

Statement

Circularity

This Statement is an externally disclosed version of Polestar's internal Circularity Directive. It reproduces the Directive while excluding internal instructions and operational details intended for employees.

Type	External statement derived from Polestar’s Circularity Directive	
Scope	Global (Polestar Automotive Holding UK PLC and all subsidiaries)	
Owner	Sustainability Team	
Version	1	Effective date 2026-09-01
Approved by	Executive Committee 2026-08-24	Last revision 2026-08-24

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1 Introduction and Purpose

This Statement outlines how Polestar operationalises its Sustainability Policy within the focus area of Circularity. It covers how Polestar manages resources, supports a circular economy, reduces pollution and the use of hazardous chemicals, and protects water and biodiversity. It states Polestar's commitments, principles, and approach to identifying and assessing impacts and opportunities related to circularity; taking action to cease, prevent, mitigate, and remediate those impacts, tracking and monitoring the effectiveness of actions, and communicating and reporting transparently on progress.

2 Acknowledgement and commitments

Polestar acknowledges that the world is facing a triple planetary crisis; climate change, biodiversity loss, and widespread pollution. These interconnected challenges are accelerating and require urgent, system-level action from all industries – including the automotive sector.

2.1 The circular opportunity in electric mobility

Electric mobility has the potential to support the circular economy. Unlike fossil-fuel vehicles, battery electric vehicles contain materials that can, in principle, remain in productive use through multiple value cycles. Batteries can be repaired, refurbished, repurposed for second-life applications, and ultimately recycled to recover critical materials for future products. This creates opportunities to reduce dependence on virgin resource extraction and establish more circular material flows within the automotive sector. Electric cars usher in a new era for our industry: one where resources stay in use and we strive for abundance instead of depletion.

The battery value chain represents a significant circular opportunity available to our industry. Critical materials such as lithium, nickel, cobalt, graphite, and rare earth elements retain substantial value beyond the first vehicle life cycle. By enabling higher rates of reuse, remanufacturing, repurposing, and material recovery, circular approaches can help reduce environmental impacts while strengthening resource security and supply chain resilience.

The transition to circular battery value chains also creates opportunities to generate business value. Extending the useful life of batteries and recovering critical materials can help reduce material costs, improve resource availability, create new revenue streams, and support the development of future circular business models. At the same time, it can deliver value to customers, suppliers, investors, and society by reducing waste, lowering reliance on finite resources, and increasing the resilience of the electric mobility ecosystem.

Electric vehicles therefore represent more than a shift from fossil fuels to renewable energy. They create the possibility of an automotive system in which products,

components, and materials remain in use for longer and are recirculated into new products and value chains.

2.2 Our value chain responsibility

While electric mobility is essential for the transition to a climate-neutral society, we recognise that our battery electric vehicles create significant environmental and social impacts throughout their lifecycle, including impacts on biodiversity, natural resources, and communities across global value chains.

This understanding reinforces our responsibility to reduce our material footprint, halt pollution and phase out the most hazardous chemicals, advance circularity, and contribute to the protection and restoration of nature.

We recognise that the majority of our impact is linked to raw material extraction and material processing. For this reason, our actions span the entire value chain, from mining and refining to manufacturing, use phase, and end-of-life treatment. While many initiatives are already underway, we are committed to expanding and strengthening action plans that not only mitigate negative impacts but also contribute to positive outcomes wherever feasible.

2.3 Our commitments

Our overarching goal is to manufacture vehicles with reduced reliance on virgin materials, phase out harmful chemicals, extended product lifespans, and ultimately contribute to a positive impact on nature. To achieve this, we apply a full spectrum of circularity strategies — from design and engineering to manufacturing, logistics, and end-of-life recovery. We work to secure environmental due diligence across our supply chain, and foster collaborations and pilot projects where they can generate meaningful change and positive outcomes. We challenge assumptions and engage stakeholders across our value chain, encouraging and supporting them to adopt circular practices and high environmental standards. We identify barriers and bottlenecks and work collectively to overcome them through innovation, competence, and creativity — all with the goal of minimising our material footprint.

We are committed to align our actions and decision-making with the biodiversity mitigation hierarchy, prioritising the avoidance of negative impacts, followed by minimisation and restoration where impacts cannot be fully avoided. We do not use biodiversity offsets today. We seek to become nature-positive through avoidance, minimisation, restoration and regenerative actions across our value chain rather than through biodiversity offsets.

Our approach is informed by leading global frameworks such as the Global Circularity Protocol, and we integrate nature-related guidance from the Taskforce on Nature-Related Financial Disclosures (TNFD) and the Science Based Targets Network (SBTN) as we strengthen our methodologies for assessing and managing impacts across circularity.

2.4 Overall objectives, targets and Key Performance Indicators (KPIs)

We continuously work to increase our circularity performance and commit to the targets below. More details can be found under chapter 4.3 How we take action on Circularity.

Area	Target	KPI
Resource use	25% average circular material ¹ content across Polestar's vehicle fleet by 2030 ²	% circular inflow
	35% circular material content in newly introduced vehicle models by 2030 ³	% circular inflow
	Zero waste to landfill by 2030 ⁴	mass of waste to landfill
Pollution	Phase out the use of PFAS ⁵ and Substances of Very High Concern ⁶ in Polestar operations and products	number and mass of PFAS and SVHC

3 Polestar's approach to Due Diligence

Polestar's commitments and acknowledgements are operationalised through the process of social and environmental due diligence. This section describes Polestar's approach to due diligence and how we work to mitigate our impacts.

3.1 How we embed responsible business conduct

Circularity is embedded in the governance and management system of our company through:

Governance and accountability

The responsibility for circularity and environmental due diligence is clearly assigned in line with our governance structure, with oversight by the Board of Directors, as part of its oversight of the Sustainability strategy, and accountability at CEO and Executive Committee level to ensure strategic direction and effective implementation.

Policies and commitments

Our Sustainability Policy recognises circularity, pollution including hazardous chemicals, water risks, biodiversity loss and environmental due diligence as material risks and

¹ Circular materials are defined as materials that originate from secondary or renewable sources, e.g. recycled or biobased. Polestar's definition of recycled material is aligned with ISO 14021.

² Covering all vehicles sold during the year, measured by weight. This target does not include product packaging or materials used during the manufacturing process that are not included in the final product.

³ Covers new car models released in 2030, and beyond, and is measured by weight.

⁴ Across Polestar operations and at manufacturing facilities producing Polestar vehicles. Covering all waste streams directly connected to the manufacturing of Polestar vehicles at manufacturing facilities, and all waste generated in Polestar operations.

⁵ Substances that contain at least one fully fluorinated methyl group (-CF₃) or fully fluorinated methylene group (-CF₂-) without any hydrogen, chlorine, bromine, or iodine atom attached to it.

⁶ EU Candidate List substances according to REACH Article 57.

opportunities for Polestar. The policy sets out the commitments, principles, and processes through which these topics are addressed within our sustainability strategy.

Resources and implementation

We ensure that appropriate organisational resources, competencies, and budgets are in place to deliver on our strategies, action plans, and due diligence efforts within circularity.

Responsible business conduct in the value chain

The Code of Conduct for Business Partners and the Procurement Policy define the principles and requirements that all business partners, including suppliers and subcontractors, are expected to comply with. These Corporate Policies form a key part of Polestar's environmental due diligence in the value chain and cover issues related to pollution prevention, hazardous substances, water stewardship, biodiversity impacts, resource use, circular economy and waste prevention.

Employee conduct and culture, training and capacity building

Polestar's Code of Conduct guides and supports our daily activities and operations by promoting environmental stewardship, transparent communication, and responsible decision-making.

We support all Employees at Polestar through training, education, guidance, and practical tools that enable them to integrate circularity and environmental considerations into their roles, supported by our governance and management systems.

Risk prevention and hazard reduction in the workplace

The Occupational Health, Safety and Wellbeing Directive outlines Polestar's processes to eliminate hazards and reduce risks in the workplace, including the substitution of hazardous materials, thereby supporting pollution prevention and safer chemicals.

3.2 Identifying and assessing circularity impact

We conduct environmental impact assessments to identify, assess, and prioritise actual and potential impacts, risks, and opportunities related to circularity. We apply a combination of quantitative and qualitative evaluations and tools to assess impacts across our value chain and to inform risk management, strategic decision-making, and action plans.

3.2.1 Double Materiality Assessment

Polestar's sustainability strategy and environmental due diligence processes start with the Double Materiality Assessment (DMA), which serves as the primary tool for identifying and assessing circularity-related impacts, risks, and opportunities across our value chain.

The DMA is reviewed annually to identify sustainability topics that are material from both an impact perspective, reflecting Polestar's actual and potential impacts on the environment and society, and a financial perspective, reflecting risks and opportunities that may affect financial performance, position, or future development. Aligned with the European Sustainability Reporting Standards (ESRS), the DMA supports compliance with

the EU Corporate Sustainability Reporting Directive (CSRD) and other applicable legal and stakeholder requirements.

The DMA process enables Polestar to systematically:

- identify actual and potential circularity-related impacts, risks, and opportunities across the value chain;
- assess their severity, likelihood, and significance;
- and prioritise topics requiring action, mitigation, or opportunity development.

Both the DMA methodology and its results are described in Polestar's annual Sustainability Report.

The material topics identified through the DMA represent areas where Polestar has significant environmental impacts, exposure to risks, or opportunities to support a transition to a circular economy. These topics guide the development of action plans, targets, and performance monitoring. Material topics, related to circularity, include:

- Pollution of air, water, and soil
- Hazardous chemicals
- Plastics and microplastics
- Biodiversity loss and ecosystem services
- Water and marine resources
- Resource inflows, including resource use
- Resource outflows related to products and services
- Waste

For each material topic, Polestar identifies and assesses associated impacts, risks, and opportunities across the value chain and defines corresponding actions, targets, and key performance indicators. Progress and performance against these actions and targets are continuously monitored and disclosed in Polestar's annual Sustainability Report.

3.2.2 Risk material assessment

One of our key assessment tools is the annual Risk Material Assessment, which focuses on identifying risks and dependencies associated with the materials used in our vehicles. The Risk Material Assessment is based on insights and data from Material Insights, combined with relevant current and forthcoming legislation and regulation, forward-looking assessments of future business needs, and anticipated material demand linked to upcoming vehicle programs. Each material is evaluated using 24 criteria across four categories:

- human rights;
- supply chain resilience;
- governance;
- and environment.

The Risk Material Assessment enables us to identify materials associated with the highest circularity-related risks, as well as areas where improved material choices, design strategies, or supplier engagement are needed.

3.2.3 Complementary assessments and tools

In addition to the Risk Material Assessment, Polestar applies several other evaluations and analytical tools to assess environmental impacts, risks and opportunities related to circularity. These include:

- circularity studies assessing material flows and environmental impact across the value chain,
- annual circularity data collection,
- aspects and impacts assessments for Polestar's own operations,
- water risk and biodiversity assessments,
- IMDS⁷ to track materials and chemicals and data screen for hazardous chemicals,
- Self Assessment Questionnaire ("SAQ")⁸ to screen suppliers during supplier selections,
- market analysis to understand emerging circularity trends and business opportunities.

Together, these tools support a comprehensive understanding of Polestar's environmental footprint, risk exposure and emerging opportunities. Environmental impact assessment enables the prioritisation of actions to prevent, reduce, or mitigate negative impacts while identifying opportunities to advance Circular Economy. The results of these assessments inform the development of action plans, targets, and KPIs.

3.3 How we take action on Circularity

Based on guiding policies and objectives on circularity, insights from our Double Materiality Assessment (DMA), environmental impact assessments, and annual monitoring of circularity-related metrics, Polestar has established a Circularity Roadmap. The roadmap translates identified impacts, risks, and opportunities into strategic priorities, initiatives, goals, and targets.

As an asset-light company, Polestar advances circularity primarily through vehicle programme governance, product requirements, and collaboration with suppliers and manufacturing partners. Requirements are embedded into programme governance across the product lifecycle and assessed through established review and decision-making processes. Deviations require formal escalation and approval in accordance with Polestar's governance framework.

⁷ [International Material Data System](#)

⁸ [Self Assessment Questionnaires, developed by Drive Sustainability.](#)

Polestar drives circularity through two strategic initiatives: Circular Design and Circular Operations. Together, these initiatives guide action from material sourcing and component production to vehicle use, recovery, and material recirculation. Within our two strategic initiatives we set objectives⁹, targets¹⁰ and Key Performance Indicators (KPIs) to drive positive impact and measure the success of the two initiatives.

3.3.1 Circular Design

The strategic initiative Circular Design¹¹ focuses on our cars and the materials and components that go into them. It addresses circularity-related impacts, risks, and opportunities by:

- increasing the use of circular materials¹² across our vehicles and in packaging materials;
- reducing material and component complexity by promoting solutions that are modular, easy to disassemble and mono-material, particularly for plastics that are generally difficult to recycle;
- extending vehicle and component lifetimes, and enabling high-value recovery;
- prioritising materials and solutions with lower environmental impact across the value chain, and;
- phasing out hazardous chemicals.

Circular Design Principles

Polestar's Circular Design approach is guided by the Circular Economy R-Hierarchy (10R Framework), which prioritises strategies that retain the highest possible value of products, components, and materials for as long as possible.

Priority is given to approaches that avoid resource use, extend product life, and enable reuse, repair, refurbishment, and remanufacturing before recycling. Examples include promoting solutions that are modular, easy to disassemble and mono-material. Plastic materials are often difficult to recycle, and priority is therefore given to these materials to increase modularity and prioritise mono-material plastic solutions. We are also dedicated to increase the share of recycled and biobased plastics. Recycling remains an important means of recovering material value when higher-order circular strategies are not technically or commercially feasible. In collaboration with manufacturing partners and

⁹ Objectives are defined as our high-level ambitions. They provide direction, purpose and steer our actions.

¹⁰ Targets are quantifiable and time bound. They support progress within our objectives.

¹¹ Circular Design enables materials and products to be circulated according to the 10R hierarchy; examples include modular design and reduced material complexity. Circular Economy is enabled through Circular Design, also referred to as Eco Design.

¹² Circular materials are defined as materials that originate from secondary or renewable sources, e.g. recycled or biobased. Polestar's definition of recycled material is aligned with ISO 14021.

suppliers, these principles are considered throughout vehicle development and product evolution.

An important aspect of Circular Design is the progressive phase-out of hazardous chemicals, including Substances of Very High Concern (SVHCs) and per- and polyfluoroalkyl substances (PFAS). The presence of hazardous substances limit opportunities for reuse, refurbishment, remanufacturing, and recycling, and may reduce the quality and safety of recovered materials. By reducing reliance on these substances, Polestar aims to support cleaner material streams, improve material recovery, and enable greater circularity throughout the value chain.

This approach contributes to the long-term objective of creating products and material flows that are safe, resource-efficient, and compatible with a circular economy, as well as supports Polestar's ambition of becoming nature positive.

Circular Materials and Supply Chain Impact

Circular Design plays a key role in reducing nature-related impacts associated with material extraction and processing. Increasing the share of circular materials in our products helps reduce dependence on virgin raw materials and the associated environmental pressures, including resource depletion, water use, biodiversity loss, land-use change, and pollution.

Lifecycle assessment (LCA) and environmental impact assessment supports Circular Design by evaluating environmental impacts across the full product lifecycle and informing decisions related to materials, component design, and product architecture. Insights from analysis help identify environmental hotspots and support circular design that can reduce resource consumption, and other environmental impacts while maintaining safety, quality, and performance.

Through Circular Design, Polestar seeks to minimise material demand, increase material efficiency, extend component lifetimes, and enable higher-value recovery of products and materials. These measures help reduce the need for virgin material extraction and processing while supporting more circular material flows across the value chain. Polestar's long-term objective is to close material loops and to use circular materials supported by credible third-party verification and certification.

Focus on Batteries and Electric Drive Components

Batteries and electric motors represent a significant share of Polestar's environmental footprint and circularity opportunity. Previous lifecycle and impact assessments have identified battery materials and rare earth elements used in electric motors as key environmental hotspots due to their high demand for virgin raw materials and their

contribution to impacts such as resource depletion, biodiversity loss, land-use change, water use and pollution.

Improving the circularity of these materials is important to reduce dependency on primary resource extraction and mitigate associated environmental pressures. Polestar therefore places particular emphasis on advancing circular material solutions and circular design approaches for batteries, electric motors, and other resource-intensive materials and components. This includes increasing the use of recycled and recovered materials, enabling repair, refurbishment and material recovery in collaboration with suppliers, manufacturing partners and aftermarket partners.

Supporting circular aftermarket services and recovery

Design choices play an important role in enabling circular outcomes during the use phase. Polestar therefore seeks to support efficient maintenance, repair, refurbishment, and remanufacturing through considerations such as spare parts availability, access to repair and maintenance information, and compatibility with established recovery processes across markets. Further requirements related to repair, refurbishment, reuse, and recovery activities are addressed under Circular Operations.

Objectives and KPIs

Area	Objective	KPI
Resource use	Increase resource efficiency and inflow of circular materials	Total resource inflow (tonnes) ¹³ ; % Share of circular inflow ¹⁴ per car and material category ¹⁵ ; Share of direct material suppliers that have set reduction targets for waste generation (%)
	Increase recyclability and circular outflow	% circular outflow (share of recyclable content per car model) ¹⁶ ; expected battery lifetime (years and km)
Pollution	Phase out hazardous chemicals	Number of SVHC's and PFAS per car; Total amount of SVHC's put on market as part of products (tonnes)
	Reduce emissions of tyre wear particles	Methodology and KPI development ongoing
Biodiversity	Reduce negative impact on biodiversity and ecosystems	Methodology and KPI development ongoing
Water	Increase water efficiency and reduce water related risks	Share of direct material suppliers that have set reduction targets for water consumption (%)

3.3.2 Circular operations

Circular operations address efforts to reduce environmental impacts from Polestar's own operations as well as from the manufacturing sites that produce Polestar vehicles. This initiative focuses on improving resource efficiency and environmental performance throughout operational activities. It further includes actions to increase the circularity of our services during the use phase of our vehicles, as well as efforts to reduce packaging and packaging waste associated with our products.

Polestar operations and manufacturing facilities

Due to Polestar's asset-light business model, the environmental footprint of our own operations is relatively limited compared to the footprint associated with manufacturing

¹³ Covers all materials, and material categories, that make up our cars and packaging materials used to protect our cars during outbound logistics. Relevant material categories include, but are not limited to: steel and iron, aluminum, plastic/polymers, fluids and chemicals, battery active materials, copper, glass and ceramics, natural materials, electronics and inorganic fibers.

¹⁴ Circular inflow is defined as materials that originate from secondary or renewable sources, e.g. recycled or biobased. Polestar's definition of recycled material is aligned with ISO 14021.

¹⁵ Includes all materials present in our cars, and outbound logistics packaging materials (e.g. cardboard, plastics and composite packaging). Examples include, but are not limited to, steel and iron, aluminum, plastic, battery active materials and rare earth elements.

¹⁶ Calculated according to the requirements in the EU ELV Directive (2000/53/EC)

Polestar vehicles. In 2025, Polestar's own operations accounted for approximately 15%¹⁷ of total water consumption and 7%¹⁸ of total waste generation when compared with the combined footprint of Polestar operations and the manufacturing facilities producing Polestar vehicles. Nevertheless, we recognise the importance of continuous improvement both within our own operations and at the manufacturing sites producing Polestar vehicles.

Although Polestar does not own, manage, or lease any manufacturing facilities, we have a responsibility to ensure that the sites producing Polestar vehicles continuously improve their environmental performance. Circular operations therefore entail actions to improve resource efficiency and reducing environmental impacts related to waste generation, water consumption, emissions, pollution and biodiversity.

To support this ambition, Polestar establishes environmental requirements and performance expectations for manufacturing sites and its own operations. Polestar tracks and monitors key performance indicators, including waste generation, sorting and disposal of waste, water consumption, emissions, pollution, and biodiversity-related impacts, to identify improvement opportunities and support informed decision-making. Performance is regularly reviewed through established governance processes and collaboration with manufacturing partners.

To better understand and manage water-related risks, Polestar applies water risk assessments based on the World Resources Institute (WRI) Aqueduct Water Risk Atlas. These assessments help prioritise actions at manufacturing sites and operational locations situated in areas of high water stress. Water consumption and water intensity targets are included in agreements with manufacturing partners and are followed up annually. Insights from water risk assessments are used to inform future target-setting and improvement initiatives.

Polestar also works with manufacturing partners to monitor waste generation and resource efficiency, promote waste reduction, and increase material recovery where feasible. In addition, we assess and monitor potential impacts on biodiversity and surrounding ecosystems, with particular attention to sites operating in or near environmentally sensitive areas. Environmental performance data and impact assessments are used to support continuous improvement and risk management activities.

A key foundation for operational circularity is the implementation of robust environmental management systems, including ISO 14001, and compliance with applicable environmental regulations at global, regional, national, and local levels. Through ongoing collaboration

¹⁷ Total water consumption includes Polestar's part of the annual production volume for the manufacturing facilities of Polestar cars and Polestar's own operations (offices, workshops and R&D facilities). Water consumption further down the supply chain is not included.

¹⁸ Total waste generation includes Polestar's part of the annual production volume for the manufacturing facilities of Polestar cars and Polestar's own operations (offices, workshops and R&D facilities). Waste generation further down the supply chain is not included.

with manufacturing partners, Polestar seeks to strengthen environmental performance and support long-term circularity objectives across the value chain.

Use phase and end-of-life

During the use phase and at end-of-life, Circular Operations focuses on maximising value retention and enabling high-value circular flows for key components. Priority actions include extending the useful life of key components – such as high-voltage batteries – through expanded repair, refurbishment, and remanufacturing services, as well as developing partnerships for high-value recovery services and closed material loops at end-of-life. These efforts are supported by collaboration across the value chain to scale circular offerings and capture emerging business opportunities linked to circularity. Examples include Polestar's partnership with Volvo cars for product repair, service parts, maintenance and refurbishment/remanufacturing of parts.

In parallel, Polestar fulfils its Extended Producer Responsibility (EPR) obligations for vehicles and high-voltage batteries by partnering with Producer Responsibility Organisations (PRO's) and certified recycling partners across our markets. These collaborations ensure robust take-back systems and environmentally sound end-of-life treatment, in line with regulatory requirements and best practice.

Objectives and KPIs

Area	Objective	KPI
Resource use	Reduce waste and increase high-value recovery of waste streams	Mass of waste per waste fraction and recovery stream, Polestar operations and manufacturing sites (tonnes) ¹⁹ ; Share of recycled inbound logistics packaging ²⁰ (%)
	Increase resource efficiency	Material utilisation degree for inhouse stamped metal in manufacturing (%)
	Increase value retention of high voltage batteries	Expected battery lifetime (years and km)
Pollution	Phase out hazardous chemicals	Number and mass of SVHC's and SOC's used in manufacturing and Polestar operations;
Water	Increase water efficiency and reduce water related risks	Total water consumption and water consumption in areas at water risk, including areas of high water stress ²¹ , for manufacturing plants (m ³); Water intensity (m ³ /car); Total water consumption for Polestar operations (m ³)

¹⁹ Includes Polestar operations and manufacturing facilities producing Polestar vehicles. Covering all waste streams directly connected to the manufacturing of Polestar vehicles at manufacturing facilities, and all waste generated in Polestar operations.

²⁰ Covers inbound logistics packaging delivered to manufacturing facilities producing Polestar vehicles. Relevant material categories include, but are not limited to, cardboard, metal, plastic.

²¹ According to The World Resource Institute's (WRI) Water Risk Atlas tool "Aquaduct".

Biodiversity	Reduce negative impact on biodiversity and ecosystems	Manufacturing sites of Polestar vehicles in adjacent to Protected Areas or Key biodiversity areas ²² (number and hectares)
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3.3.3 Collaborations to drive change

Polestar recognises that many circularity-related challenges – such as hazardous chemicals, resource depletion, and biodiversity loss – are systemic in nature and cannot be addressed by individual companies acting alone. Collaboration with peers, civil society organisations, and multi-stakeholder initiatives is therefore an essential part of our approach to driving meaningful and scalable change. Through selected collaborations, we aim to:

- contribute to the development of best practices, standards, and guidance;
- strengthen collective action to prevent and mitigate adverse environmental impacts;
- advocate for science-based and precautionary approaches; and
- support transparency and accountability across value chains.

Partners and collaborations are carefully evaluated by the Global Sustainability team and relevant subject matter leads and approved in the appropriate management forums in accordance with Polestar’s governance process. Assessments consider alignment with Polestar’s policies and strategy, as well as the collaboration’s potential to drive harmonisation, transparency, and measurable impact. Examples of organisations that we collaborate with include:

- ChemSec Business Group
- WWF’s Business Coalition to Pause Deep Sea Mining
- Drive Sustainability
- RBA, Responsible Business Alliance
- RMI, Responsible Minerals Initiative
- E-mobility Europe

Through these collaborations we strengthen our ability to identify, prevent, mitigate, and address circularity-related impacts beyond our own operations. Insights gained from collaborative initiatives are looped back into our Circularity Roadmap and policy development, ensuring continuous improvement.

3.4 Tracking and monitoring our results on circularity

We track the implementation, efficiency, and outcomes of our circularity action plans as part of our ongoing environmental Due Diligence process. Monitoring and tracking enable us to assess whether our actions are delivering the intended results, to identify gaps, and to

²² According to the International Union for Conservation of Nature (IUCN) definition of Key Biodiversity Area or Protected Area.

inform continuous improvement. Our process to track and monitor also includes supplier performance related to circularity and environmental requirements. We collect and analyse data and insights from:

- Polestar's own operations,
- manufacturing partners,
- suppliers, and
- external sources.

Tracking activities cover progress against defined KPIs, objectives and targets within our Circularity Roadmap. Circularity-related monitoring and data collection cover Polestar's own operations and extend across the value chain based on risk, materiality and data availability. The scope of our data collection is clarified in the annual Sustainability Report.

We recognise that data availability and quality vary across the value chain and that data gaps remain. Polestar therefore works to continuously strengthen systems, processes, and partnerships to improve the availability, accuracy, validation, and consistency of circularity-related data. This includes building capacity for primary data collection, improving supplier data engagement, and refining methodologies over time. Insights from tracking and monitoring activities are used to:

- assess progress against action plans and targets,
- inform management decision-making and prioritisation,
- update and refine the Circularity Roadmap and strategic initiatives, and
- support transparent reporting and communication to stakeholders.

3.5 Reporting and communicating on Circularity

Transparency, accountability, and advocacy on circularity are essential cornerstones for Polestar. We recognise our responsibility to inform stakeholders about our impacts related to material circularity issues, how we manage associated risks, and how we capture opportunities to support the transition to a circular economy and nature positive contribution. We also recognise that reporting and communication are important mechanisms for dialogue, enabling us to receive feedback and continuously develop our circularity work in line with stakeholder expectations.

We report and communicate on circularity through the following channels:

Governance reporting

Continuous reporting to Polestar's Executive Committee and Board of Directors on progress related to the Circularity Roadmap, including targets, strategic initiatives, action plans, and key performance indicators, in line with our governance structure.

Public sustainability reporting

Annual disclosure of the development and outcomes of the Circularity Roadmap, including

targets, initiatives, actions, and performance, through Polestar's third-party assured Sustainability Report. Reporting is aligned with recognised standards and frameworks.

Product-related transparency

Sharing relevant information and data with customers on circularity credentials of Polestar products – such as the share of circular materials and circular design features in our vehicles – to support informed choices.

Internal communication

Continuous communication on progress, challenges, and outcomes related to circularity through internal channels, enabling Employees to stay informed, contribute insights, and provide feedback.

Stakeholder engagement

Ongoing dialogue with stakeholders, including customers, investors, suppliers, and civil society, through engagement activities such as customer surveys and targeted consultations, enabling two-way communication and continuous improvement.

Certifications and external assessments

Use of certifications, ratings, and third-party assessments where applicable and possible to provide additional transparency and external validation of Polestar's circularity and sustainability performance.

Through systematic tracking, monitoring, reporting, and stakeholder dialogue, we aim to ensure accountability, build trust, and continuously strengthen our contribution to a more responsible automotive industry.

3.6 Remediating adverse circularity related impact

We recognise the importance of remediating adverse circularity-related impacts that may have arisen from our business activities. In our work with identifying and assessing circularity-related impacts, if we find that Polestar has caused or contributed to actual adverse impacts, we take action to provide for or cooperate in remediation efforts. We:

- use our process for identifying and addressing grievances to continuously capture potential adverse circularity-related impacts that may have risen in our value chain;
- engage in harmonized remediation efforts led by multilateral initiatives where possible and relevant, as these are often key to driving impactful and sustainable change.

4 Related policies, strategies and processes

Our Circularity Directive is supported through a set of related Corporate Policies, Directives, strategies and processes that collectively enable effective implementation of the directive. Related policies and strategies include:

- Code of Conduct for Business Partners
- Code of Conduct
- Sustainability Policy
- Procurement Policy
- Inclusion Directive
- Climate Directive
- Occupational Health, Safety and Wellbeing Directive
- Enterprise Risk Management Policy
- Chemical Management process
- End-of-Life Vehicle Management strategy

5 Definitions

Term	Definition
Biodiversity	The variability within and between species, as well as entire ecosystems.
Circular Design	Enables materials and products to be circulated according to the 10R hierarchy; examples include modular design and reduced material complexity. Circular Economy is enabled through Circular Design, also referred to as Eco Design.
Circular Economy	A system where products and materials are kept in circulation according to the 10R hierarchy, through processes including repair, reuse, refurbish, remanufacturing and recycling. The purpose of Circular Economy is to eliminate waste and pollution, and to support a regenerative future.
Circular Materials	Materials that originate from secondary or renewable sources, e.g. recycled or biobased.
Circularity	A set of principles designed to ensure that production and consumption respect the Earth's planetary boundaries. It is a powerful holistic approach to dealing with issues related to decarbonisation, resource depletion and nature impact in a full life cycle approach. Circularity is a strategic lever to secure access to critical minerals, manage lifetime product cost and unlock new business opportunities.
Corporate Directive	A directive document adopted by Polestar's global Management Team, binding for all Employees globally. A Corporate Directive details the principles stated in a Corporate Policy, and/or describes how a specific subject matter or area is regulated at Polestar regarding global responsibility, process and organisational expectations.
Corporate Policy	A policy document adopted by Polestar's global Board of Directors, binding for all Employees globally.
Due Diligence	The process through which enterprises can identify, assess, prevent and/or mitigate and account for how they address actual and potential adverse impacts in their own operations, supply chains and business relationships, as recommended in the OECD Guidelines for responsible business conduct. For more information, see the Introduction of the OECD Guidance for Responsible Business Conduct [pp. 16-19].
Employee	All Polestar employees, regardless of function, position or location, whether working full-time or part-time, under a permanent contract or on a temporary basis, including consultants and agency personnel who work at any Polestar premises or under the direction of Polestar (and who usually have a PDFID or a @polestar.com e-mail address), and the members of Polestar's Board of Directors.
Nature positive	Enhancing the resilience of our planet and societies to halt and reverse nature loss. Nature Positive is a global movement, with leaders from

	governments, business and civil society committing to action. ²³ The ultimate goal of Nature Positive is to not only minimise negative impact but enhance ecosystems.
PFAS	Substances that contain at least one fully fluorinated methyl group (-CF ₃) or fully fluorinated methylene group (-CF ₂ -) without any hydrogen, chlorine, bromine, or iodine atom attached to it.
Polestar	Polestar Automotive Holding UK PLC and its subsidiaries (i.e. all persons and entities directly or indirectly controlled by Polestar Automotive Holding UK PLC, where control may be by management authority, equity interest or otherwise.)
Polestar Operations, Operations and Own Operations	Include Polestar's offices, workshops and R&D-facilities. As an asset-light company, Polestar does not own, lease nor operate any manufacturing facilities.
Recycled Content	The proportion, by mass, of material in a product or packaging that originates from recycled sources. It only applies to materials diverted from post-industrial or post-consumer waste. Polestar's definition of recycled content is aligned with ISO 14021.
Risk Material	A critical raw material for the EV industry, where ESG risks – such as human rights, environmental impacts, and governance weaknesses are prevalent.
Sustainable Development	Meeting our needs in the present, without compromising the ability of future generations to meet theirs, according to The Brundtland report of 1987.
Substances of Concern	Hazardous substances and potentially problematic substances that pose risks to human health, the environment and the Circular Economy, as defined according to CSRD/ESRS.
Substances of Very High Concern	EU Candidate List substances according to REACH Article 57.
Water	Freshwater, seabed and marine environment. It covers water use, water quantities and access to water.

²³ World Economic Forum: <https://www.weforum.org/stories/2021/06/what-is-nature-positive-and-why-is-it-the-key-to-our-future/>