-life balance, and health and safety. Potential negative impacts on employees may arise from excessive overtime, work-life balance challenges, the absence of collective bargaining agreements in certain markets. Without these agreements, employees may lack essential protection. Working committees in certain countries may not wield the same influence as independent trade unions, leading to weaker representation. Parental leave statistics highlight challenges in balancing work and family life, as well as supporting employees with family responsibilities. Health and safety concerns also exist, related to stress and potential exposure to hazardous substances.

- **Own workforce - equal treatment and opportunities for all.**

Polestar seeks to champion diversity and insists on equality to ensure a positive social impact. Lack of equal treatment can have significant financial implications for Polestar. High employee turnover may result in talented individuals seeking more inclusive and equitable work environments, leading to increased recruitment and training costs, as well as a loss of institutional knowledge and expertise. Additionally, allegations or reputation for discrimination or unequal treatment can severely damage our brand, resulting in a decline in sales and market share. Discrimination and unequal treatment can also lead to low employee morale, decreased job satisfaction, and reduced productivity. Employees who feel undervalued or unfairly treated are less likely to be engaged and motivated, negatively impacting overall business performance. A diverse and inclusive workforce is often more innovative and creative. Failing to promote equal treatment and opportunity can stifle innovation, as a homogeneous workforce may lack diverse perspectives and ideas. This limitation can hinder our ability to develop new products and services, ultimately affecting long-term competitiveness.

- **Workers in the value chain - working conditions.**

Polestar has identified several areas where potential negative impacts on workers may occur. Within tier 1, 2, and 3 suppliers, concerns arise regarding excessive working hours and limited freedom of association. Among process industries and smelters, health and safety risks become more pronounced. As the distance from direct oversight increases, the risk of poor working conditions, inadequate wages, and lack of social dialogue also rises. These issues are exacerbated by severe conditions in sectors like mining. The risks are widespread across various tiers and regions, making the scope of the impact extensive. Violations of workers' rights can lead to strikes, protests, or other forms of labour unrest, causing disruptions in the supply chain and potential revenue loss. Negative publicity from worker rights violations can severely damage our reputation and undermine investor confidence.

Ensuring ongoing compliance with labour laws and regulations requires continuous monitoring and auditing, which can be costly. Failure to comply can result in further financial penalties and operational disruptions.

- **Workers in the value chain- other work-related rights.**

Child labour presents a significant risk within the value chain, particularly in high-risk regions at the fringes of supply chains where raw materials are extracted. Forced labour is another critical issue. It is recognized that forced labour can occur across all sectors and industries. Workers in remote areas or sectors with housing shortages are likely to face challenges in accessing safe, healthy, and adequate housing, as well as limited access to water and sanitation. This is particularly relevant for those in mining operations within high-risk regions. The changing legislative landscape in many countries has introduced national security laws that may erode the ability to enforce global privacy and data protection policies. The value chain might be difficult to influence on the topic of ensuring privacy and data protection, especially given these challenges. Potential negative impacts are significant and widespread, prevalent across various tiers and regions, making the scope extensive. Addressing these negative impacts is challenging over the long term, requiring dedicated efforts, resources, audits, and supplier engagements. Failure to achieve this can lead to reputational damage, shipment detentions, and disruptions to normal business operations. The financial impact is considered medium, and the likelihood is relatively low due to the limited supply chain size, with severity expected to remain consistent over time.

#### Other material risks and impacts

Furthermore, our assessment identifies other material topics that impact human rights. These are addressed via policies, directives, guidelines and specific activities:

- Climate change adaptation, Climate change mitigation and Energy –Position Paper on Climate and the Sustainability Report.
- Pollution of air, Pollution of water, Pollution of living organisms and food resources, Substances of concern, Substances of very high concern, Microplastics, Direct impact drivers of biodiversity loss, impacts on the state of species, impacts on the extent and condition of ecosystems, Impacts and dependencies on ecosystem services, Resources inflows, Resource outflows related to products and services etc. –Position Paper on Circularity and the Sustainability Report.
- Personal safety of consumers and/or end-users – Sustainability Report.
- Corporate Culture –Polestar’s Code of Conduct and the Sustainability Report.
- Political engagement –Polestar Code of Conduct, Code of Conduct for Business Partners and the Sustainability Report.
- Corruption and bribery –Anti-corruption Policy, The Code of Conduct for Business Partners and the Sustainability Report.

### 3.3. How we take action on Inclusion

Initiatives allow Polestar to take action to cease, prevent and mitigate adverse human rights impacts and to positively contribute to human rights across our entire value chain, from workers in our supply chains to the end-users of our products. The strategic initiatives are overseen by the Inclusion Lead and lead by accountable departments. Identified material risks and impacts are covered by actions within initiatives.

#### Working conditions/ Own workforce

- Strategic initiative: Inclusive Workplace, HR accountable department.

#### Equal treatment and opportunities for all/ Own workforce

- Strategic initiative: Inclusive Workplace, HR accountable department.

#### Working conditions/ Workers in the value chain

- Strategic initiative: Human rights in Supply Chain, Procurement accountable department.
- Strategic initiative: Human rights in Manufacturing, Manufacturing accountable department.

#### Other work-related rights/ Workers in the value chain

- Strategic initiative: Human rights in Supply Chain, Procurement accountable department.
- Strategic initiative: Human rights in Manufacturing, Manufacturing accountable department.

### Inclusive Workplace

Polestar strives to make a positive social impact by championing diversity and equality. We strive to build a workforce that reflects the diversity of the world we live in, bringing in different personal experiences, perspectives, and backgrounds, and to ensure all employees feel comfortable, connected, and valued for their contributions to Polestar.

Polestar aims to become the world's most diverse and inclusive car company. Key priorities to promote an inclusive workplace for direct and indirect employees include an inclusive recruitment, retention, and leadership, to secure the right competencies and maintain employee engagement, essential for ongoing success. The Inclusive Workplace Strategic initiative has the following targets:

- Unbiased recruitment process and ambition of new hires 50/50 males and females as well as increasing hires with other sexual orientations
- Gain an effect of 40% females in the overall workforce globally and in leader representation.
- Inclusion Index in employee survey 9 out of 10.
- Wage gap analyses to close gender wage gap

## Human Rights in Manufacturing

Human Rights in Manufacturing is newly established and needs further development of its action plan. The Human Rights in Manufacturing Strategic Initiative addresses the workers in the value chain that are hired through our manufacturing business partners with the aim of safeguarding fundamental human rights:

- Making sure our agreements and Polestar's Code of Conduct for Business Partners is acknowledged with regards to workers in the manufacturing of our cars.
- There are countries, areas, and regions, which have higher risks of human rights abuse. We realise that human right abuses are also more likely to occur in the supply chain. We have set priorities to audit suppliers located in high-risk regions and suppliers involved in new sourcing cases.

## Human Rights in Supply Chain

Job opportunities along the supply chain have the potential to create a positive impact on people and communities. However, major income disparities need to be addressed, as vulnerable individuals are disproportionately exposed to risks. We recognize that breakthrough solutions to these issues will require concerted collaboration across private and public sectors. Through responsible sourcing, and together with our business partners and suppliers, we track results and actions with the purpose of mitigating negative human rights impact in our value chain:

- Mandatory Sustainability Assessment Questionnaire ("SAQ") in our sourcing process to evaluate the policies and processes that suppliers have in place related to business ethics, human rights and responsible sourcing. It has been developed within Drive Sustainability. All SAQ answers are validated by an external assessor and suppliers are provided with recommendations on how to improve. While onboarding, we make sure our suppliers are aware of sustainability expectations and that they establish policies and procedures to achieve a score above 70%.
- During onboarding, track the status of agreements, acceptance of Code of Conduct for Business Partners and SAQ.
- There are countries, areas, and regions, which have higher risks of human rights abuse. We realise that human right abuses are also more likely to occur in the supply chain. We have set priorities to audit suppliers located in high-risk regions and suppliers involved in new sourcing cases.
- Human rights audit strategy that outlines criteria and strategy regarding human rights compliance audits. We promote IRMA audits at mines sites, RMI ESG audits at smelter and refiner level and Validated Assessment program (VAP) from RBA on downstream actors. We also accept other standards such as ASI for aluminum supply chains and Copper Mark for copper and nickel supply chains.
- Human Rights Audits conducted as we strive for our suppliers in high-risk regions to have third-party onsite human rights. We track progress on audits CAPs ("Corrective Action Plan's").

- Human Rights audit conducted upstream in the traced supply chain of our car programs to ensure continuous ESG performance by monitoring and implementing corrective action plans.
- Better Mining program implementation in the ASM sector and quarterly performance updates.
- Annual Conflict Mineral Campaign as per OECD due diligence guidance for responsible supply chains of minerals from conflict-affected and high-risk areas.

### Inclusive Customer Experience

The Inclusive Customer Experience Strategic Initiative is meant to ensure that all customers, regardless of their background or identity, have a positive and equitable experience when interacting with Polestar. The goal of the initiative is to create a culture of inclusiveness within the organization and to eliminate barriers that may prevent certain groups of customers from fully engaging with the company's products or services.

The aim of this initiative is to understand, communicate with, and serve diverse customers by assessing demographics, accessibility, training, and customer feedback. We continuously monitor the experience across the shopping and ownership journey through several different metrics, with a focus on net promoter score.

- Customer surveys track NPS, Net Promoter Score and OSAT, Overall Satisfaction Score.

## Collaborations to drive change

We recognise that we can have an even greater impact if we inspire and collaborate with others to drive change. Fundamentally changing the ingrained inequalities in society and tackling human rights violations requires multilateral collective action and we therefore seek out joint efforts together with peers, business partners, governments, and non-governmental organizations.

- Drive Sustainability

The Drive Sustainability partnership aims to increase sustainability across the automotive supply chain, by promoting a common approach within the industry while integrating sustainability into the overall procurement process. The goal is two-fold: ensure that all people involved in making vehicles or components, or providing services, are afforded dignity and respect at work, while minimising the environmental impact of their industry.

- RBA, Responsible Business Alliance

As an Affiliate Member, we support the RBA in driving sustainable value for workers, the environment and business across the global supply chain; and collaborate with members, suppliers and stakeholders to improve working and environmental conditions through leading standards and practices. We're committed to aligning our own operations with the provisions of the RBA Code of Conduct, and we encourage tier-one suppliers to do the same.

- RMI, Responsible Minerals Initiative

We work with the Responsible Minerals Initiative (RMI) to support the responsible sourcing of minerals. In providing companies with the necessary tools and resources to improve compliance, RMI's vision is that mineral supply chains contribute positively to social economic development globally. The Initiative serves as an umbrella organisation for the voice of progressive industry to support mineral sourcing best practice, convening stakeholders to continually shape dialogue.

- RLI, Responsible Labour Initiative

We work with the RBA's Responsible Labor Initiative (RLI), a multi-industry initiative focused on ensuring that the rights of workers vulnerable to forced labor in global supply chains are consistently respected and promoted. To accelerate change, due diligence must be harmonised across multiple industries that share recruitment supply chains, driving labor market transformation through collective action.

- IRMA, Initiative for Responsible Mining Assurance

IRMA supports a practical vision for the mining industry that upholds human rights and respects the aspirations of affected communities. Through independent, third-party audits of mines around the world using its Standard for Responsible Mining, IRMA promotes safe, healthy workplaces, minimizing environmental harm, and leaving positive legacies. Rigorous IRMA audits require publicly noticed on-site visits and broad stakeholder engagement including affected communities. Investors and buyers who encourage mining

companies to engage in IRMA's independent third-party assessment and transparent sharing of results, support responsible sourcing mining.

- Assent

Assent helps trace high-risk conflict minerals such as 3TG (tin, tantalum, tungsten and gold), used in small volumes by many of our suppliers. We can then assess how many smelters conform with the Responsible Minerals Assurance Process (RMAP) and help stem trade with potential links to armed conflict or human rights abuses.

- Better Mining Program

Better Mining works on ASM (Artisanal and small-scale mining sites) to directly improve working conditions. Embedding safer and more equitable conditions across a very complex portion of the global mining sector is key and we appreciate working in initiatives such as Better Mining that includes many different stakeholders to identify the risk and work with mitigation actions. These sites are not directly linked to Polestar's supply chain.

### 3.4. How we track and monitor Inclusion

To secure that we effectively drive human rights, diversity, equality and inclusion throughout our value chain, we use different methods and tools to track and monitor progress within our strategic initiatives for Inclusion:

- Workday data to manage employee status and performance reviews
- Peakon system to track employee satisfaction and engagement.
- Suppliers' management files to track and manage status of suppliers.
- RBA Audits and CAP status in RBA platform to manage audits, potential findings and connected corrective action plans.
- Other audit reports and CAP managed in PDF files compiled in supplier management files.
- NQC's platform to track and manage SAQ.
- Assent for managing conflict mineral campaign and supplier data with regards to due diligence on conflict minerals.
- Position Green to manage sustainability reporting.
- LMS to manage competence development and training.
- Other training courses by RBA and Drive Sustainability platform to provide supply chain courses and training.
- Customer surveys to collect customers insights.

### 3.5. How we report and communicate on Inclusion

We commit to transparent communication and reporting about our efforts and progress on Inclusion. We work to secure that our stakeholders, both internal and external, are informed through:

Internal channels:

- Sustainability updates for Global Management Team and Board members including progress on our inclusion initiatives at least two times a year.
- Polestar intranet and townhalls, where we share news and updates regarding Inclusion.
- Trainings, where we upskill and educate coworkers as we progress and learn more about Inclusion.
- Polestar LGTBQ+ network, where we share news and updates around Inclusion.
- Dashboard tracking, where we share development on our Inclusion KPIs to management and other internal stakeholders.

External channels:

- annual Sustainability Report, where we report on the year's status and progress on our material topics and Inclusion Initiatives.
- annual Modern Slavery Statement, where we report the year's status and progress on modern slavery.



- annual Conflict Mineral Report, where we report the year’s status and progress on conflict minerals.
- Polestar.com, customer newsletters, social media and other customer-facing communication, where we describe our work on inclusion as it relates to our brand and products.

### 3.6. How we provide for or cooperate in remediation of social adverse impacts

If Polestar identifies that it has caused or contributed to adverse impacts, the Company will take responsibility by either directly providing remediation or working with others to resolve it through legitimate processes.

Polestar has established grievance mechanisms whereby employees, suppliers, and others outside Polestar can report grievances, suspected violations, or other concerns. Suppliers and other external stakeholders outside of Polestar can direct such reports via the whistleblowing channel SpeakUp. Polestar’s mechanisms and processes guarantees anonymity and complies with the European Union’s Whistleblower Directive (Directive (EU) 2019/1937).

For more details on Polestar's whistleblowing channel Speak up, please refer to the SpeakUp Policy.

We also support the grievance mechanisms of the Responsible Business Alliance (RBA), Responsible Minerals Initiative (RMI) and International Responsible Mining Associations (IRMA), which are provided to workers as part of their audit programs.

## Appendix 1: Our human rights statement

### Non-discrimination and equal opportunities

All employees must be treated with respect, dignity and common courtesy. There must be no form of discrimination based on gender, ethnicity, religion, age, disability, sexual orientation, nationality, political opinion, union affiliation, social background or other characteristics protected by applicable law.

All employees have the right to equal opportunities based on competence, experience and performance. This applies not only to recruitment, but also to all decisions relating to training, promotion, continued employment and working conditions in general, as well as our relationships with suppliers, customers, business partners and other third parties. Disrespectful behaviour at work, such as bullying or unwanted verbal or physical conduct, sexual or otherwise, is not permitted.

Gender equality is a human right and is precondition for advancing development and reducing poverty and is fundamental an aspiration that benefits all of society, including girls and women.

- Aligned with UDHR Articles: 2, 7, 18, 23,
- Aligned with the UN Convention on the Elimination of All Forms of Discrimination against Women
- Upholding ILO convention 100 and 111
- Supporting of United Nations Sustainable Development goals 10 Reduced inequalities, 5 Gender equality and 12 Responsible consumption and production.

### Child Labour and Young Workers

No child labour -Children shall be protected from any form of exploitation and work to prevent all forms of child labour. Under no circumstances should employment be offered to a person younger than 15 years of age (or 14, where the national law so allows) or younger than the country's legal minimum age, if higher than 15.

Special protection for young workers. Young persons must not do work at night, and they shall be protected against conditions of work which are prejudicial to their health, safety, morals and development. Working hours should not prejudice their attendance at school, their participation in vocational orientation approved by the competent authority or their capacity to benefit from training or instruction programs.

- Aligned with UDHR Articles: 4, 5, 25, 26.
- Upholding ILO convention 138, 182
- Supporting of United Nations Sustainable Development goals 8 Decent work and economic growth, 12 Responsible consumption and production.

## Forced Labour, Modern Slavery, and Human Trafficking

There must be no forced labour, regardless of its form. This prohibition includes debt bondage, trafficking and other forms of modern slavery.

Bonded labour is a common type of forced labour. Forced labour is any situation when the labourer is not free to leave the job. The reason can be debt. Bonded labour can be, for example, an employer or agent holding on to passport or identity papers, threatening with reporting to immigration, securing guards intimidating the workers to stay, sometimes even using violence. There must be no deposit, recruitment/agency fee and/ or training fee collected from workers. If fees are collected (permissible by local law), fees breakdown details should be provided to workers. Salary or identity documents must not be retained at any time either for direct and indirect hires. However, if local law requires, workers must be able to retrieve these documents within 12 hours and there should be written consent from the worker.

- Aligned with UDHR Articles:1, 2, 3, 4, 5, 13, 23.
- Upholding ILO convention 29 and its 2014 Protocol, 105
- Supporting of United Nations Sustainable Development goals 8 Decent work and economic growth, 12 Responsible consumption and production, with indirect impact on 10 Reduced inequalities, 1 No poverty, 2 Zero hunger

## Correct terms of employment

At Polestar we provide our employees with fair employment conditions that comply with statutory requirements.

Working conditions for employees must comply with all applicable legal requirements. In addition, each employee should have the right to receive written information, in a language that they can easily understand, specifying their terms of employment.

- Aligned with UDHR Articles: 23, 24.
- Supporting of United Nations Sustainable Development goals 8 Decent work and economic growth, 5 Gender equality, 12 Responsible consumption and production, with indirect impact on 10 Reduced inequalities, 1 No poverty, 2 Zero hunger, 16 Peace, justice and strong institutions

## Wages and benefits

Salaries and other benefits at Polestar shall always be commensurate with legal or industry standards and shall always be equal to or above the defined living wage.

A fair living wage is an income received for a standard work week by a worker in a particular place and should be sufficient to afford a decent standard of living for the worker and her or his family. Elements of a decent standard of living include food, water, housing, education, health care, transportation, clothing, and other essential needs including provision for unexpected events

We play an important role in empowering workers and improving livelihoods to contribute to the socio-economic development of countries where we produce. We expect, require and collaborate with our Business Partners to pay employees wages and benefits that meet or exceed the legal minimum standards, collective bargaining agreements or appropriate prevailing industry standards, whichever is higher. Deductions are accepted only in accordance with applicable law, regulations and collective bargaining agreements. Deductions from wages as a disciplinary measure shall not be permitted.

Information about wages and benefits must be available to all employees, in a language that they can understand, timely and in accordance with applicable laws. Polestar recommends its Business Partners provide their employees with total compensation that is adequate to cover basic needs and provide a decent standard of living. Business partners are also recommended to systematically strive to ensure fair wages.

We promote effective wage management systems that classify jobs according to skill level, to help pay workers according to their competence and ensure the right to equal pay, without any discrimination.

- Aligned with UDHR Articles: 23, 24, 25.
- Upholding ILO Conventions 131 and 183, ILO Recommendation 135.
- Supporting of United Nations Sustainable Development goals 8 Decent work and economic growth, 5 Gender Equality, 12 Responsible consumption and production, with indirect impact 10 Reduced inequalities, 1 No poverty, 2 Zero hunger, 3 Good health and well-being.

### Decent working hours

Applicable legislation regarding working hours (including but not limited to overtime and overtime compensation) and rest rules must be followed. Overtime must be done voluntarily and paid according to the law. Workers cannot be penalized for refusing overtime work- No one can be required to work overtime.

For working hours, we look for specific reference to a maximum of 8 hours per day or 48 hours per week.

- Aligned with UDHR Articles: 24.
- Upholding ILO conventions 1 and 30.
- Supporting of United Nations Sustainable Development goals 8 Decent work and economic growth, 12 Responsible consumption and production, with indirect impact to 3 Good health and well-being.

### The right of freedom of association and collective bargaining

Freedom to associate and to bargain collectively are fundamental rights. Bargaining collectively can strengthen weak voices and reduce poverty and social disadvantages.

Workers must have the right to communicate their concern with the fear of discrimination, reprisal, intimidation or harassment

Employees must have the right to form and join unions (or other associations) of their own choice and negotiate labour agreements collectively, as well as the right not to do so.

Correctly managed worker committees are steps to improve the climate in labour-management relations, especially in those countries without an adequate institutional and legal framework for recognizing trade unions and for collective bargaining.

- Aligned with UDHR Articles: 1, 2, 20, 23.
- Upholding ILO conventions 87 and 98
- Supporting of United Nations Sustainable Development goals 8 Decent work and economic growth, 12 Responsible consumption and production, 16 Peace, justice and strong institutions with indirect impact to 1 No poverty, 10 Reduced inequalities

#### Securing occupational health and safety

All employees must have a right to a healthy, safe and secure work environment, regardless of geographic location. Ensuring safe workplaces, by establishing proper processes and routines is necessary and crucial for mitigating risks that meet, and preferably exceed, applicable standards and legal requirements.

- Aligned with UDHR Article: 3.
- Upholding ILO conventions 155 and 187
- Supporting of United Nations Sustainable Development goals 8 Decent work and economic growth, 3 Good health and well-being, 12 Responsible consumption and production.

#### Affected Communities & Indigenous Rights

Communities' economic, social and cultural rights as well as their civil and political rights must be considered and respected. The Rights of Indigenous Peoples and the principle of FPIC (Free Prior and Informed Consent) must be respected

Companies, like Polestar and its business partners as well as the facilities down the value chains should assess its material impact on affected communities. If affecting directly or indirectly affecting communities', companies must set strategies to mitigate negative impact and safeguard Indigenous People's Rights, uncontacted tribes and Ethnic Minorities Rights as well as other affected communities.

- Aligned with UDHR Article: 27, the United Nations Declaration on the Rights of Indigenous Peoples Articles 19 and 32,
- Upholding ILO Convention No. 169 on Indigenous and Tribal Peoples, and other internationally recognized principles on the rights of minorities and indigenous people.

- Supporting of United Nations Sustainable Development goals 10 Reduced inequalities, 12 Responsible consumption and production, 17 Partnerships for the goals

### Children's rights

Decent work is integral to children's rights and if workers and communities are not supported, households will be affected. In addition, adaptation and mitigation of climate change will impact children as water scarcity, climate change leading to heavier rainfall and extreme floods will have indirect impact on children and their families. Purchasing, pricing and employment practices might affect workers and communities in our value chains and operations. Our business model, product development, and the extent we use our leverage with partners and suppliers can negatively affect children. [Polestar Procurement Policy](#) set out the principles for how products and services are purchased by Polestar and to ensure efficient and effective procurement in line with Polestar's corporate values, strategies and ethical practices.

No child labour is permitted and when seeking to tackle systemic or highly complex issues, such as child labour eradication, a multi-sectoral approach is necessary to create sustainable change and build resilience for communities. Therefore, seek out joint efforts together with peers, business partners, governments, and non-governmental organizations as described under chapter 3.3.