EU Taxonomy voluntary report

2025

Reporting in accordance with the EU Taxonomy Regulation

Polestar's 2025 EU Taxonomy disclosures have been prepared in accordance with the Omnibus Simplification Act (EU) 2026/73 and the EU Taxonomy Regulation (2020/852).

To help direct capital toward more sustainable businesses, the EU Taxonomy establishes a classification system for identifying economic activities that contribute to environmental objectives. The Taxonomy defines sustainable economic activities in relation to six environmental objectives:

- Climate Change Mitigation (CCM)
- Climate Change Adaptation (CCA)
- The sustainable use and protection of Water and Marine Resources (WTR)
- The transition to a Circular Economy (CE)
- Pollution Prevention and Control (PPC)
- The protection and restoration of biodiversity and ecosystems (BIO)

A Taxonomy eligible activity refers to an economic activity described in the Delegated Acts, regardless of whether it meets the technical screening criteria (TSC). To be Taxonomy aligned, an activity must substantially contribute (SC) to at least one environmental objective, meet the Do No Significant Harm (DNSH) criteria, and comply with the minimum safeguards at organisation level.

For FY2025, companies in scope of the EU Taxonomy Regulation must report on eligibility and alignment across all environmental objectives.

Polestar and the EU Taxonomy

Polestar is not yet formally in scope of the EU Taxonomy Regulation. However, we support its purpose and have voluntarily reported against the framework since FY2021, as part of our commitment to transparent and high-quality sustainability reporting.

Our business activities in FY2025 contribute to the environmental objective climate change mitigation. Based on the Climate Delegated Act and the Environmental Delegated Act, we have identified the following economic activities as eligible in FY2025:

Polestar's vehicles are manufactured by its strategic contract manufacturing partners, Volvo Cars AB (hereinafter "Volvo Cars") and Zhejiang Geely Holding Group Company Limited (hereinafter "Geely"). Volvo Cars produces the Polestar 2 and Polestar 3, while Geely produces the Polestar 4 and Polestar 5*. Polestar retains ownership of the product specifications, and therefore, revenue from vehicle production and spare parts sales is considered reportable.

Environmental objective	Economic activity	Description	Materiality
Climate Change Mitigation (CCM)	3.3. Manufacture of low carbon technologies for transport	Design and sale of Battery Electric Vehicles (BEVs)	Material
Climate Change Mitigation (CCM)	3.18 Manufacture of automotive and mobility components	Sale of software and performance-engineered kits for Battery Electric Vehicles (BEVs)	Immaterial
Climate Change Mitigation (CCM)	6.5. Transport by motorbikes, passenger cars and light commercial vehicles	Operating lease arrangements of vehicles sold with a repurchase obligation	Immaterial

*The start of production for Polestar 5 is planned for 2026. Investments related to Polestar 5 program have been reported within eligible CapEx for FY2025. Since the start of production for Polestar 5 is planned for 2026 and there were not any commercial sale production activities during the reporting period; a detailed assessment of Polestar 5 against the Do No Significant Harm (DNSH) criteria was not performed. An assessment of the DNSH criteria will be conducted for FY2026.

Accounting policies

The Key Performance Indicators (KPIs) have been determined in accordance with the Disclosures Delegated Act and the Amended Delegated Climate Act (EU 2023/2485) issued under the EU Taxonomy. A 10% cumulative threshold has been applied to identify material activities. Where an economic activity contributes to multiple environmental objectives, measures are taken to ensure that no double counting occurs. Depreciation and amortisation are excluded from operating expenditure calculations to maintain consistency.

For FY2025, we have used the updated Taxonomy framework to identify material turnover, CapEx and OpEx. Activities that no longer meet the materiality threshold are therefore not included in the individual KPI tables presented. For more details, refer Appendix A, B, C and D. All Polestar models, Polestar 2, Polestar 3, Polestar 4 and Polestar 5, are included in our assessment of eligible activities and financial KPI calculations.

Turnover

In calculating the proportion of eligible turnover, we have used total turnover of Polestar Automotive Holdings UK PLC as the denominator (see Note 4 to the consolidated financial statements). Eligible turnover has been allocated to CCM 3.3 based on revenue from the sale of vehicles, including spare parts included in the purchase price.
Eligible turnover has also been allocated to CCM 3.18 for software sales and performance engineered kits excluded from the vehicle purchase price, and to CCM 6.5 for revenue from vehicle leasing.

For FY2025, Polestar does not report Taxonomy alignment for any of the economic activities, and therefore no turnover is allocated to the alignment KPI.

See the turnover KPI table on page 7.

Capital expenditure (CapEx)

The denominator of the capital expenditure (CapEx) KPI consists of additions to right-of-use assets (Note 10 to the consolidated financial statements), intangible assets (Note 15 to the consolidated financial statements), and property, plant and equipment (Note 16 to the consolidated financial statements) before depreciation, amortisation, and any remeasurements, including revaluations, impairments and changes in fair value.

Goodwill is not included as it is not defined as an intangible asset according to the EU Taxonomy definition.
In FY2025 it has not been possible to separate specific investments related to CCM 3.18 and CCM 6.5. As a result, all eligible CapEx has been allocated to CCM 3.3.
Polestar reports not aligned CapEx for FY2025. See the CapEx KPI table on page 8.

Operating expenditure (OpEx)

The denominator of the operating expenditure (OpEx) KPI includes non-capitalised costs relating to research and development, short-term leases, and maintenance and repair.

As with CapEx, FY2025 OpEx could not be disaggregated for CCM 3.18 and CCM 6.5 and is therefore fully allocated to CCM 3.3.

Polestar reports no Taxonomy aligned OpEx for FY2025. See the OpEx KPI table on page 9.

Substantial contribution: Climate change mitigation

Assessment of alignment for the economic activity CCM 3.3 - Manufacture of low carbon technologies for transport

CCM 3.3: We assessed alignment with the substantial contribution criteria by determining whether our vehicles meet the required specific emissions thresholds ('tailpipe emissions') of below 50 g CO_2/km until 31 December 2025, and 0 g CO_2/km from 1 January 2026. Polestar 2, Polestar 3, Polestar 4, and Polestar 5 all meet the 0 g CO_2/km requirement, and we therefore conclude that the activity and all vehicles meet the substantial contribution criteria for climate change mitigation.

For the sale of our vehicles, we depend on information from our manufacturing partners, particularly on production site characteristics and environmental performance. During 2025, Polestar 2, Polestar 3 and Polestar 4 were the only Polestar vehicles manufactured and sold, and our assessment of Do No Significant Harm (DNSH) criteria therefore focuses on these models.
We obtained relevant environmental and safety related information from Volvo Cars and Geely, enabling assessment of DNSH criteria for water, circularity, pollution, and biodiversity.
Read more about Polestar's climate risk assessment in the Climate Neutrality section (pages 61-80) in the Sustainability Report 2025.

Do No Significant Harm:

— Climate change adaptation
For climate change adaptation, we obtained physical climate risk assessments covering the production facilities that manufacture Polestar 2, Polestar 3 and Polestar 4. In parallel, Polestar conducts its own physical climate risk assessments across our direct operations.

Alignment with the climate adaptation criteria was assessed through screening for physical climate risks and evaluation of physical climate risk assessments covering short term (2026), medium-term (2027–2032), and long term (2032–2050) horizons. A climate risk and vulnerability assessment has been carried out to determine the materiality of identified physical risks on Polestar's business. However, adaptation measures to address these risks have not yet been fully assessed or implemented. Therefore, we conclude that we are not aligned with the climate change adaptation DNSH criteria.

— Water and biodiversity
Alignment with the water and biodiversity criteria was assessed using data collected from our manufacturing partners and our own environmental assessments. Based on evaluations conducted by Volvo Cars and Geely at the relevant production plants, we conclude that these facilities meet the requirements, and therefore Polestar meets the DNSH criteria for water and biodiversity for Polestar 2, Polestar 3 and Polestar 4.

— Circular economy
To meet circular economy DNSH requirements, the activity must assess and, where feasible, adopt measures that enable circularity, including reuse, secondary material use, circular design principles, recycling, and responsible handling of substances of concern.

We depend on documentation and confirmation from our manufacturing partners to understand material composition and traceability. Both Polestar and our manufacturing partners use the International Material Data System (IMDS) to track substances of concern in vehicle components and materials.

Based on the documentation reviewed, we conclude that Polestar 2, Polestar 3 and Polestar 4 meet the DNSH criteria for circular economy.

— Pollution
Polestar assessed pollution-related DNSH criteria by evaluating the presence and use of substances of concern (SoC) and substances of very high concern (SVHC) as referenced in Appendix C of Annex I to the Climate Delegated Act.

Polestar does not manufacture or place SoC or SVHC on the market in their pure form. However, substances listed in Appendix C are used within the manufacturing processes of our vehicles and may be present in certain components.

Assessment was conducted by comparing Appendix C substances against information provided by our manufacturing partners. The updated Appendix C criteria were applied to this evaluation.

Under the EU Taxonomy, alignment may be demonstrated if no suitable alternatives exist and substances are used under controlled conditions. While such controls are applied by manufacturing partners, Polestar currently lacks the necessary evidence to fully assess compliance with all DNSH pollution requirements. Accordingly, the activity is assessed as not aligned with the DNSH pollution criteria for the reporting period.

Polestar remains committed to transparency and continuous improvement. We are actively engaging with our supply chain to identify and prioritize the phase-out of substances where suitable and feasible, supporting long-term Taxonomy alignment.

Minimum safeguards assessment

Alignment with the minimum safeguards is assessed at the organisational level. The minimum safeguards require companies to operate in accordance with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights (UNGPs). Polestar's assessment follows the indicators outlined in the Platform on Sustainable Finance's Final Report on Minimum Safeguards and references relevant human rights benchmarks. We also review the Principal Adverse Impact indicators referenced in the European Commission's guidance on the interpretation and implementation of the EU Taxonomy Regulation.

Human rights–related minimum safeguards
Our assessment concludes:

- Polestar has adequate human rights due diligence processes in place, consistent with the UN Guiding Principles on Businesses and Human Rights (UNGP) and OECD Guidelines.
- In FY2025, Polestar has not been found finally liable or in breach of labour law or human rights related matters covered under the minimum safeguards criteria.
- To the best of our knowledge, Polestar was not approached in FY2025 by stakeholder bodies integral to the UNGPs, including OECD National Contact Points and the Business & Human Rights Resource Centre (BHRRC). Polestar remains committed to engaging with such stakeholders where appropriate.

Anti corruption, taxation, and fair competition safeguards
Polestar has processes in place to prevent corruption and bribery. In FY2025 neither the company nor its senior management have been finally convicted of corruption related offences. Polestar considers tax governance and compliance essential elements of responsible business conduct and maintains adequate tax risk management and oversight processes. No violations of tax laws were identified for Polestar or its subsidiaries in FY2025.

Polestar also promotes awareness of competition law compliance across the organisation. Neither Polestar nor its senior management have been finally convicted of competition law infringements in FY2025.

Governance and diversity considerations
Polestar operates in alignment with the OECD and UNGP frameworks. Diversity considerations form part of Board composition requirements as outlined in the Articles of Association and the Nominating & Governance Committee Charter. Polestar reports on its gender pay gap assessment and promotes equal pay for equal work. Based on this assessment, Polestar concludes that it meets the minimum safeguards criteria.

Results of the financial year 2025

Polestar's core activities are covered by economic activities included in the Climate and Environmental Delegated Acts and substantially contribute to climate change mitigation in FY2025. However, despite these contributions, Polestar does not currently meet all Do No Significant Harm (DNSH) criteria. As a result, Polestar reports 0% Taxonomy alignment for Turnover, CapEx, and OpEx in FY2025 (FY2024: 0%, 0%, 0%).

Looking ahead
To uphold our commitment to transparency, Polestar has voluntarily assessed the EU Taxonomy alignment for vehicles sold in FY2025, despite not being formally in scope of the regulation. We remain dedicated on strengthening our sustainability strategy, particularly in relation to chemical management and the phase out of substances where suitable and feasible alternatives exist. Achieving future Taxonomy alignment will continue to rely on close collaboration with our manufacturing partners and business partners, as well as proactive engagement across the supply chain to support improved data availability and more robust chemical management practices.

In parallel, we are enhancing our due diligence processes in line with the evolving regulatory landscape. We continue to monitor new Delegated Acts and evolving guidance from the European Commission to ensure our approach remains consistent with the maturing interpretation of the EU Taxonomy.

Looking ahead, we will continue to focus on improving data availability, traceability, and chemical management practices across our value chain to enable stronger EU Taxonomy alignment over time.

Appendix

Financial year (N)	2025

Appendix A:
Proportion of turnover, CapEx, OpEx from products or services associated with Taxonomy-eligible or Taxonomy-aligned economic activities – disclosure covering year (2025) (summary KPIs).

					Breakdown by environmental objectives of Taxonomy-aligned activities										
KPI	Total	Proportion of Taxonomy-eligible activities	Taxonomy-aligned activities	Proportion of Taxonomy-aligned activities	Climate Change Mitigation	Climate Change Adaptation	Water	Circular Economy	Pollution	Biodiversity	Proportion of enabling activities	Proportion of transitional activities	Not assessed activities considered non-material	Taxonomy-aligned activities in previous financial year (N-1)	Proportion of Taxonomy-aligned activities in previous financial year (N-1)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
	USDm	%	USDm	%	%	%	%	%	%	%	%	%	%	USDm	%
Turnover	3 058,1	92,5%	-	-	-	-	-	-	-	-	-	-	0,7%	-	-
CapEx	456,4	68,0%	-	-	-	-	-	-	-	-	-	-		-	-
OpEx	35,8	97,6%	-	-	-	-	-	-	-	-	-	-		-	-

The eligible turnover of 0.7% relates to activities CCM 3.18 and CCM 6.5, which have been assessed as non-material for 2025 and are therefore disclosed only as aggregated non-material eligible activities. These activities are not included in the detailed reporting tables but remain part of the total eligible turnover.

Appendix

Reported Turnover USD m	3 058,1
Financial year (N)	2025

Appendix B:
Proportion of turnover from products or services associated with Taxonomy-eligible or Taxonomy-aligned economic activities – disclosure covering year (2025) (activity breakdown).

Economic Activities	Code	Taxonomy-eligible KPI (Proportion of Taxonomy-eligible Turnover)	Taxonomy-aligned KPI (monetary value of Turnover)	Taxonomy-aligned KPI (Proportion of Taxonomy-aligned Turnover)	Breakdown by environmental objectives of Taxonomy-aligned activities	Climate Change Adaptation	Water	Circular Economy	Pollution	Biodiversity	Proportion of enabling activities	Proportion of transitional activities	Not assessed activities considered non-material
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
		%	USD m	%	%	%	%	%	%	%	(E where applicable)	(T where applicable)	%
Manufacture of low carbon technologies for transport	CCM 3.3	91,7%	-	-	-	-	-	-	-	-	E		-
Sum of alignment per objective					-	-	-	-	-	-			
Total Turnover		92,5%	-	-	-	-	-	-	-	-	-	-	-

Appendix

Reported CapEx USD m	456,4
Financial year (N)	2025

Appendix C:
Proportion of CapEx from products or services associated with Taxonomy-eligible or Taxonomy-aligned economic activities – disclosure covering year (2025) (activity breakdown).

					Environmental objective of Taxonomy-aligned activities								
Economic Activities	Code	Taxonomy-eligible KPI (Proportion of Taxonomy-eligible CapEx)	Taxonomy-aligned KPI (monetary value of CapEx)	Taxonomy-aligned KPI (Proportion of Taxonomy-aligned CapEx)	Climate Change Mitigation	Climate Change Adaptation	Water	Circular Economy	Pollution	Biodiversity	Enabling activity	Transitional activity	Proportion of Taxonomy-aligned in Taxonomy-eligible
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
		%	USD m	%	%	%	%	%	%	%	(E where appli-cable)	(T where appli-cable)	%
Manufacture of low carbon technologies for transport	CCM 3.3	68,0%	-	-	-	-	-	-	-	-	E		-
Sum of alignment per objective					-	-	-	-	-	-			
Total CapEx		68,0%	-	-	-	-	-	-	-	-	-	-	-

Appendix

Reported OpEx USD m	35,8
Financial year (N)	2025

Appendix D:
Proportion of OpEx from products or services associated with Taxonomy-eligible or Taxonomy-aligned economic activities – disclosure covering year (2025) (activity breakdown).

					Environmental objective of Taxonomy-aligned activities								
Economic Activities	Code	Taxonomy-eligible KPI (Proportion of Taxonomy-eligible OpEx)	Taxonomy-aligned KPI (monetary value of OpEx)	Taxonomy-aligned KPI (Proportion of Taxonomy-aligned OpEx)	Climate Change Mitigation	Climate Change Adaptation	Water	Circular Economy	Pollution	Biodiversity	Enabling activity	Transitional activity	Proportion of Taxonomy-aligned in Taxonomy-eligible
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
		%	USD m	%	%	%	%	%	%	%	(E where applicable)	(T where applicable)	%
Manufacture of low carbon technologies for transport	CCM 3.3	97,6%	-	-	-	-	-	-	-	-	E		-
Sum of alignment per objective					-	-	-	-	-	-			
Total OpEx		97,6%	-	-	-	-	-	-	-	-	-	-	-

Do you have questions or comments?
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