

Polestar
Modern slavery statement
Under Australian Modern Slavery Act 2018

2024





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About this statement

Modern slavery is a comprehensive term that covers forced and compulsory labour, child labour, servitude, human trafficking, and similar violations. Forced labour can include unreasonable fees leading to debt bondage, restriction of movement, abusive living and working conditions, wage withholding, and/or retention of personal documents. According to the available data and experts in the field, forced labour occurs in all sectors and industries, and is unfortunately observed in all types of economic activities – and in every country. Vulnerable groups are more likely to endure human rights abuses and forced labour. The International Labour Organization (ILO) estimates that 25 million people are in forced labour globally. Polestar acknowledges that because of the complexity of our supply chains, there are risks of human rights violations and modern slavery.

We have a global commitment to Inclusion and Human Rights, and to acting responsibly, competing fairly, and complying with applicable laws and regulations. We are also dedicated to fostering a compliance and ethics culture that permeates all operations, and we fight to protect human rights, and embed social justice principles in the transition to electric mobility. This Modern Slavery statement is issued on behalf of Polestar Automotive Holding UK Plc., pursuant to the UK Modern Slavery Act, the Australian Modern Slavery Act 2018 (Cth) and the Norwegian Transparency in Supply Chains Act. It reflects our global commitment and approach across our value chain and sets out the steps that Polestar has taken during 2023 to address modern slavery within its supply chain and its own business operations.

We consulted the relevant companies we own or control in the development of this statement.



About Polestar

Polestar creates exclusive electric performance cars that make the desirable choice and the right choice one and the same. Our foundation rests on three pillars: design, innovation, and sustainability.

Polestar Automotive Holding UK PLC., together with its subsidiaries, is a limited company incorporated under the laws of England and Wales. We are headquartered in Gothenburg, Sweden and listed on the Nasdaq in New York under the ticker PSNY.

Polestar operates principally in the automotive industry, engaging in research and development, manufacturing, branding and marketing, and commercialising and selling vehicles, technology solutions, and services related to battery electric vehicles (EV).

Polestar Automotive Australia Pty Ltd. (Company number 645 163 202) with registered offices at 65 Epping Road North Ryde NSW 2113, is a subsidiary to Polestar and comprises our operations in Australia. Our offices at 65 Epping Road North Ryde NSW 2113, hosts a commercial team.

Polestar was established as a premium electric car brand by Volvo Cars and Geely in 2017 and benefits from the technological, engineering, and manufacturing capabilities of these established global car manufacturers. Polestar has an asset-light, highly scalable business model with immediate operating leverage. These characteristics give it access to the developed technology, IT, logistic channels, manufacturing capacity, and distribution networks established by Polestar's founding partners on a global basis. Accordingly, Polestar has entered into a number of contractual arrangements with Volvo Cars and Geely to obtain support and various services related to its business. These business partner agreements are made on an arm's-length basis, and any agreement with related parties is assessed on the same basis as an agreement with third parties regarding the scope of the services offered, timing, and fees. While Polestar derives substantial benefit from access to its partner's

resources and expertise, Polestar is free to seek technology, manufacturing, and other services from third parties based solely on the needs of its business.

At the end of 2023, Polestar had 192 Polestar Spaces worldwide and more than 1,150 service points. Our ability to deliver at scale was evident with 54,599 cars delivered and our continued investment in future vehicles and technologies (R&D) was up \$30mn. Polestar has established a presence in 27 markets across North America, Europe, and Asia Pacific. We take pride in the state-of-the-art production facilities and continue to diversify our contract manufacturing footprint. Production of Polestar 3 has started in Chengdu, China. Additional production is slated to start in South Carolina, USA, in mid-2024. In addition to being produced in Hangzhou Bay, China, Polestar 4 will also be produced in Busan, South Korea from mid-2025. We embrace a digital-first approach, enabling customers to explore our product range, configure their preferred car, and conveniently place orders online.



About Polestar

Where we operate

As of 31 December 2023, Polestar had an established presence in 27 markets.

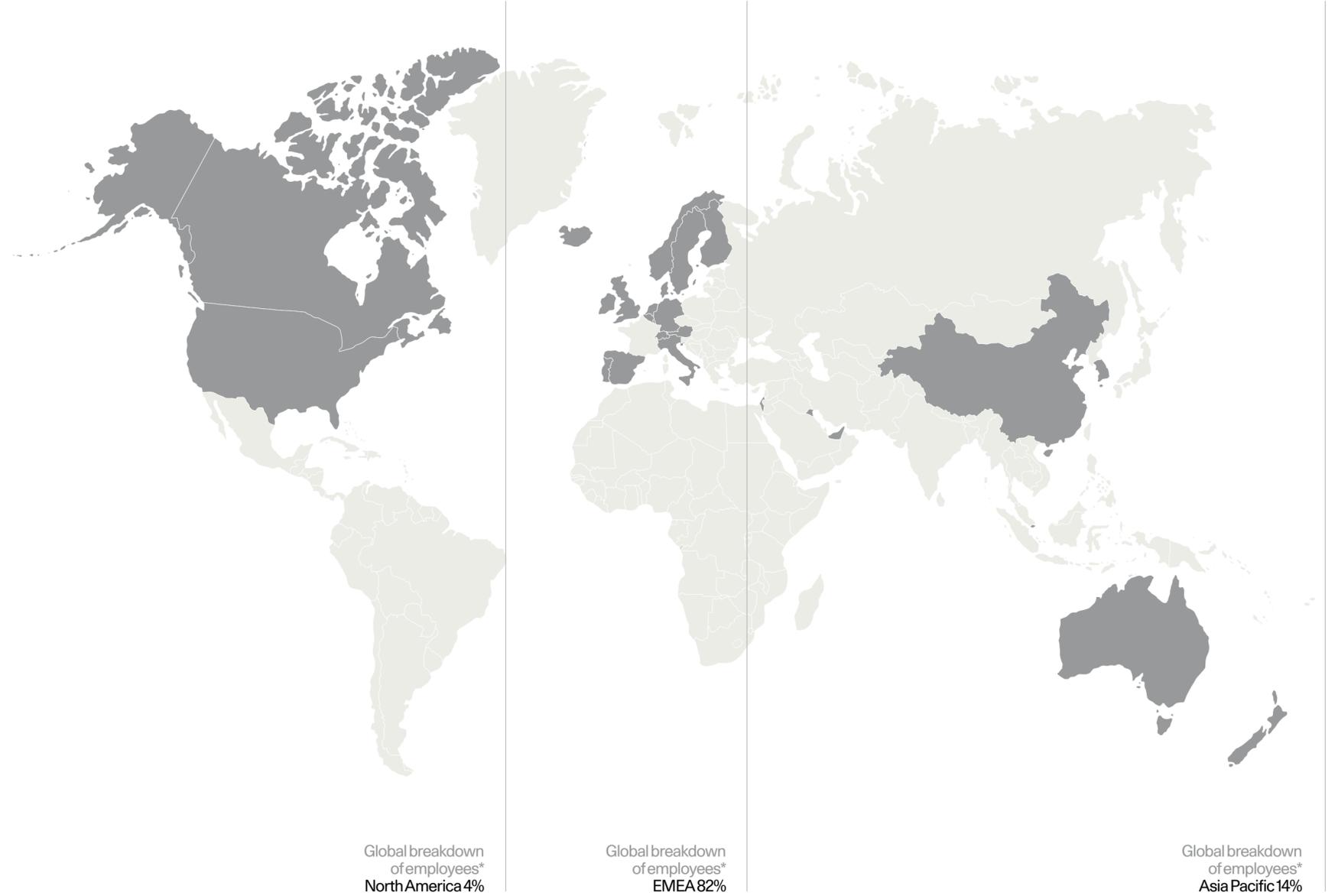
We had 192 Spaces globally out of which 33 were in North America, 90 in EMEA, 69 in Asia Pacific.

Our offices could be found in 16 countries globally.

The manufacturing and assembly of our vehicles was conducted in plants operated by Volvo Cars in Chengdu and in Luqiao (prev. Taizhou), China and Geely in Hangzhou Bay, China.

Markets

- Austria
- Belgium
- Denmark
- Finland
- Germany
- Iceland
- Ireland
- Italy
- Luxembourg
- Netherlands
- Norway
- Portugal
- Spain
- Sweden
- Switzerland
- United Kingdom
- Canada
- United States
- Australia
- China
- Hong Kong
- Israel
- Kuwait
- New Zealand
- Singapore
- South Korea
- United Arab Emirates



*Does not include franchise or business partners

About Polestar

List of entities included in the sustainability report:

The significant subsidiaries of the company as of the date of this Report are listed below.

Legal Name	Jurisdiction of Incorporation	Proportion of Ordinary Shares Held by the Company %
Polestar Holding AB	Sweden	100
Polestar Automotive (Singapore) Pte. Ltd.	Singapore	100
Polestar Performance AB	Sweden	100
Polestar Automotive Canada Inc.	Alberta, Canada	100
Polestar Automotive USA Inc.	Delaware, USA	100
Gores Guggenheim, Inc.	Delaware, USA	100
Polestar Automotive Belgium BV	Belgium	100
Polestar Automotive Germany GmbH	Germany	100
Polestar Automotive Netherlands BV	Netherlands	100
Polestar Automotive Sweden AB	Sweden	100
Polestar Automotive Austria GmbH	Austria	100
Polestar Automotive Denmark ApS	Denmark	100
Polestar Automotive Finland Oy	Finland	100
Polestar Automotive Switzerland GmbH	Switzerland	100
Polestar Automotive Norway A/S	Norway	100
Polestar Automotive Korea Limited	South Korea	100

Polestar Automotive Australia PTY Ltd.	Australia	100
Polestar Automotive (Singapore) Distribution Pte. Ltd.	Singapore	100
Polestar Automotive Ireland Limited	Republic Ireland	100
Polestar Automotive Portugal Unipessoal Lda	Portugal	100
Polestar Automotive Poland sp. zo. o	Poland	100
Polestar Automotive UK Limited	United Kingdom	100
Polestar Automotive Spain S.L	Spain	100
Polestar Automotive Luxembourg SARL	Luxembourg	100
Polestar Automotive Czech Republic s.r.o	Czech Republic	100
Polestar Automotive Italy s.r.l	Italy	100
Polestar Automotive Shanghai Co., Ltd.	People's Republic of China	100
Polestar New Energy Vehicle Co., Ltd.	People's Republic of China	100
Polestar Automotive China Distribution Co., Ltd.	People's Republic of China	100
Polestar Automotive Consulting Service (Shanghai) Co., Ltd.	People's Republic of China	100
Polestar Automotive (Chongqing) Co., Ltd.	People's Republic of China	100
Polestar Automotive (Singapore) Investment Pte Ltd	Singapore	100

Our approach to sustainability

Polestar is on a quest towards sustainable mobility. We are determined to lead the way by showing how climate action, circularity, inclusion, and transparency are integral components across the entire value chain and how this contributes to long-term business success. We will seek to collaborate with others and to be fully transparent on both our progress to date and our plan going forward. In this way we hope to usher in a new era for our industry. We firmly believe that it is through our passion for materials and technology, expertise, and close relationships with customers and partners that we can truly create meaningful change.

We acknowledge the positive contributions we as a business can make to environmental and social progress, but we also recognize that our activities and activities affected by our operations may result in adverse impacts related to climate, circularity, inclusion, and transparency. We carry out risk-based due diligence to avoid, mitigate, and address such potential adverse impacts relating to our own operations, our supply chain, business relationships, and other stakeholders.

As a conscientious business, we hold our partners, including suppliers, to the high standards of commitment regarding social and environmental sustainability. We believe in cultivating a shared responsibility for upholding human rights and ethical practices within our business ecosystem. In our work to advocate for collaborative efforts and industrywide impact, we have joined multi-stakeholder initiatives such as Responsible Business Alliance, Responsible Minerals Initiative, Responsible Labor Initiative, Drive Sustainability, and the Better Mining Programme.

Embedding responsible business conduct within our operations, aligning with international standards, and meeting our industry's and stakeholders' expectations, is crucial for a just electric transition.

Governance

Sustainability is a global function, and Polestar's Head of Sustainability is a member of the Management Team and reports to the CEO. The Sustainability Team comprises a Climate Lead, Circularity Lead, Inclusion Lead, Transparency Lead, Sustainable Chemicals Lead, Communications & Reporting Lead, Programme Sustainability Manager, and Environmental Sustainability Specialist. We aim to embed sustainable thinking and processes in Polestar operations and implement this approach across our governance structure. Subject-matter experts, such as our sustainability leads and life cycle assessment specialists, guide the organization in finding the best solutions, enabling us to act on risks and potentials within sustainability. Sustainability is steered through the Polestar Management System including governance structure, processes, and policies. Each global function at Polestar is accountable for setting action plans and securing resources in line with Polestar's sustainability policy and strategy, and for ensuring compliance with sustainability-related laws and regulations that are applicable to their areas.

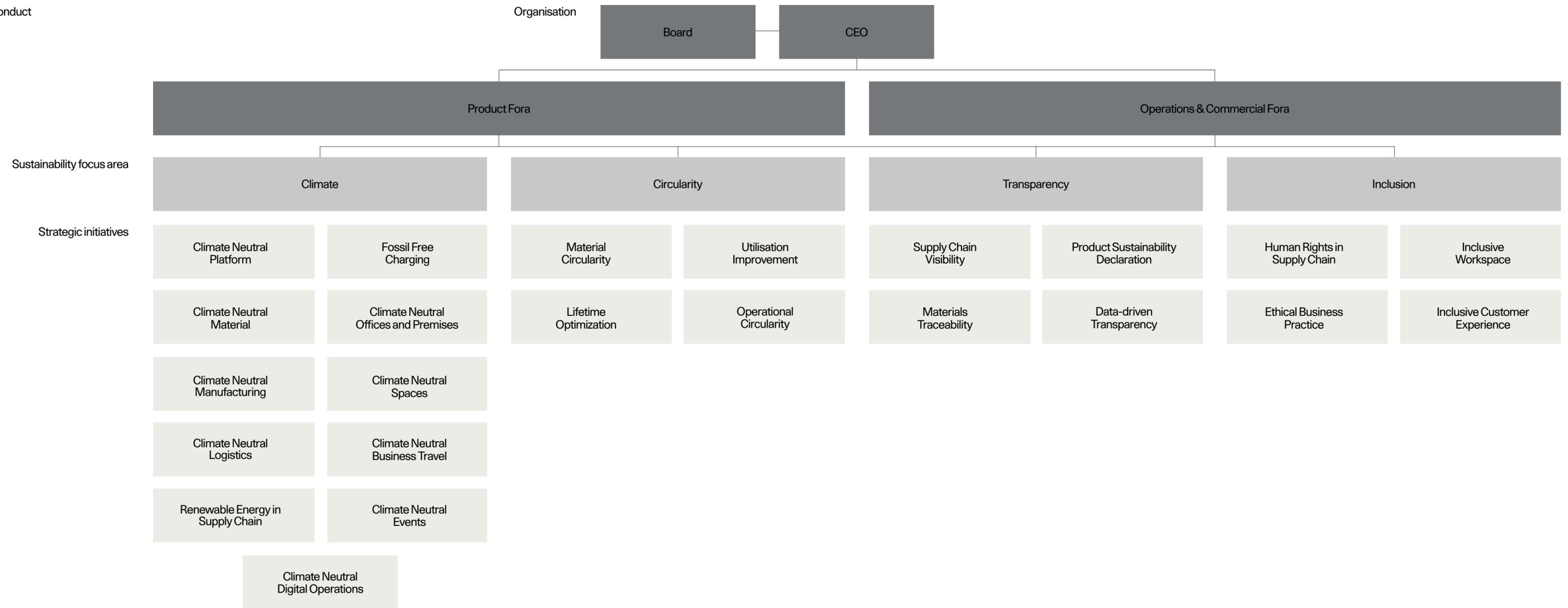
Sustainability is steered through the Polestar Management System, which includes governance structures, processes, and policies. Each global function at Polestar is accountable for setting action plans and securing resources in line with Polestar's sustainability policy and strategy, as well as ensuring compliance with sustainability-related laws and regulations applicable to their respective areas.





Our approach to sustainability

Responsible business conduct within our operations





Our approach to sustainability

Risk assessment

Sustainability risks are identified, assessed, and managed throughout the organisation by individual departments and the Sustainability Team. This is done with regular assessments of impact, risks, and opportunities. A dedicated Enterprise Risk Management & Internal Controls function periodically assesses risks to the business together with our Internal Audit Team and reports on key risks to the Management Team and the Board of Directors.

Polestar assesses its material sustainability topics annually, including dialogues with internal and external stakeholders such as employees and consultants, individual Polestar owners, fleet owners, shareholders, suppliers, NGOs, and industry associations. The materiality assessment result informs the company strategy and allows Polestar to identify and assess actual and potential adverse impacts associated with its products and operations. The result also serves as a basis for our sustainability reporting. Modern slavery as well as human rights and health impacts in the supply chain have been identified as salient human rights issues in our risk assessments, and as material topics for several of our stakeholders in the annual stakeholder dialogue. We have identified these risks to be most prominent in high-risk regions, in our production supply chain linked to specific raw materials, such as conflict minerals. Marginalised groups such as migrant workers, racial and ethnic minority groups, indigenous people, women, children, and poor people are often disproportionately exposed to risks and exploitation due to social, legal, and cultural marginalisation. We also include new sales market in the risk assessment to gain insights on labour and geographical risks, freedom risks, governance indicators, gender equality, and sexual orientation law, as well as compliance risks associated with, for example, sanctions and corruption. This helps us define which actions to take when entering a new sales market to respect and promote human rights.

Working with strategic sustainability initiatives

Our strategy is based on our holistic view of sustainability: we perceive all sustainability

challenges as interconnected and inseparable. The strategy also acknowledges that we have both the opportunity and responsibility to make an impact throughout our value chain, encompassing environmental and social sustainability. Lastly, we consider our sustainability strategy as integral to our business agenda. The strategy comprises four focus areas: Climate neutrality, Circularity, Inclusion, and Transparency. Each area encompasses various material topics and a series of strategic initiatives aimed at advancing our business's sustainability in the years to come.

We take action on our identified risks and potentials through our sustainability strategy and the deployment of strategic initiatives within our focus areas climate, circularity, transparency and inclusion. For each initiative, we create targets and actions to cease, prevent, and mitigate adverse impacts.

Tracking implementation to improve performance

The actions defined for each strategic initiative to cease, prevent, and mitigate identified adverse impacts and take action on potentials are continuously tracked and followed up through our governance process. The efficiency of the actions is evaluated and the course is corrected to enable adaptations for new challenges, constant improvements, and higher performance if needed. Embedding social justice principles at the heart of the mobility transition is crucial. Risk assessment and risk mitigation actions are a continuous process of monitoring and improvement.

The strategic initiatives within the focus area of Inclusion are setting strategies for core principles of human rights including modern slavery and forced labour. The initiative Inclusive Workplace identifies specific risks and actions connected to our own operations and workforce. Accountability and responsibility for implementation lie within the Human Resources department.

With regards to “Human rights in the supply chain”, this specific initiative is set up with accountability and responsibility at Procurement department to identify risks and set actions within Polestar to

mitigate negative impact in our supply chain. The Inclusion Lead is supporting with expertise and coordination as well as cooperating with the legal department to implement ethical business practices across our operations.

Communicating impacts

We gather insights and externally communicate the most relevant performance indicators to our stakeholders, both external and internal. This is done through our internal communication channels and governance forums as well as our external channels, e.g. sustainability reports and our web pages. Polestar endeavours to enable transparent and inspiring sustainability communication to our stakeholders about Polestar's brand, products, and issues that we advocate for.

Remediation and grievance mechanisms

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. The whistleblower SpeakUp, guarantees anonymity and complies with the European Union's Whistleblower Directive (Directive (EU) 2019/1937). The SpeakUp tool can be reached by external stakeholders through our webpage and is also included in our Code of Conduct for Business Partners.

Polestar did not receive any reports of incidents of human rights violations, including modern slavery, in 2023.

Policies and guiding principles

Policies related to Polestar's own workforce

Polestar's Code of Conduct declares the organisation's commitment to respecting and supporting international human rights principles by encompassing the Universal Declaration of Human Rights, United Nations Guiding Principles on Business and Human Rights, the United Nations Convention on the Rights of the Child, and the fundamental conventions of the International Labour Organization. Our commitment extends further by conducting thorough due diligence aligned with OECD guidelines and the Ten Principles of the UN Global Compact.

In line with our commitment to respect and promote human rights, the Code of Conduct states that:

- Our employees 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 to not do so.
- We do not engage in child labour and forced labour and we do not knowingly engage with anyone involved in child labour, forced labour, or other unfair and illegal practices.

There are several additional policies and directives that help embed responsible social business conduct and expectations in our own employees:

- People Policy
- Discrimination, Harassment, and Bullying Directive
- Diversity and Inclusion Directive
- Responsible Employer Directive
- Speak Up Policy
- Work Environment Directive
- Anti-corruption Policy
- Conflict of Interest Policy
- Competition Law Policy
- Trade Sanctions & Export Control Policy

Policies related to value chain workers

Polestar is committed to respecting and complying with international human rights principles, including the Universal Declaration of Human Rights, the United Nations Convention on the Rights of the Child, and the ILO's fundamental conventions. We are also committed to observing the UN Global Compact's Ten Principles and conducting due diligence in line with OECD guidelines. As a responsible business, we expect the same level of commitment from our business partners, including our suppliers.

The requirements and guiding principles for our business partners regarding working conditions, human rights, business integrity, and the environment are expressed and defined in our Code of Conduct for Business Partners, including principles on:

- Preventing forced labour or modern slavery
- Preventing child labour
- Respecting the right to freedom of association and collective bargaining
- Non-discrimination and equal opportunities
- Requirements for proper management relating to terms of employment, wages, benefits, working hours and health and safety

Expectations on our business partners

The requirements and guiding principles for our business partners, with regards to working conditions, human rights, business integrity, and the environment, are expressed and defined in our Code of Conduct for Business Partners. This Code includes principles on prohibiting child labour, prohibiting forced labour and modern slavery, non-discrimination and equal opportunities, the right to freedom of association and collective bargaining, proper management when it comes to terms of employment, wages, benefits, working hours as well as health and safety.

All Polestar suppliers must adhere to the Code or similar principles. The Code of Conduct for Business Partners is included in all contracts

with Polestar Locations' operators and handover centres, as well as production material suppliers. For indirect material suppliers, Polestar's Code of Conduct for Business Partners is referenced in Polestar's purchasing terms and conditions.

Business partners are required to conduct their business in compliance with applicable laws and regulations and maintain awareness regarding new and updated laws and regulations. They are required to ensure that their employees and subcontractors are made aware of the Code. They are also expected to choose the suppliers they retain in relation with Polestar business with appropriate due diligence, communicate the principles set out in the Code (or equivalent principles) to their suppliers and ensure compliance with the principles.

Polestar's Code of Conduct for Business Partners is publicly available on the website.

Read more → [Ethics and Codes of Conduct](#)

We carefully select our business partners through our business partner due diligence process, to ensure that they have or are able to implement policies and processes to ensure compliance with our Code and monitor compliance over time.

Combatting modern slavery in our supply chain

A car consists of some 30,000 components and relies on complex layers of suppliers and sub-manufacturers.

Many of the automotive industry's greatest sustainability risks relate to human rights in the supply chain and include child labour, forced labour, and hazardous working conditions. Migrant workers, including domestic migrant workers, are of particular concern, as well as children and indigenous peoples who are often disproportionately exposed to these risks.

In addition, as the transition to a low-carbon economy accelerates, demand for the minerals that support the energy transition is ramping up, and sourcing minerals in a responsible way is key.

We address human rights and labour rights in the supply chain through key strategies and processes such as our sustainability strategy, sourcing strategy, procurement process, and product development process.

Processes to remediate negative impacts and channels for value chain workers to raise concerns

We select suppliers and business partners that we believe can fulfill our sustainability requirements and comply with our Code of Conduct for Business Partners.

To do so, we conduct due diligence activities, which include Self-assessment questionnaires (SAQs), screening for trade sanctions, integrity evaluation as well as communication and training of our suppliers on our Code of Conduct.

The SAQs also help evaluate the policies and processes that suppliers already have in place. A direct material supplier needs a score of >70% to become a Polestar supplier. If a supplier scores less than this or lacks certain processes, we have the opportunity to explain our expectations of them during the procurement process.

SAQs can help when selecting business partners during the procurement process and prepare for

the expectations we have of them. However, we believe more robust processes are necessary within this industry, just as in other industries. Therefore, we have introduced the requirement that all new direct suppliers located in high-risk regions, based on a sustainability risk assessment, must have a third-party onsite human rights audit. These audits cover DM suppliers with whom we have business contracts (tier 1) and direct material suppliers in tier 2.

A human rights audit, such as the preferred Responsible Business Alliance Validated Assessment Programme (RBA VAP) or similar system agreed upon and accepted by Polestar's Inclusion Lead, consists of management interviews, document review, plant walkthroughs, and worker interviews. We expect our business partners to ensure continual improvement of working conditions within their organisations. If non-conformance is found during the audit, the supplier must analyse the root causes of non-observance and agree on a remediation plan and to follow up on the progress of the remediation. The corrective action plan (CAP) shall be shared with and agreed upon by Polestar Procurement.

The primary value of an on-site compliance audit is not in the identification of issues at a facility but in the correction of those issues. However, if CAPs are not remediated, this may ultimately result in termination of the relationship.

Workers are encouraged to raise concerns to the auditing company and the scheme used for conducting onsite audits, such as RBA. Their grievance mechanism is also available online.

In addition, anyone, including workers in our value chain, can directly raise concerns to Polestar through our own grievance, the SpeakUp tool.





Combatting modern slavery in our supply chain

Taking action on material impacts on value chain workers

Polestar's current vehicles are manufactured by our business partners Volvo Cars, (Polestar 2 and Polestar 3), and Geely (Polestar 4). Polestar 5 will be manufactured in a Geely owned plant operated by Polestar in Chongqing, China, but has not gone into production yet. Each of these programmes has diversified and global supply chains with a total of 747 direct material suppliers at the end of 2023, sourced by Volvo Cars, Geely, and Polestar.

The management of risk assessments and audits related to value chain workers are steered through our supplier agreements with Volvo Cars and Geely for the programmes they manufacture. The agreements include sustainability requirements as well as Code of Conduct which stipulate requirements on the core principles of human rights. Together with our business partners, we assess risks and put actions in place to prevent, cease, and mitigate negative impacts in all car programmes. Our business partners will implement actions, which is why selecting them with care is crucial.

For car programmes manufactured by Polestar, we assess risk and put actions in place to prevent, cease and mitigate negative impacts together with our direct material suppliers.

Polestar uses the RBA risk assessment tool to assess a country's risk. Risk factors include generic risks, such as geographical risks related to labour rights, business ethics, health and safety, and the environment, as well as specific commercial risks, such as spending and supplier dependency. The risk assessment is used to prioritise our due diligence efforts and to select suppliers for sustainability audits.

At the end of 2023, a total of 586 direct material suppliers were located in high-risk regions.

Polestar 2

Volvo Cars manufactures Polestar 2, and the suppliers of car components and materials have been sourced and contracted by Volvo Cars. Polestar receives quarterly reports on the progress of Polestar-specific suppliers.

- 174 suppliers manufactured components and material for Polestar 2.
- 73% (2022: 74%) of suppliers are located in high-risk regions.
- 100% of suppliers have signed agreements on human rights and code of conduct.
- 100% of all suppliers have gone through screening against trade sanctions.
- 88% (2022: 66%) have completed a SAQ verified by Drive Sustainability Initiative. The completed assessment's average score is 82%. Twenty-one suppliers have not yet been scored and five suppliers have a score below 70%, meaning that improvement actions are needed.
- 30% (2022: 18%) of all suppliers in high-risk regions have third-party onsite human rights audit including RBA VAP audits to verify adherence to the Code of Conduct.

Freedom of association and collective bargaining:

- 99% with completed SAQ verified by Drive sustainability have policy of freedom of association.
- 73% of suppliers assessed to be at high risk with regards to freedom of association and collective bargaining.
- 100% of suppliers in high-risk regions with third-party onsite human right audits have no priority findings relating to violations to freedom of association and collective bargaining.

Child labour:

- 99% with completed SAQ verified by Drive sustainability have policy for no child labour.
- 73% of suppliers assessed to be at high risk of child labour and/or young workers exposed to hazardous work.
- 99.3% of suppliers in high-risk regions with third-party onsite human right audits have no priority findings of child labour and/or young workers exposed to hazardous work. Findings are followed up with business partners and suppliers according to audit routine.

Forced and compulsory labour:

- 99% with completed SAQ verified by Drive sustainability have policy of no force or compulsory labour.
- 73% of suppliers assessed to be at high-risk of forced and compulsory labour.
- 97.6% of suppliers in high-risk regions with third-party onsite human right audits have no priority findings relating to forced and compulsory labour. Findings are followed up with business partners and suppliers according to audit routine.

Polestar 3

In 2023, Polestar 3 had not yet gone into production, but sourcing and nomination of suppliers was completed. Volvo Cars has contracted these suppliers. Polestar receive quarterly reports on the progress of Polestar specific suppliers.

- 355 suppliers manufactured components and material for Polestar 3.
- 70% (2022: 71%) of suppliers are located in high-risk regions.
- 100% of suppliers have signed agreements on human rights and code of conduct.
- 100% of all suppliers have gone through screening against trade sanctions.
- 17% (2022: 13%) of all suppliers in high-risk regions have third-party onsite human right audits, including RBA VAP audits to verify adherence to the Code of Conduct.
- 85% (2022: 63%) have completed a SAQ verified by the Drive Sustainability Initiative. The completed assessments' average score is 81%. 55 suppliers have not yet been scored and 17 suppliers have a score below 70%, meaning that improvement actions are needed.

Freedom of association and collective bargaining:

- 99% with completed SAQ verified by Drive sustainability have policy of freedom of association.
- 70% of suppliers assessed to be at high-risk with regards to freedom of association and collective bargaining.
- 100% of suppliers in high-risk regions with third-party onsite human right audits has no priority findings relating to violations to freedom of association and collective bargaining.

Child labour:

- 99% with completed SAQ verified by Drive sustainability have policy for no child labour.
- 70% of suppliers assessed to be at high risk of child labour and/or young workers exposed to hazardous work.
- 99.6% of suppliers in high-risk regions with third-party onsite human right audits have no priority findings of child labour and/or young workers exposed to hazardous work. Findings are followed up with business partners and suppliers according to audit routine.

Forced and compulsory labour:

- 99% with completed SAQ verified by Drive sustainability have policy of no force or compulsory labour.
- 70% of suppliers assessed to be at high risk of forced and compulsory labour.
- 98.8% of suppliers in high-risk regions with third-party onsite human right audits have no priority findings relating to forced and compulsory labour. Findings are followed up with business partners and suppliers according to audit routine.



Combatting modern slavery in our supply chain

Polestar 4

Polestar 4 is manufactured by Geely with the start of production in late 2023. The suppliers of car components and materials have been sourced and contracted by Geely. Polestar receives quarterly reports on the progress of Polestar specific suppliers.

- 204 suppliers manufactured components and material for Polestar 4.
- 99.5% (2022: 98.9%) of suppliers are located in high-risk regions.
- 99% of suppliers have signed agreements on human rights and code of conduct. Two suppliers have still not signed.
- 100% of all suppliers have gone through screening against trade sanctions.
- 33% of all suppliers in high-risk regions have third-party onsite human right audits, including RBA VAP audits to verify adherence to the Code of Conduct.
- 99.5% (2022: 99%) of Polestar's suppliers have completed an SAQ developed by the Drive Sustainability Initiative. The completed assessments' average score is 80.8%. One supplier has not yet been scored and two suppliers have a score below 70%, meaning that improvement actions are needed.

Freedom of association and collective bargaining:

- 100% with completed SAQ verified by Drive sustainability have policy of freedom of association.
- 99.5% of suppliers assessed to be at high-risk with regards to freedom of association and collective bargaining.
- 33% of all suppliers in high-risk regions have third-party onsite human right audits, including controls for violations to freedom of association and collective bargaining.

Child labour:

- 100% with completed SAQ verified by Drive sustainability have policy for no child labour.
- 99.5% of suppliers assessed to be at high-risk of child labour and/or young workers exposed to hazardous work.
- 33% of all suppliers in high-risk regions have third-party onsite human right audits, including controls for child labour and/or young workers exposed to hazardous work.

Forced and compulsory labour:

- 100% with completed SAQ verified by Drive sustainability have a policy of no force or compulsory labour.
- 99.5% of suppliers assessed to be at high risk of forced and compulsory labour.
- 33% of all suppliers in high-risk regions have third-party onsite human right audits, including controls for forced and compulsory labour.

Polestar 5

Polestar has built in-house procurement capability and developed procurement processes ahead of the production of Polestar 5, which is expected to be launched in 2025. Suppliers are sourced and nominated by Polestar.

- 212 of the suppliers are nominated to manufacture components and material for Polestar 5.
- 83% of suppliers are located in high-risk regions.
- 100% of suppliers have signed agreements on human rights and code of conduct.
- 100% of all suppliers have gone through screening against trade sanctions.
- 30% of all suppliers in high-risk regions have valid third-party onsite human right audit such as RBA VAP and SA8000 audits to verify adherence to the Code of Conduct.
- 78% (2022: 48%) of Polestar's suppliers have completed an SAQ developed by the Drive Sustainability Initiative. The completed assessments' average score is 82%. Forty-six suppliers have not yet been scored and seven suppliers have a score below 70%, meaning that improvement actions are needed.

Freedom of association and collective bargaining:

- 99% with completed SAQ verified by Drive sustainability have policy of freedom of association.
- 83% of suppliers assessed to be at high-risk with regards to freedom of association and collective bargaining.
- 100% of suppliers in high-risk regions with third-party onsite human right audits have no priority findings relating to violations to freedom of association and collective bargaining.

Child labour:

- 99% with completed SAQ verified by Drive sustainability have a policy for no child labour.
- 83% of suppliers assessed to be at high-risk of child labour and/or young workers exposed to hazardous work.
- 100% of suppliers in high-risk regions with third-party on-site human right audits have no priority findings of child labour and/or young workers exposed to hazardous work.

Forced and compulsory labour:

- 99% with completed SAQ verified by Drive sustainability have policy of no force or compulsory labour.
- 83% of suppliers assessed to be at high-risk of forced and compulsory labour.
- 100% of suppliers in high-risk regions with third-party onsite human right audits have no priority findings relating to forced and compulsory labour.



Combatting modern slavery in our supply chain

Supply chain transparency

Some of the automotive industry's most significant sustainability risks arise in the supply chain and transparency is an important tool to mitigate those. The supply chains are long and have many tiers, ranging from direct suppliers, such as component manufacturers, to raw material producers, such as mining companies located far upstream in the supply chain. The number of tiers in the supply chain, along with its complexity, complicates the assessment and management of indirect impacts and risks. This includes risks related to modern slavery. We acknowledge these risks, particularly linked to the sourcing of minerals for battery cells.

Materials traceability

Critical minerals used in the manufacturing of EVs are essential for the transition to a low-carbon economy, yet the economic wealth generated from mining often does not benefit the local communities.

We recognise that the extraction, handling, processing, transportation, and trade of metals and minerals can contribute to or result in adverse social and environmental impacts. We are committed to the responsible sourcing of materials and minerals used in the operation of our business and the manufacture of our products. Polestar currently has a list of 18 materials that we categorise as risk materials. The list is continuously under development and compiled using a methodology that consistently incorporates research, policy analyses, and impact evaluations.

We are constantly looking for a robust chain of custody methods to trace the materials on our list. It is only by tracing materials from raw material production to finished product that we can ensure that our requirements regarding environmental impact and respect for human rights are met. Transparency alone is not enough; however, it needs to be followed up with concrete actions to facilitate trust.

In 2023, RCS Global, RMI (Responsible Mica Initiative) audits, and IRMA audits have helped to apply due diligence to our high-risk material supply

chains. Within our critical suppliers of cobalt, mica, nickel, and lithium supply chains, there have been 28 external on-site audits from tier 2 down to the mine site.

The programme has identified the origin of raw materials, human rights risks, and due diligence conformance of Polestar's supply chain. These audits allow Polestar to identify, review, and analyse sustainability risks and, jointly with our manufacturing partner, respond to critical risks where they are identified.

For some risk materials, we use established standards and certifications to create traceability from raw materials to finished product. Where these standards are not well-developed, we opt for blockchain technology-based traceability. It has revolutionised supply chain visibility by offering an unchangeable, digital, and efficient way of creating transparency.

Blockchain is a proven data collection system that allows us to effectively trace materials in our cars, as we strive to be more sustainable. Coupled with audits, this will enable responsible sourcing. We collaborate with Circular, a traceability-as-a-service provider, to employ blockchain technology to trace the origins of the cobalt and mica used in Polestar 2 batteries. The traceability service tracks origin, mass, size, and chain of custody. In Polestar 3 batteries, we trace cobalt, mica, lithium, and nickel. It lets us trace risk minerals used in battery production to understand the origin of these materials, which will enable more circular batteries over time. We are working on a solution for materials traceability for Polestar 4.

3TG and Conflict Mineral Reporting

In politically unstable areas, the mineral trade can be used to finance armed groups, fuel forced labour and other human rights abuses, and support corruption and money laundering. Legally defined conflict minerals include tin, tungsten, tantalum, and gold, also commonly known as 3TG.

Our ambition is to only source components

containing conflict minerals from supply chains with third-party validated, conflict-free smelters and refiners.

Every year our manufacturers, their suppliers, and our suppliers of components containing conflict minerals are requested to declare their due diligence measures and disclose the smelters used in their supply chain in a Conflict Minerals Reporting Template (CMRT). With the help of CMRT, we can identify potential discrepancies, select suppliers for independent OECD-aligned audits, and follow up on risk mitigation action plans to address adverse impacts.

The Conflict Mineral due diligence process is drawn up by experts at the OECD in collaboration with industry, civil society, and other governments, and should ensure compliance with legislation and regulations such as the US Dodd Frank Act and EU Conflict Minerals Regulation. As a listed company, Polestar submits a conflict minerals report to the SEC US authority. The current level of Responsible Minerals Assurance Process compliant smelters is 65%.

[Read more →](#)

[Polestar's Position on Conflict Minerals Conflict Minerals Report](#)

Better mining

As a giving-back programme and to support and improve the artisanal and small-scale mining (ASM) sector, Polestar collaborates with Better Mining. This is an assurance and impact programme led by RCS Global Group that is trying to tackle challenges involved in embedding safer and more equitable conditions across a very complex portion of the global mining sector.

Serving artisanal and small-scale miners and their communities in The Democratic Republic of Congo (DRC) and Rwanda, Better Mining covers critical raw materials, including tin, tantalum, tungsten, copper, and cobalt. There is an ambition to expand the coverage beyond cobalt, copper, and 3TG, and the operation to new geographies with mica in

Madagascar already underway.

Better Mining works on ASM sites to directly improve conditions and reports on improvement to the programme participants, the supply chain and to society. Trained monitoring agents are permanently deployed at the sites, recording data on incidents that indicate what kind of risks a specific mine is facing. The information collected is verified and analysed by a team of experts who ensure completeness and follow up with agents on any red flags or data anomalies. To mitigate identified risks, monthly Corrective Action Plans (CAPs) are reviewed with local stakeholders and the implementation is overseen by Better Mining agents and project teams. Polestar receives communication on the progress of CAP implementation every quarter.

Better Mining is accredited by the Responsible Minerals Initiative (RMI) and is recognised for its implementation of OECD-aligned due diligence procedures and management systems. Extreme poverty and lack of other economic opportunities are the main drivers for engagement in ASM. Other risk areas covered are gender, forced labour, discrimination, OHS, workers' rights, community engagement, and indigenous people. Building trust and inspiring community members is essential in ensuring long-lasting impacts that improve the ASM sector. Better Mining teams regularly engage with government officials at national and local level. By sharing knowledge and collaborating with state services such as ASM technical services and the police, Better Mining can carry out operations in the field and drive mining operators toward complying with international standards.

Better Mining's accreditation by the RMI underscores its commitment to OECD-aligned due diligence procedures and management systems, reinforcing its credibility in driving positive change within the ASM sector. By addressing key risk areas such as extreme poverty, gender equality, forced labour, and OHS, Better Mining endeavours to create lasting impacts that uplift mining communities. This is driving impact for ASM and local

communities. Since Better Mining's inception:

- More than 11,000 incidents have been registered and translated into risk data.
- More than 2,500 corrective actions have been assigned.
- More than 1,800 have been implemented or are in progress.

Combatting modern slavery in our own operations

Our aim is that all Polestar employees should feel comfortable and connected, and that their contribution to the workplace is appreciated. Our approach to diversity and inclusion is to be reflected in all aspects of our internal everyday work, as well as in our daily relations and communication with all employees, customers, and business partners.

The Human Resources department at Polestar drives the People agenda and is responsible for Polestar's people policy. The policy is complemented by other specific directives and guidelines addressing Polestar's role as a responsible employer.

We are committed to providing a sustainable working environment with fair terms of employment. An essential aspect of diversity is fair and equal pay for all employees. That is why we have clear remuneration principles and a structured salary process.

Polestar ensures that employees are provided with working conditions that comply with statutory requirements. Employees shall get written information, in a language they can easily understand, specifying their terms of employment, including salaries and benefits, before the start of employment.

Polestar does not engage in or support the use of forced labour, including debt bondage, trafficking, or other forms of modern slavery. Employees shall never be required to deposit identity papers at the start of employment and are free to terminate the employment after a notice period, as required by law and contract.

Salaries and benefits shall always be commensurate with legal or industry standards and be equal to or above the defined living wage. Employees must be covered by pension or employee savings trust plan and insurance benefits, either by Polestar or any other actor.

Information on salaries and benefits shall be available to individual employees in accordance with applicable law.

All employees should also be provided with details of their salaries for the given pay period each time they are paid.

No salary deductions are permitted without the expressed permission of the employee concerned, if not provided for by national law or collective labour agreements, or in accordance with the Employee's terms of employment.

Polestar advocates freedom of employment, which means all work should be done voluntarily and employees may terminate their employment by giving any required contractual or statutory notice. Our recruitment processes comply with the relevant local regulations and standards. We adopt a fair and equitable approach when scouting for talent and wages are compliant with local laws and regulations.

In 2023, Polestar had 2517 employees, of which 42 (2022: 10) are employed in Australia.

Globally 54% of total workforce (2022: 48) were covered by collective bargaining agreements, and Austria, Belgium, Finland, Italy, Netherlands, and Sweden are covered by such agreements.

Child labour and the employment of children below the applicable minimum legal age are strictly forbidden.

All employees and consultants working on behalf of Polestar must adhere to Polestar's Code of Conduct and the applicable policies.



Combatting modern slavery in our own operations

Training on sustainability

Polestar employees have a collective responsibility to be well-versed in our products, understand the roots of our company, and align themselves with its future trajectory.

A new learning management platform was established in 2023 that is being populated and supports the company on this learning journey. Although we currently offer a limited number of courses, we still cover sustainability, security, and inclusion.

The platform offers reporting tools that enable managers and employees to gain visibility into competence development. Every employee is encouraged to take ownership of their individual development, while managers play a pivotal role in fostering the growth of their team members. On average, Polestar employees received 1.39 hours of training during 2023. As the new Learning Management System is being populated with courses and is under the implementation phase,

there is probably additional training that has not yet been recorded within the system.

Each year, everyone working at Polestar is provided with training on our Code of Conduct, y. A new group-wide training on Code of Conduct was rolled out this year. All employees and consultants were invited to an enhanced and interactive e-learning. The Code of Conduct, anti-corruption policy, and compliance also constitute a part of the mandatory onboarding training for new employees. A similar introduction to compliance is provided to all new Board members on appointment to Polestar's Board of Directors.



Communication and training about anti-corruption policies and procedures

KPI	Reported value	Unit
Total number of governance body members that the organization's anti-corruption policies and procedures have been communicated to	22	people
Total number of employees that the organization's anti-corruption policies and procedures have been communicated to	3,169	people
Total number of people in board of director that has received communication of Code of Conduct	10	people
Total number of people in management that has received communication of Code of Conduct	13	people
Total number of employees that has received communication of Code of Conduct	2,498	people
Total number of consultants that has received communication of Code of Conduct	675	people
Total number of business partners that the organization's anti corruption policies and procedures have been communicated to and accepted	1,183*	partners
Total number of partners	4,095	partners
Share of partners that has received communication regarding Code of Conduct [%]	28.9	%
Total number of governance body members that have received training on anti corruption	13	people
Total number of employees that have received training on anti corruption	2,484	people
Total number of people in board of director that has received training in Code of Conduct	10	people
Total number of people in management that has received training in Code of Conduct	13	people
Total number of employees that has received training in Code of Conduct	2,448	people
Total number of consultants that has received training in Code of Conduct	630	people

*Of 1183, 1033 are suppliers (DM and IDP) and 150 other partners.

Looking forward

In 2024, we will continue our efforts to ensure human rights in our value chain. The fight for these rights is ongoing, and we know that there is always more to be done. By having inclusion as a key focus area, our aim is to safeguard human rights in the supply chain, and thereby establish a sustainable long-term business agenda.

This statement has been adopted and approved by the Polestar Automotive Australia PTY Ltd Board of Directors in their capacity as principal governing body of Polestar Automotive Australia PTY Ltd on 2023, for the period 1 January 2023 to 31 December 2023, and in accordance with the Modern Slavery Act 2018.

Jeremy Goh,
Managing Director Polestar APAC

Jeremy Goh





Do you have questions or comments?
Please contact us at media@polestar.com
or ir@polestar.com.

Image on page 7 is:
Landsat imagery courtesy of NASA Goddard Space Flight Center and U.S. Geological Survey