



Sustainability Report 2023

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Letter from the Managing Director

Reflecting on the progress of our sustainability program that was initiated in 2023, I am pleased to share some major highlights from our ongoing journey.

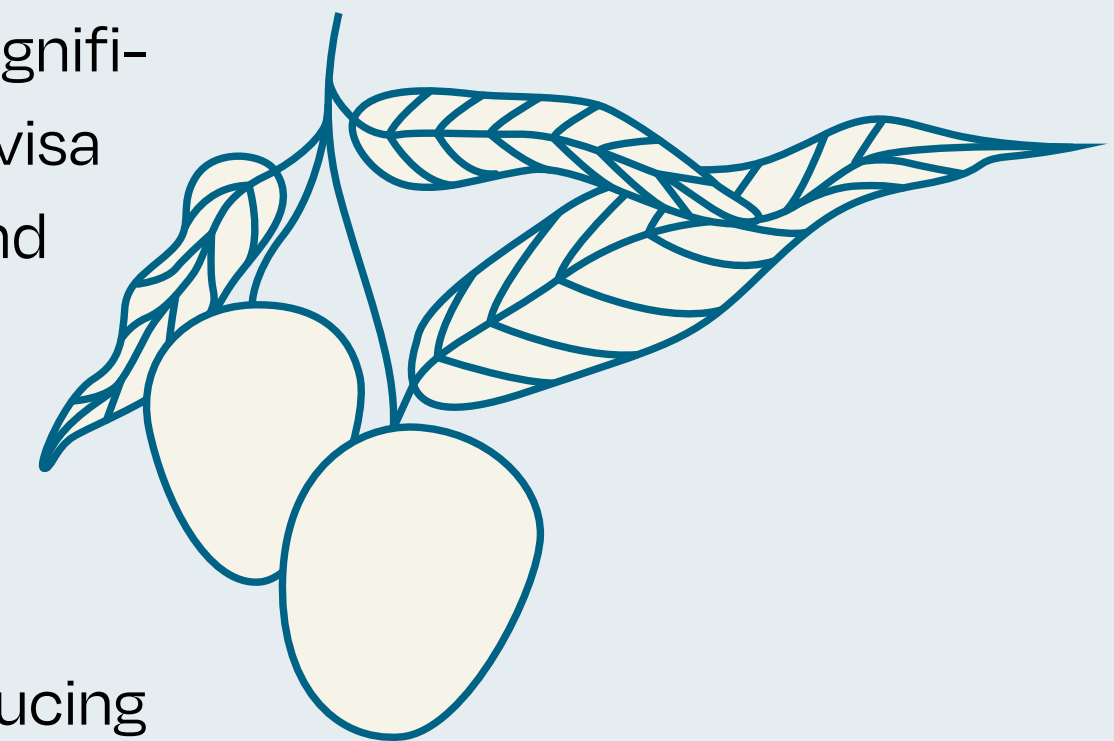
We have invested heavily in training our entire personnel on sustainability topics, ensuring that every one of us is equipped with the knowledge and tools needed to drive positive change within our organization and the broader industry.

We recently conducted an employee satisfaction survey to better understand and address the needs and concerns of our employees. Their feedback is invaluable in shaping our workplace culture and driving continuous improvement. I am particularly pleased with the active attitude of our personnel who offered solutions to concerns raised in the survey.

Over the past year, the auditing firm, Bureau Veritas, conducted an extensive audit of our berry picking operations in Finland to ensure transparency and ethical conduct. The audit was ordered by our client. As a result of this audit, we have taken greater control of the recruitment process in Thailand this year. Similarly, we have visited our strawberry suppliers in Egypt and mango suppliers in Peru and Vietnam to review quality and sustainability aspects.

Despite facing many challenges, such as significant changes in the recruitment process and visa restrictions affecting berry-pickers in Finland and Sweden during the summer of 2024, we are progressing steadily towards achieving our ambitious sustainability goals.

Amongst our proudest accomplishments has been the progress we have made toward reducing





our emissions. We embarked on a partnership with Havulatva Oy to implement a carbon sequestration system in Finland. In addition, ISO 14001 has been implemented in our facilities in Poland. By calculating our emissions over the previous few years, we have gained insights into our environmental impact and identified areas for improvement.

We are also preparing to meet the reporting criteria for the Corporate Sustainability Reporting Directive (CSRD) by 2026. To this end, we will conduct our first Double Materiality Assessment later this year.

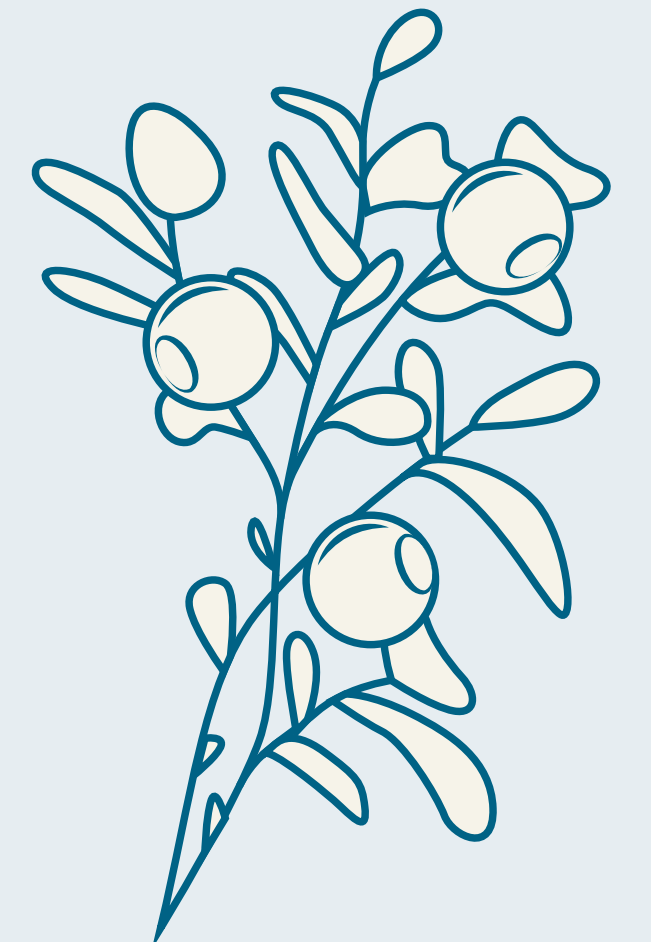
Currently, we are actively contributing to the development of criteria for sustainable berry-picking practices through our involvement in a Fair Trade pilot. This initiative reflects our desire to create meaningful change within the industry.

Looking ahead, we are excited to share the launch of our new cultivated berry and fruit products that

have been tasted and tested with great success at various food fairs over the past few months. We will continue to innovate and make sure that Polarica becomes the most sustainable fruit and berry company in the world.

A handwritten signature in blue ink, appearing to read 'Mari Onkamo'.

Mari Onkamo
Managing Director, Polarica Berry Group



This is Polarica

Polarica Berry Group is one of the largest suppliers of frozen berries and fruits in Europe. We are a multinational corporation with operations in Sweden, Finland, and Poland. Our corporate headquarters is in Haparanda, Sweden. Polarica's customer base spans 21 countries, with the Nordics, Central Europe, and Asia being our primary market areas.

Our product selection includes wild berries from the Nordic region, as well as cultivated berries and fruits carefully sourced from reputable farmers across Europe and around the globe. Wild berries make up around 23 percent of the turnover, whereas fruits and other cultivated products make up the rest.

The wild berries are sourced from Sweden, Finland, Poland, Ukraine, and Canada, while cultivated berries are procured from countries such as Finland, Poland, Estonia, Latvia, Serbia, Chile, Ukraine, Canada, Egypt, and Peru. We source fruit products, like mangoes, bananas, and pineapples, from regions

in Central and South America as well as Asia.

Most of our customers comprise businesses with whom we have established enduring partnerships and collaborations. For our B2B clients, we offer a variety of customizable products tailored to their specific requirements. We also provide a wide range of food service products in user-friendly packaging sizes.

For our retail customers, we offer an extensive private-label product line consisting of a large variety of frozen fruits and berries. Additionally, we distribute our renowned Polarica branded products to retail stores across Sweden, while our private-label offerings can be found in select locations throughout other European countries.

Our subsidiary, Kaskein Marja, produces NFC (Not from Concentrate) juices, juice syrups, mulled wines, meads, and dried berry and fruit products. Currently, Kaskein products are available in several prominent retail chains throughout Finland. We aim to expand Kaskein's product offerings, focusing primarily on Sweden along with other European markets.

In 2024, we are launching new snack type products, beginning with the Finnish market. More information about this can be found on our website.



A Nordic Company with Global Reach

Polarica Berry Group currently employs 163 skilled professionals. We maintain a vast global network of suppliers and partners, ensuring high-quality products and a reliable supply chain.

Polarica AB owns several subsidiaries, including Kaskein Marja Oy, Polarica Marjahankinta Oy, Polarica Sp z o.o., Polarica Skogsbärsinkops AB, and a non-operational company in Russia (Norrfrys

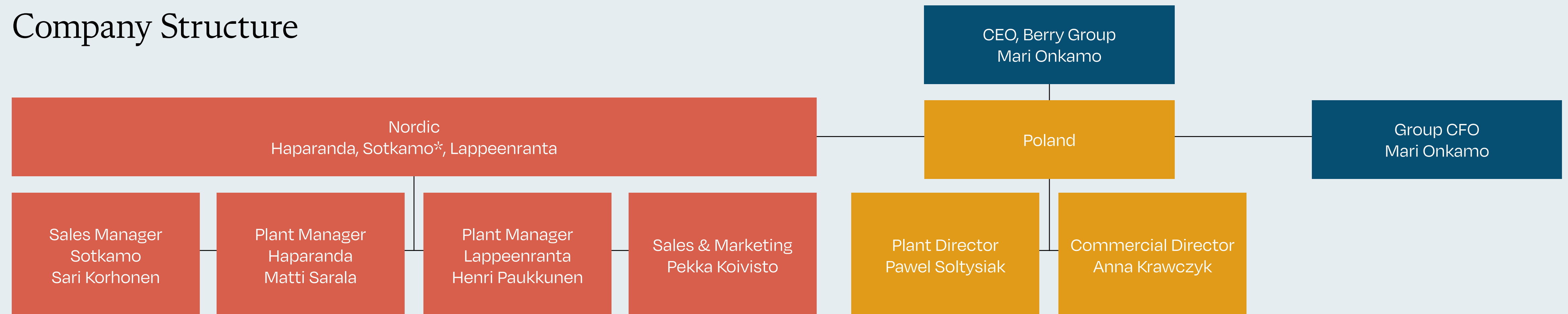
Production East). Due to the war in Ukraine, all assets (459TSEK) associated with Norrfrys Production East have been written down as of 30 April 2022. Norrfrys production East is in the process of being sold, pending approval from Russian authorities.

Polarica AB recorded a turnover of 682 million SEK and a profit before taxes of 37.1 million SEK in its most recent financial report for 2023–2024. Polarica AB's fiscal year runs from May 1st to April 30th.

The shares of Polarica AB, along with its subsidiaries, are owned by Hanki Capital Oy (31%), Mari

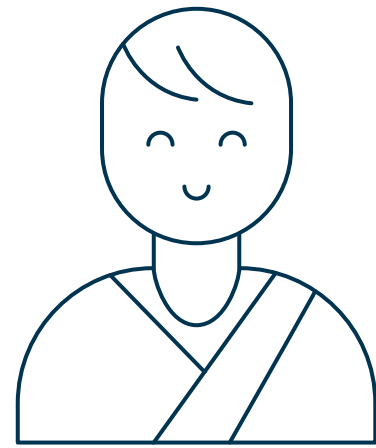
Onkamo (24,4%), High Point Oy (19,3%), Deep Point Oy (19%), and Pekka Koivisto (6,3%). Previous majority owner Jukka Kristo has forfeited his ownership and sold all his shares to other owners during 2023. The investors involved in operational roles are Mari Onkamo (Managing Director) and Pekka Koivisto (Vice President of Kaskein Marja). Hanki Capital Oy, High Point Oy and Deep Point Oy function as investors without any operational responsibilities. The Board of Directors comprises of Mari Onkamo, Jussi Holopainen and Pekka Koivisto.

Company Structure



* In Sotkamo, we operate a freezing warehouse and source our wild Finnish berries.

Highlights of 2023



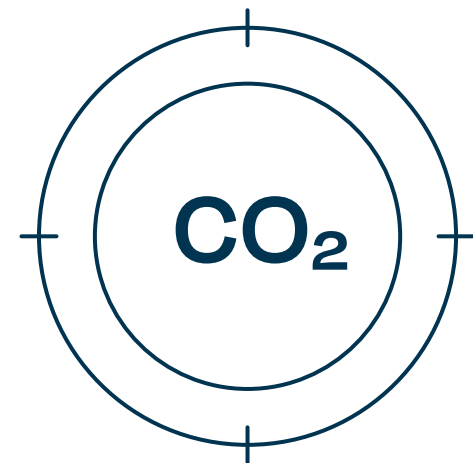
Appointed a sustainability coordinator



Participated in a Fairtrade pilot to create criteria for sustainable berry-picking



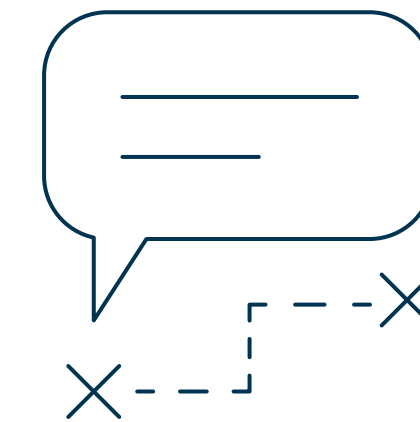
Developed new cultivated berry and fruit products



Calculated CO₂ emissions



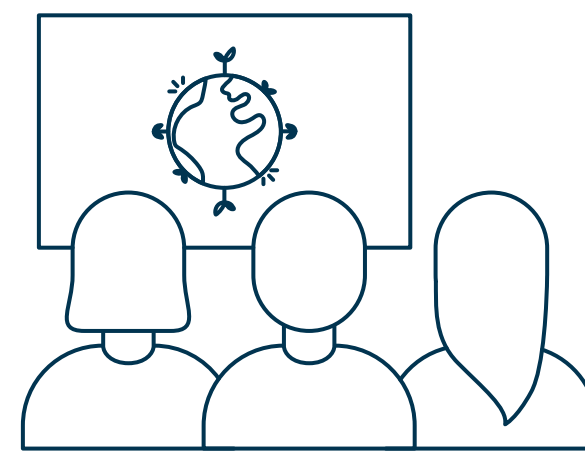
Started cooperation with Havulatva



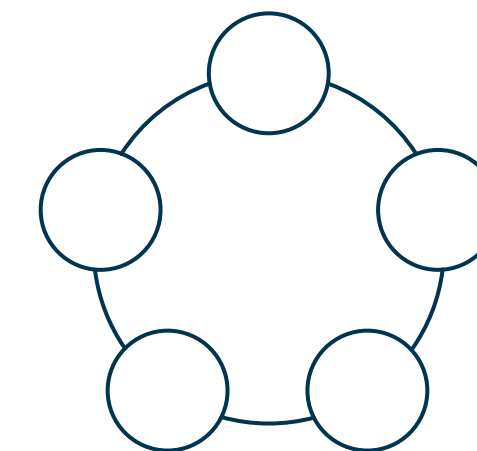
Created a communication strategy to increase transparency



Our Berry picking operations were audited by Bureau Veritas



The personnel were trained on sustainability topics



Implemented Environmental management system (ISO 14001) in Poland

Strategic Approach to Sustainability

During the 2022–2026 strategy period, the following actions will be prioritized:

Polarica’s mission is to make nature’s treasures accessible to all. We aim to grow internationally while ensuring the long-term sustainability of our operations. We take great care to comply with all applicable laws, rules and regulations governing every aspect of our business.

Our strategy is based on our values. The strategy focuses on three major themes: sustainability commitment, international growth, and empowering individuals. The strategy work is currently ongoing, and in 2023, updates were made to integrate the fourth theme into the broader strategy, specifically aligning it with one of the existing themes, “Grow Globally - Act Locally.”

Commit to Sustainability

- Securing raw material volumes
- Seeking new suppliers and materials
- Ensuring transparent and sustainable supply chain
- Enhancing social responsibility
- Aiming for carbon neutrality

Grow Globally – Act Locally

- Inspiring people with the treasures of nature
- Improving market understanding
- Adapting to local needs
- Brand building
- Refining sales strategies
- Product development with diverse variations
- Optimizing raw material usage

Empower People

- Developing leadership abilities
- Developing skills and competencies
- Leveraging technology
- Fostering a company culture of continuous improvement

Systematic Work on Sustainability

This is our second annual Sustainability Report. Our aim is to provide in-depth insights into our sustainable practices and future objectives as we prepare to report in accordance with the CSRD from 2026 onwards. As part of this effort, we will conduct our first Double Materiality Assessment later in 2024.

This report focuses on the financial period of 2023–2024 (May–April). However, some data is calculated for the calendar year 2023 only.

Since sustainability work is an ongoing process, we will report on our activities annually based on our sustainability program set for 2023–2026. The program's key focus areas include minimizing environmental impact, boosting supply chain transparency, promoting transparent business practices, and enhancing social responsibility that are aligned with our business strategy.

The report covers our international operations, outlining policies, strategies, and objectives regarding sustainability, and the progress of these initiatives. The report is prepared with reference to the applicable Global Reporting Initiative (GRI) standards.

We have strictly adhered to the United Nations Global Compact principles, and we are considering joining the UN Global Compact initiative to further solidify responsible business practices.

In 2023, we established two working groups — one focused on environmental initiatives and the other on personnel development to enhance our strategic themes. Additionally, in 2024, we conducted a personnel survey and began holding quarterly informational meetings in Haparanda for our staff. Similar meetings have been held in Lappeenranta since 2023.



Economic Impact

Polarica plays a vital role in the economic development of society through tax contributions and creating job opportunities. We remain dedicated to good governance and take economic responsibility seriously.

During the latest financial period, we disbursed a total of 55,2 MSEK in employee salaries. Furthermore, our strong market presence and exceptional performance resulted in an impressive turnover of 682 MSEK, highlighting our substantial contribution to the overall economy.

The financial statement includes information about Polarica Berry Group's fiscal performance for the period 05/2023–04/2024. To fulfill our corporate responsibilities, we meet our tax obligations in the countries where we operate, with Sweden serving as our primary location. For the accounting period of 2023–2024, this commitment translated into a total payment of 33,6 MSEK in taxes and social contributions.

Polarica Marjahankinta also underwent a tax audit in 2023 for the fiscal year until 2022–2023. All different tax types were scrutinized and all notes from the auditors have been addressed.

Pursuing Sustainable Growth

As part of our commitment to transparency, we openly disclose the financial support and government subsidies that have supported to our operations. During the fiscal year 2023–2024, Polarica AB has received freight subsidies totaling 1,8 MSEK and electricity subsidies amounting to 2,3 MSEK.

In Finland, we benefit from storage support specifically designed to bolster domestic production of wild berry products and ensure their quality and availability. This support covers the costs incurred from product storage and varies annually based on the volume of products stored. Polarica has not received any investment subsidies.

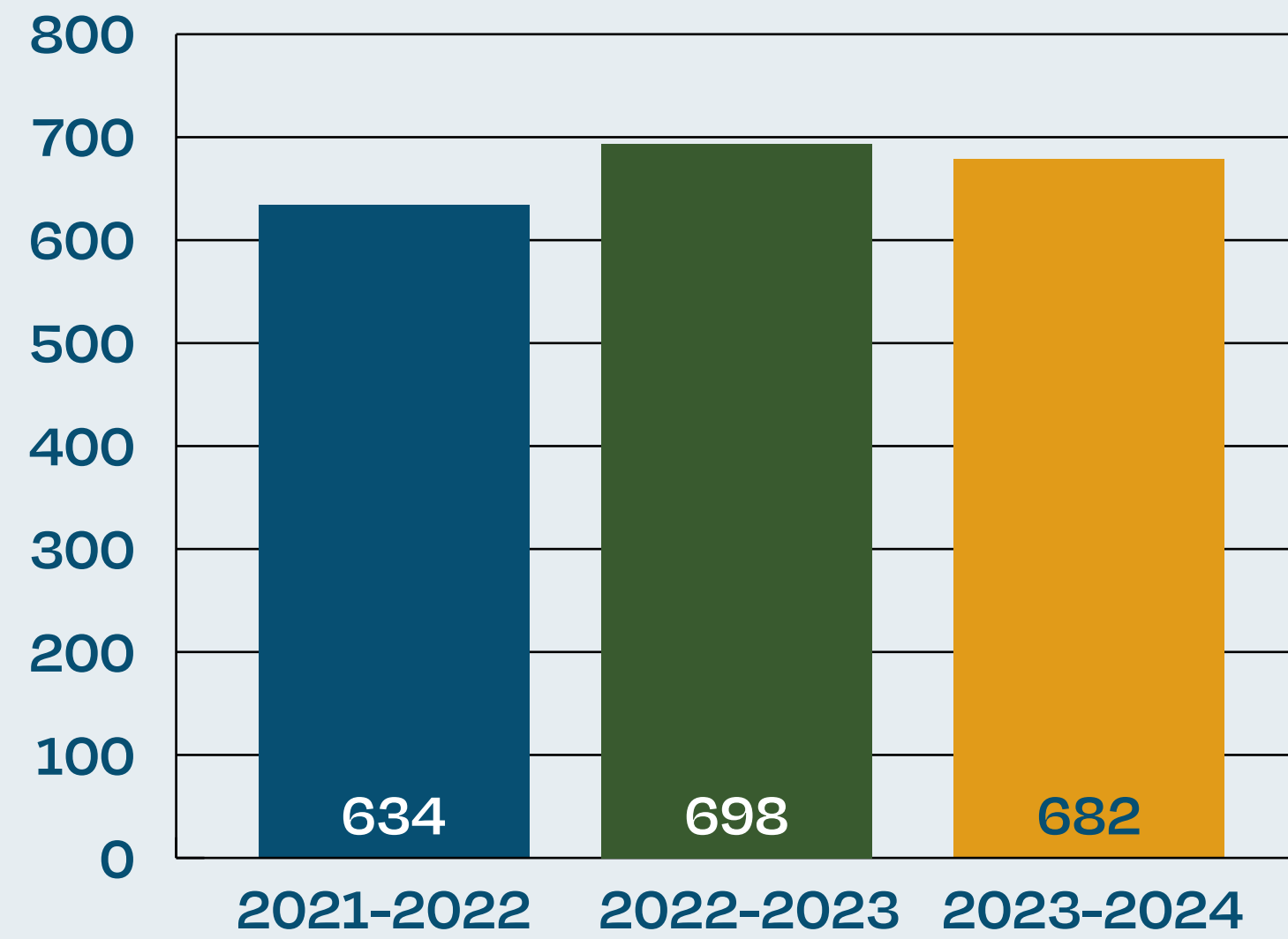


*Our tax footprint is distributed between Finland, Sweden, and Poland as follows:
Finland 12,0 MSEK,
Sweden 17,3 MSEK and
Poland 4,3 MSEK.*

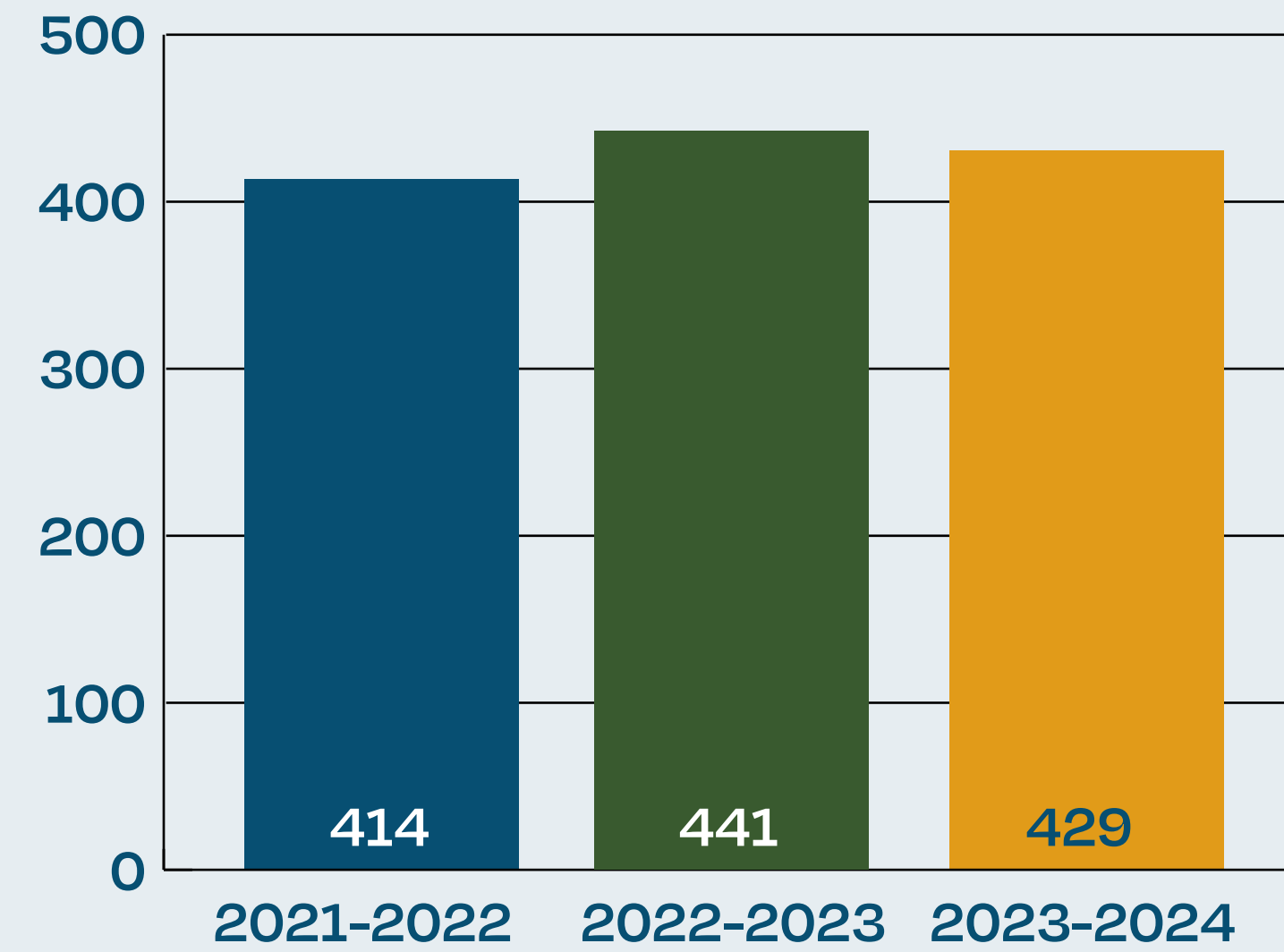
Financial Year 2023/2024

	TSEK	TSEK	TEUR	TEUR	TPLN
	Polarica AB Haparanda	Polarica Skogsbärsinköps AB	Polarica Marjahankinta Oy	Kaskein Marja Oy	Polarica Sp z o.o
Paid VAT	-2 563,26	5 938,98	101,73	392,07	-5 040,73
Withholding tax from salaries	3 756,63	509,46	39,64	208,10	609,10
Withhold from corporate tax	858,83	118,87	36,50	0,00	3 009,00
Employer's pension contribution	1 900,64	103,51	28,98	-189,53	759,53
Employer's social security contributions / health insurance payments	5 869,19	654,67	2,49	14,95	680,00
Employee's pension contribution	0,00	0,00	6,80	53,48	759,53
Employer's unemployment insurance	0,00	0,00	1,90	13,28	178,17
Accident and group life insurance	0,00	0,00	2,90	21,29	174,16
Property Tax	25,91	105,20	0,00	0,00	410,41
Environmental tax	0,00	0,00	0,00	0,00	9,47
Alcohol tax	0,00	0,00	0,00	4,77	0,00
Packaging material and soft drink tax	0,00	0,00	0,00	307,33	103,86
Total	9 847,93	7 430,69	220,93	825,74	1 652,50

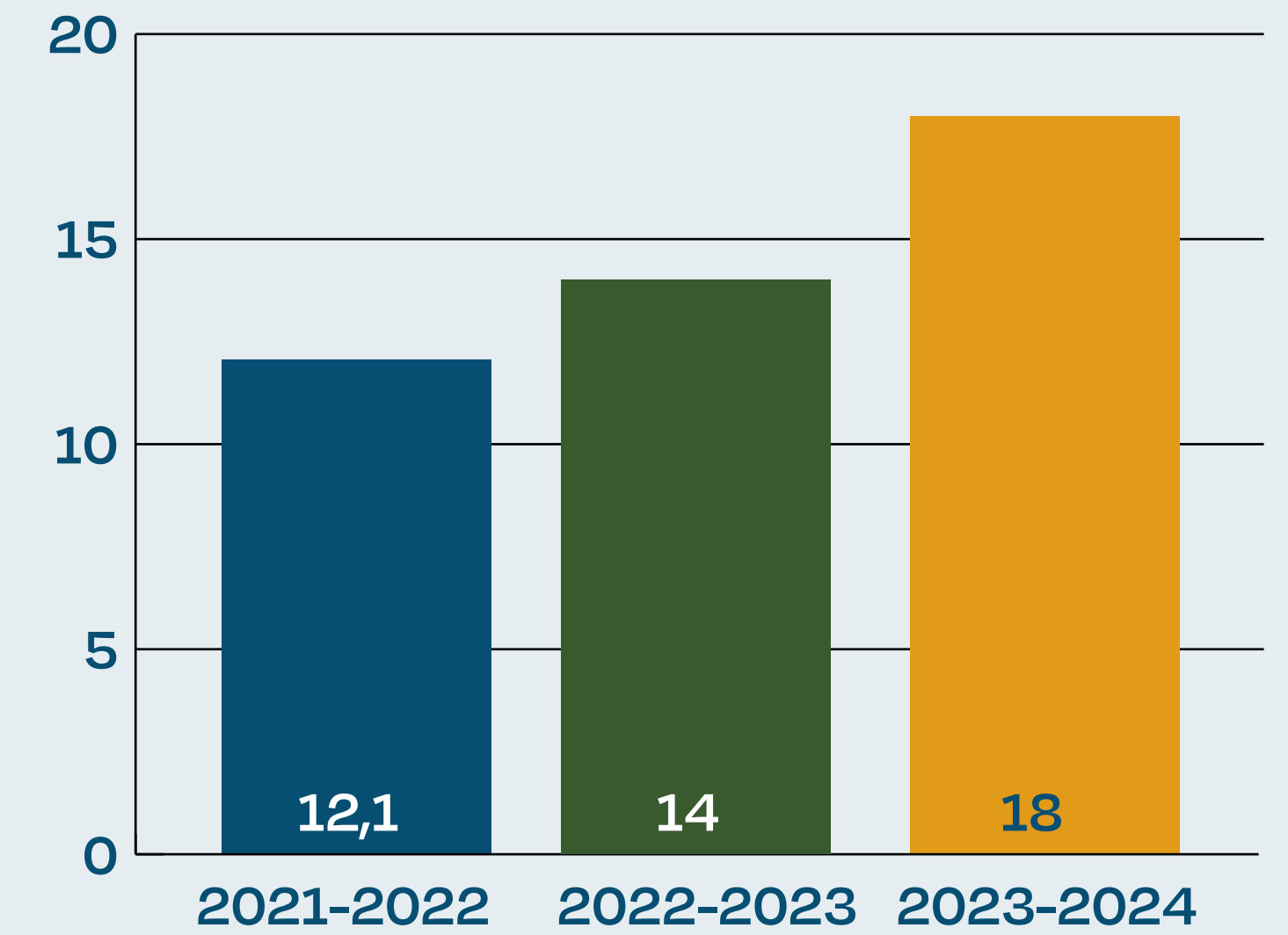
Turnover (MSEK)



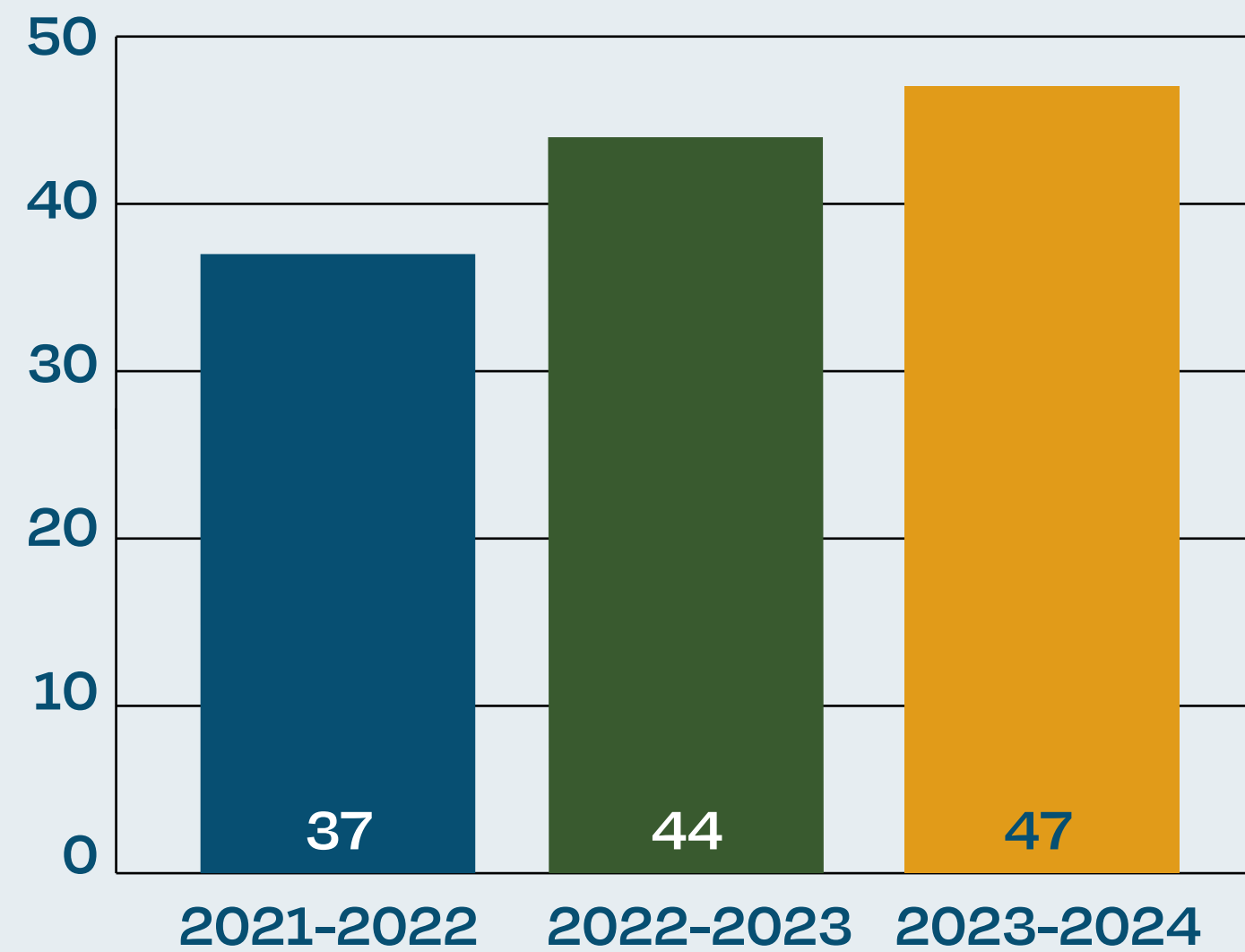
Balance (MSEK)



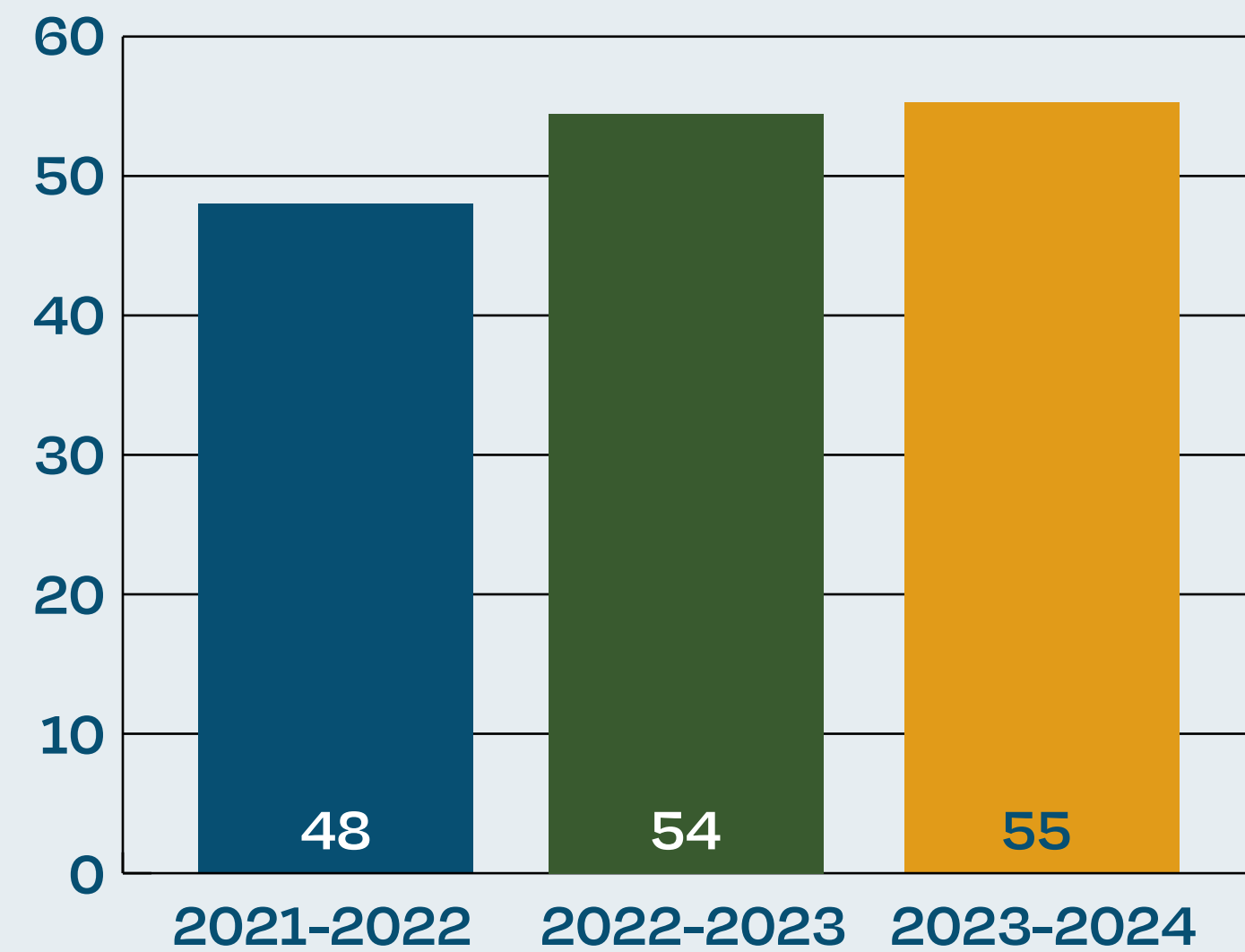
Social security expenses (MSEK)



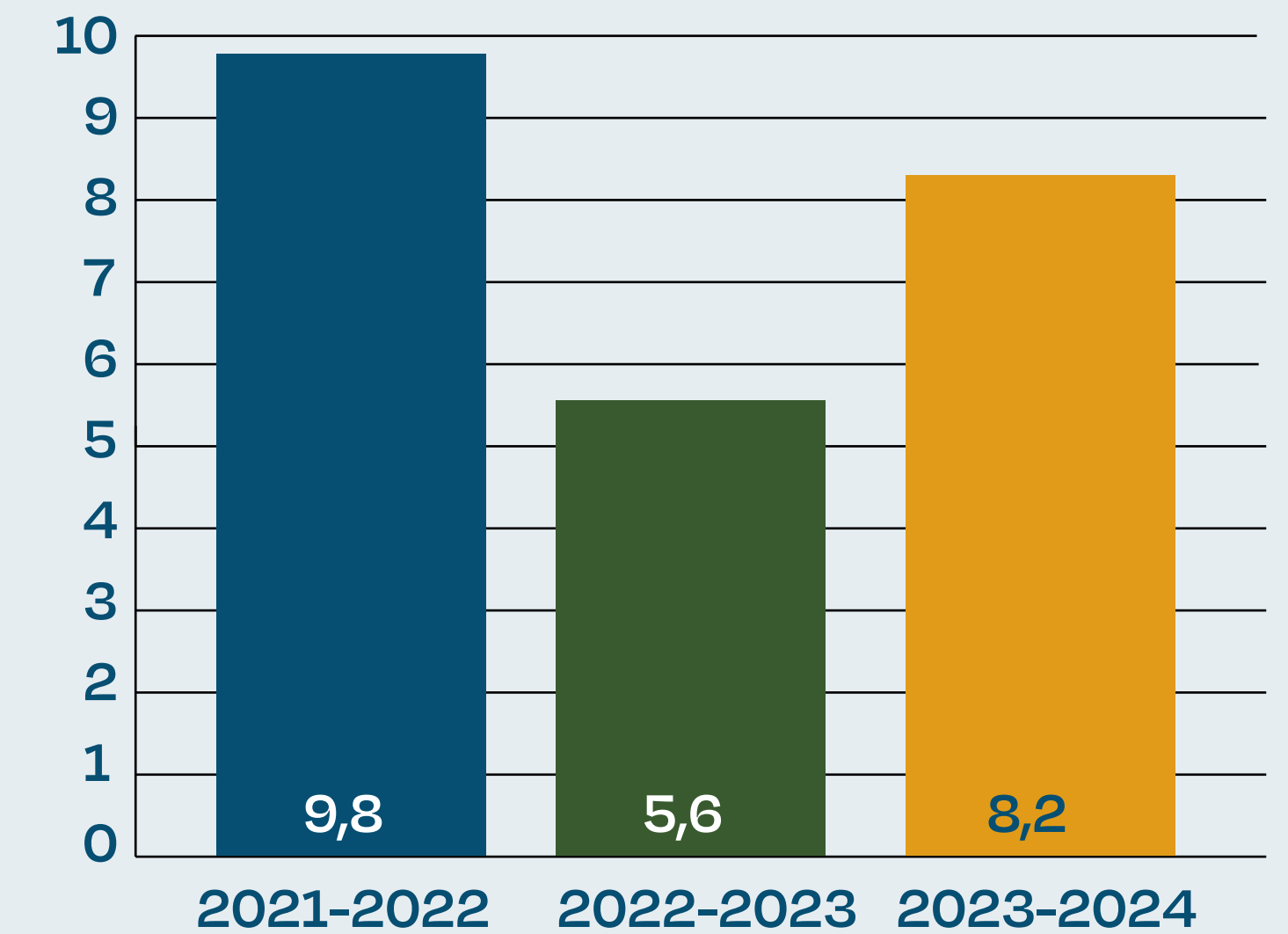
Operating profit (MSEK)



Salaries and remunerations (MSEK)



Tax on profit (MSEK)



Risk Management

We have identified several sustainability-related risks pertaining to our business, including climate change, biodiversity loss, and human rights issues within our supply chain.

Our efforts are centered around effectively managing these risks and transforming them into opportunities. As our work progresses, we will provide regular updates on our website addressing these issues. Since 2023, we have actively published blog posts and news articles on the most relevant topics.

We acknowledge the need to improve our risk management processes related to sourcing through better monitoring and auditing practices. Human rights protection, particularly for our berry pickers, is a key priority in our operations.

Polarica operates extensively in Poland and globally sources from countries deemed high-risk. We maintain a stringent supplier process, including

SMETA audits and direct visits to key suppliers. To date, we have encountered no human rights issues in these regions.

External Audits Performed

Our operations in Finland were audited in 2023 by a third-party auditor, Bureau Veritas. They highlighted some areas for improvement, specifically emphasizing the need for increased visibility in the recruitment process and ensuring sufficient rest time for pickers. To address this issue, we participated in recruitment events in Thailand alongside Fair Trade Finland in March 2024. The event provided valuable insights into recruitment processes. You can find more information about this event on our website.

Additionally, the audits emphasized the need for better documentation from our suppliers. We have thus initiated discussions with our partners and implemented measures to improve documentation standards in the future.



In Sweden, our operations undergo audits by Kiwa Inspecta, while in Poland, audits for ISO 14001 and SMETA are scheduled for 2024. Additionally, our operations in all three countries were audited by customers in 2023.

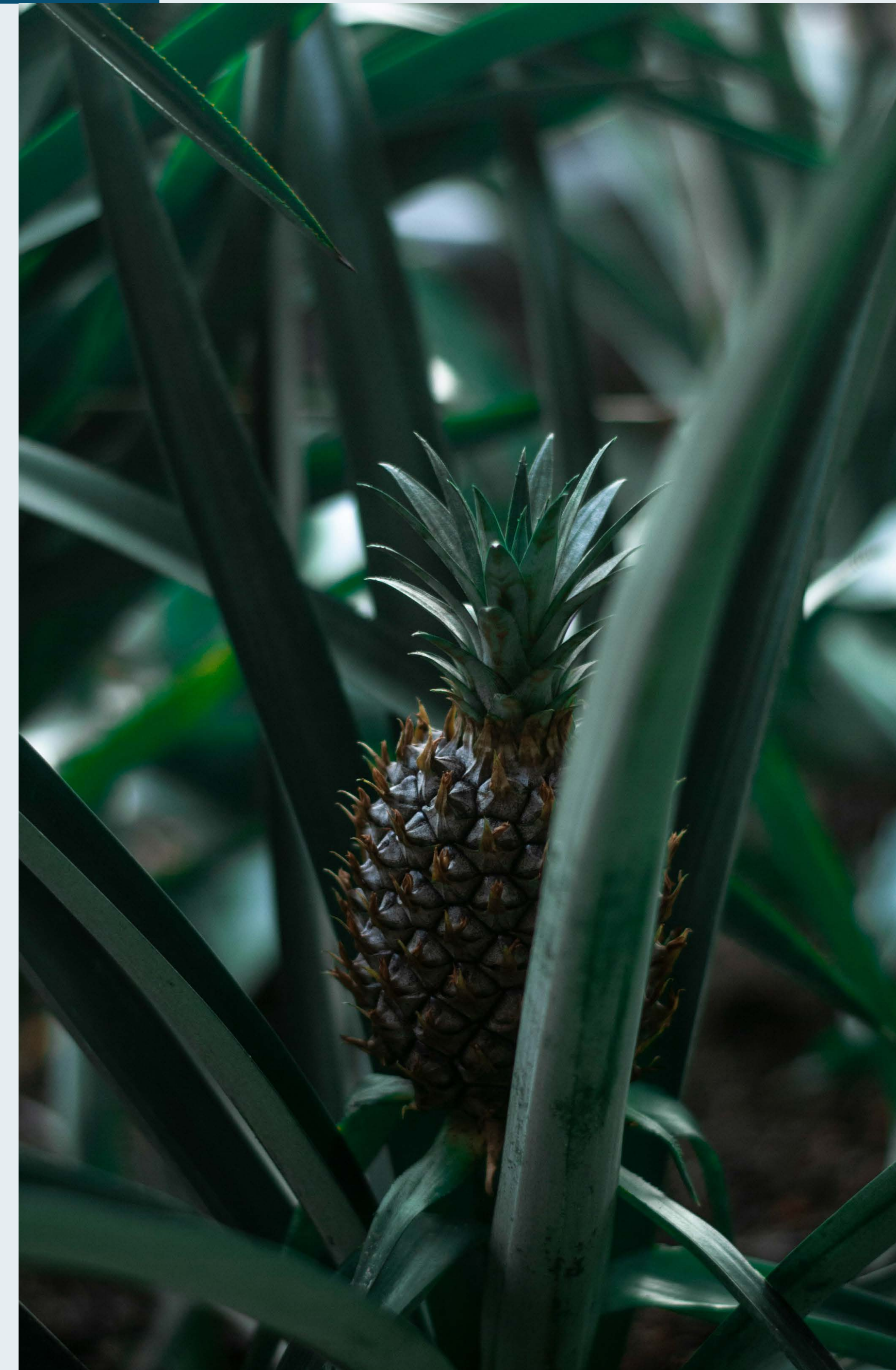
Ensuring Safety and Mitigating Risks

The continuity and growth of our operations requires a vigilant approach to risk management. We prioritize the safety of our employees, customers, and stakeholders by implementing robust risk management policies.

We conduct annual risk assessments, covering general safety, occupational safety and well-being, chemical usage, and raw materials. Moreover, we evaluate risks based on their probability, severity, and significance, considering potential consequences, and identifying measures for mitigation and prevention.

Customer Health and Safety

Ensuring our customers' health and safety is a core value for us, and we uphold this commitment through stringent quality control procedures. Our commitment to delivering exceptional flavor, texture, and safety is evident at every stage of our production process. To achieve this goal, we conduct rigorous quality testing on every batch of our products using laboratory analysis, as depicted in our supply chain visualization. We carefully document and address all customer complaints on time.



Sourcing Worldwide



■ Risk countries according to Amfori BSCI

Quality Certifications

We monitor and maintain our supervisory standards and checkpoints in accordance with internationally recognized certifications such as FSSC 22000, BRC, IFS Food, and the HACCP system. These standards serve as the foundation for our quality approach, and we are constantly striving to improve our quality management processes. By embedding quality in our management system, we ensure that our customers can trust in the consistently high standards we maintain throughout our operations.

Polarica holds several certifications, including EU organic certification, EKO, BRC, Kosher (Certificate of Kashrut), Bio Suisse, IFS Food, FSSC 22000, and KRAV. ISO 14001 is being implemented in the Polish facilities from 2024 onwards.

All Polarica sites are in the HACCP system. To prevent foreign substances in Nordic berry products, we have implemented thorough cleaning and sorting processes, as well as extensive training programs for our pickers. We use x-rays and/or metal detectors on the majority of our packing lines, including consumer packages, horeca, and industry.



Adapting to Global Challenges

In today's global economy, what happens in one corner of the world invariably impacts others. Not surprisingly, the ongoing wars in Ukraine and Palestine have impacted our operations and caused disruptions in the supply chain. In addition, delays in deliveries have occurred due to disruptions in the Suez Canal, and the Peruvian mango crop for the 2023/2024 season was significantly reduced by El Niño. Nevertheless, we have managed to navigate these challenges thanks to our resilient business model.

Inflation, rising interest rates, and the overall uncertainty in consumer trust pose additional challenges that we carefully examine in our risk management. In such turbulent times, we are actively mitigating risks to guarantee the survival and prosperity of our business and the satisfaction of our stakeholders.

Industry Challenges

The fruit and berry industries face numerous sustainability challenges, such as excessive water usage, harmful pesticide use, soil nutrient depletion, labor exploitation, and biodiversity loss.

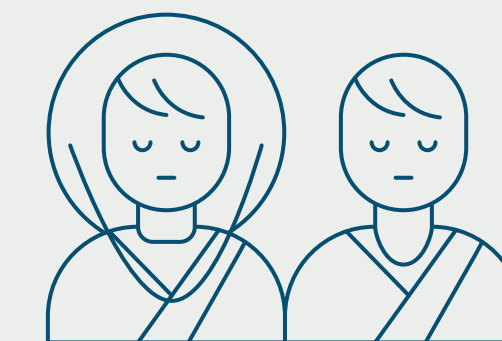
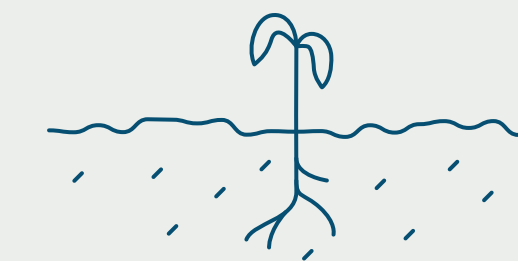
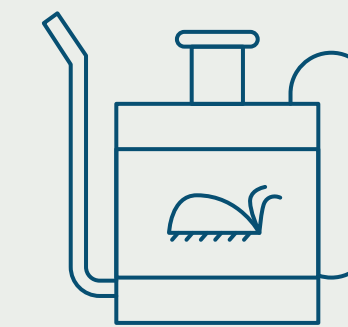
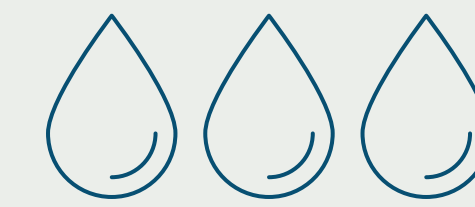
Our commitment to social responsibility in sustainability is guided by the UN Guiding Principles on Business and Human Rights. Our efforts align with several UN Sustainable Development Goals (SDGs), including SDG 3 (Good health and wellbeing), SDG 8 (Decent Work and Economic Growth), SDG 12 (Responsible Consumption and Production), SDG 13 (Climate Action) and SDG 15 (Life on Land).

Addressing these challenges requires sustainable farming practices, reduced pesticide usage, improved labor conditions, and responsible sourcing policies. In the case of forest berries,

addressing social responsibility concerns demands our special attention.

Many of these challenges also pose financial risks and opportunities for our business. Climate change and biodiversity loss are particularly concerning, since the availability of our raw materials are directly dependent on the wellbeing of nature. We will expound on this more in next year's report and on the website once the double materiality analysis is completed.

While we recognize our role as a key player in addressing these sustainability issues, it is critical that all stakeholders collaborate to promote a more sustainable berry industry. Hence, we are taking an active role in communicating our sustainability work.



Ethics and Integrity

Polarica's values serve as a framework for all decision-making within the organization. These values apply to all workers, regardless of job title or position within the organization. Every member of the team is expected to uphold the company's values in their actions and decisions and to avoid any behavior that contradicts them. Our sustainability work is also based on our values.

Whistleblowing Channel

We have an internal anonymous Whistleblowing channel accessible to all employees throughout the year. This channel is integrated into the onboarding process for new hires and is available online. Any communications received through the Whistleblowing channel are directly forwarded to the CEO, who takes appropriate action. In 2023, there were no issues reported through the channel.

We have a strict Code of Conduct that guides our work. This Code encompasses a set of values, rules, standards, and principles that outline the expectations for all staff within the organization. Furthermore, we have a Supplier Code of Conduct, which articulates the business principles that all suppliers must adhere to.

Our Values

We work as one team in one company:

We work together showing respect to each individual and interest group during the entire lifecycle of all our products. We share a corporate culture and common operating procedures, and our team, which includes the entire Group, collaborates to accomplish its objectives.

We discuss-decide-deliver:

We collaborate to find the best solutions to problems using our operational method based on dialogue, and once decisions have been made, we work closely with one another to carry them out through joint efforts.

We are passionate about everything we do:

We believe in what we do, and we have a passion for the things we are involved in.

I act as if it were my own company:

We conduct business as if it were our own, and as such, we are accountable for the organization's overall success as well as the welfare of all its members.

Stakeholder Engagement

Collaboration with stakeholders is an integral part of our strategy and sustainability initiatives. Employees, workers, berry pickers, partners, suppliers, clients, owners, local governments, end-users, non-governmental organizations, and the media are all important stakeholders to us. Our clients span various sectors, including industry, retail, and foodservice.

We regularly engage in direct communication with our principal clients and pay attention to their needs and sustainability-related concerns. We strive to maintain an engaged and personalized communication channel with the delegates of our most important stakeholders. This helps us understand and address their expectations regarding our sustainability practices.

These discussions are our primary means of staying in touch with our stakeholders. Additionally, we collect feedback from our berry pickers through various channels.

Continuous Stakeholder Engagement

We have identified our key stakeholders and their expectations for sustainability information (see the adjacent illustration).

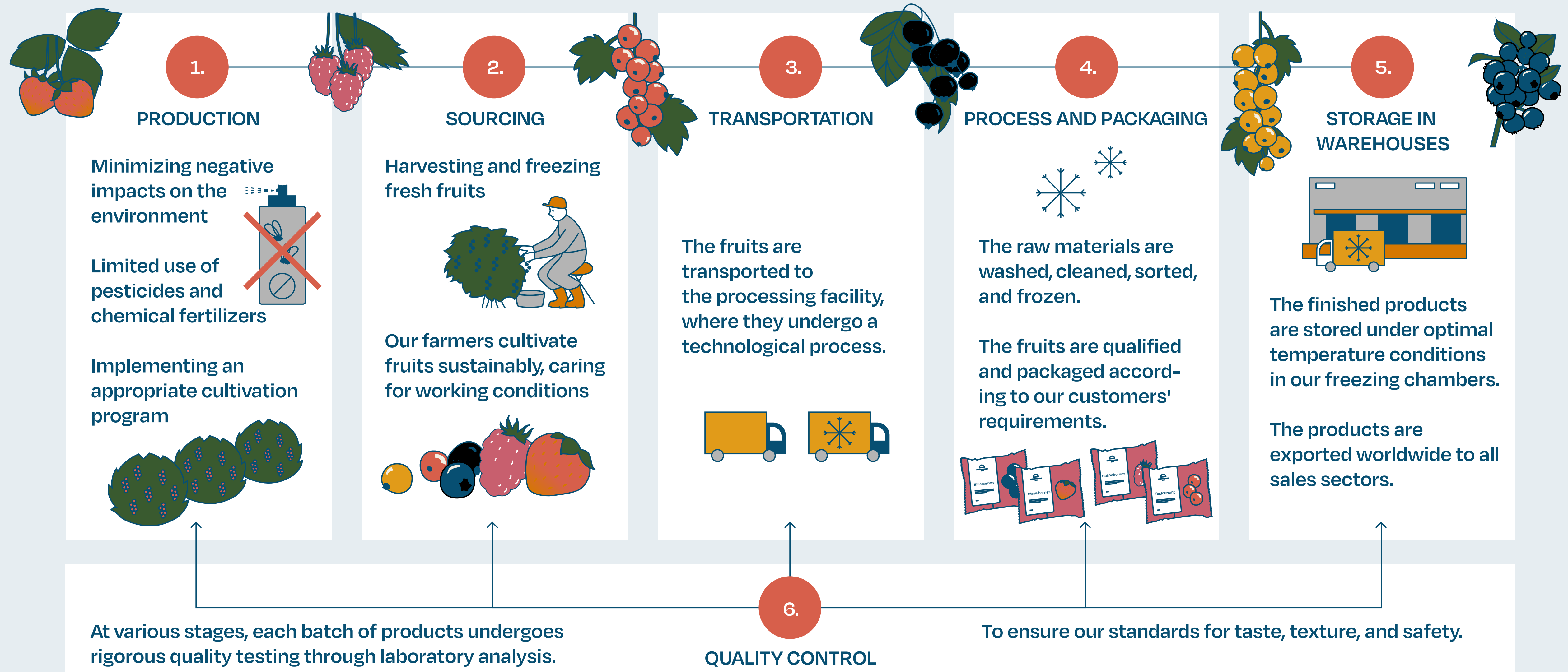
We understand that collaboration with stakeholders is critical to achieving our sustainability objectives. Obtaining relevant industry certifications, adhering to strict compliance guidelines, and prioritizing sustainability as a core value were of utmost importance to our stakeholders.

We will continue to engage with our stakeholders to address their concerns and expectations while remaining committed to sustainability.

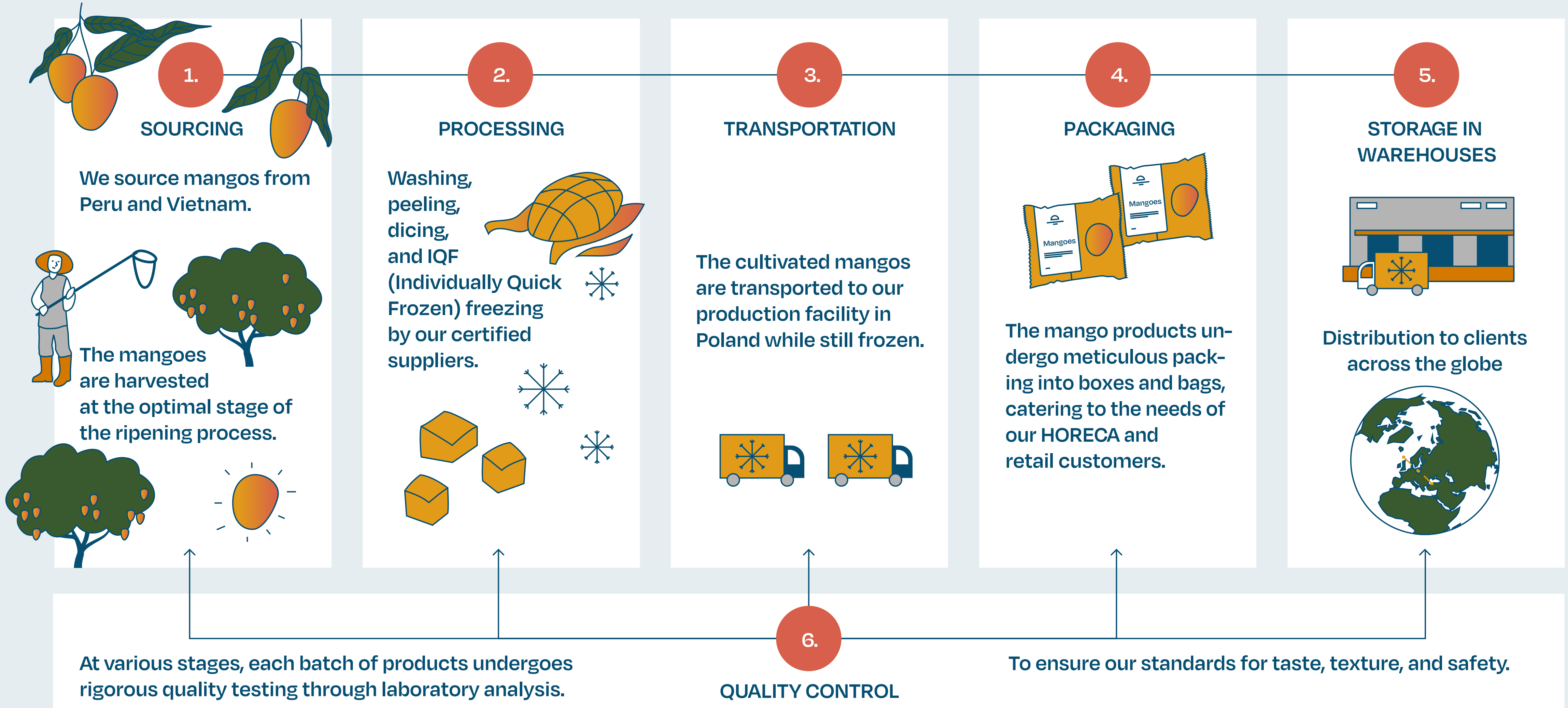


Polarica's Key Stakeholders	Stakeholder Involvement and Interaction	Stakeholders Expectations and Targets	Responding to Stakeholder Expectations
Employees	People Survey for all employees	Corporate culture, employee wellbeing, professional development, good management and leadership, work safety, fair and reasonable compensation, sustainable brand image	Code of Conduct, occupational health and safety program, remuneration policy, recruitment process, trainings, surveys
Suppliers	Visits on-site (Vietnam, Egypt, Peru) and discussions about supplier requirements and goals	Supplier relationship, long-term and fair partnership, development, valuing sustainability work	Supplier Code of Conduct, fair contract terms, stakeholder cooperation
Berry Pickers	Whistleblowing channel, Berry Pickers Survey two times per season, participation in Thailand recruitment process, interviews with pickers	Fair and reasonable compensation, occupational health and safety, training and feedback	Survey analysis and operations development, active discussions with pickers, human rights assessment, oversight of partners in the recruitment process
Customers and Berry Brand Representatives	Regular discussion with customers, customer visits in Poland and to the Finnish and Swedish berry-picker camps, meeting clients in fairs and events	Human rights, climate and biodiversity, food safety, delivery reliability, origin of raw materials, circular economy practices, occupational safety and wellbeing	Sustainability program, sustainability reporting
Financial Institutions	Regular face to face meetings with financial institutions, normally 1-2 times per year and email correspondence.	Requesting information on carbon calculations	Delivering transparent information
Consumers	Customer service, sustainability reporting, website, social media, product labels and consumer information	Food safety, sustainable brand, transparent information	Sustainability program, innovations and product development
Media	Releases and Blogs, interviews	Transparent information about ongoing matters	Consistent, regular and honest communication
Authorities and Societal Decision-Makers	Oversight, discussions, collaboration, audits including tax audits	Food safety, environmental impacts, human rights	Compliance with given requirements, offering expertise and perspective on the industry, transparent communication
NGOs	Fair Trade pilot		

From Farm to Factory to Customer: The Journey of Garden Berries



From Farm to Factory to Customer: The Journey of Mangoes





Our Sustainability Themes

Management of Sustainability Work

Polarica’s sustainability work is based on the global guidelines on sustainability, including the UN Guiding Principles on Business and Human Rights and SDGs. Sustainability efforts are evaluated according to various industry-leading certifications and standards.

In spring 2023, we introduced a comprehensive sustainability program to strengthen our operations. The program prioritizes minimizing environmental impacts, increasing supply chain transparency, promoting transparent business practices, and enhancing social responsibility. Having now set goals for these focus areas, we will continuously improve our operations.

The Managing Director bears the primary responsibility for overseeing the sustainability program’s implementation and reports its progress to the board. The board, in turn, holds ultimate responsibility for the effective imple-

mentation of the sustainability program.

At the end of 2023, we appointed a dedicated person to coordinate our sustainability initiatives and formed two working groups to ensure the successful execution of the sustainability program. These working groups concentrate on environmental and personnel issues.

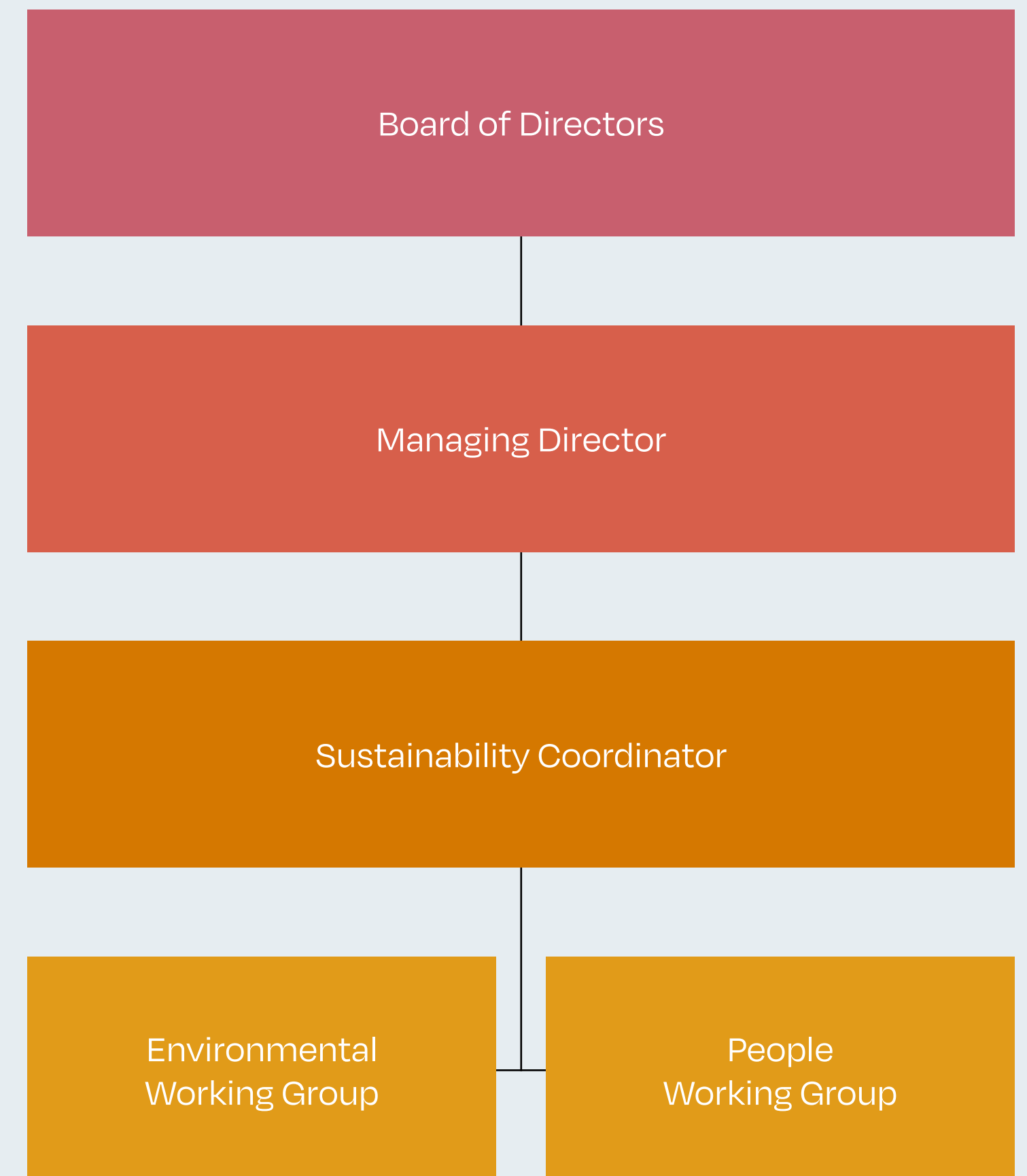
The designated members responsible for implementing the sustainability program organize meetings throughout the year to review its progress.

All personnel underwent training on sustainability issues during 2023.

Polarica engages external experts whenever needed on specialized sustainability topics like human rights and environmental assessments.

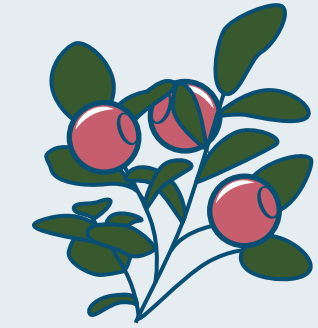
We appointed a Sustainability Coordinator from within the company who brings extensive knowledge of our operational processes—an advantage in sustainability work. Moreover, he has started post-graduate studies to further develop his knowledge on sustainability issues.

Hierarchy



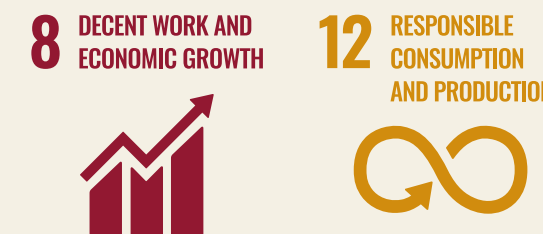


Polarica Sustainability Program 2022–2026



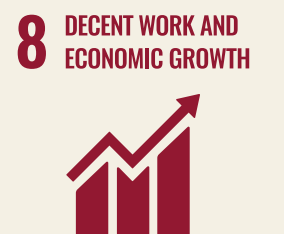
Know Our Supply Chains

- Describe and manage our supply chains (direct and indirect sourcing): thorough environmental and human rights impact assessment, list of partners
- Create a supplier code of conduct and develop contractual clauses
- Select responsible partners and monitor their Corporate Responsibility implementation
- Join UN Global Compact



Transparent Business Practices

- Describe how we handle tax payments
- Understand the relevance of economic responsibility and good governance
- Update the company's policies, including the anti-corruption policy



Empower People

- Conduct a comprehensive assessment of human rights impacts across the entire value chain, thoroughly mapping out potential areas of concern
- Ensure respect for berry pickers' and other raw material suppliers' human rights, including fair and reasonable compensation and good working and living conditions
- Increase awareness of human rights and other sustainability issues to our relevant stakeholders
- Implement surveys for internal and external employees and set up a reporting channel







Minimize Environmental Impacts

- Baseline measurement and goal setting of environmental impacts
- Reduce emissions based on carbon calculations (SBTi): Carbon Neutral by 2035
- Implementing ISO 14001
- Create a biodiversity program
- Improving recycling rate: zero waste target



Goal: Know Our Supply Chains

Actions	Progress
<ul style="list-style-type: none"> Describe and manage our supply chains (direct and indirect sourcing): thorough environmental and human rights impact assessment, list of partners 	
<ul style="list-style-type: none"> Create a supplier code of conduct and develop contractual clauses 	
<ul style="list-style-type: none"> Select responsible partners and monitor their Corporate Responsibility implementation 	
<ul style="list-style-type: none"> Join UN Global Compact 	

KPI's

- Supply chain descriptions
- Updated contracts and guidelines
- Updated evaluation processes (including audits)

Transparency in our supply chain is essential to ensure our corporate responsibility, a consistent customer experience and maintain uninterrupted visibility of the production process. By guaranteeing a transparent supply chain, we aim to build trust and strengthen customer relationships while minimizing social, environmental, and financial risks.

We are committed to providing a detailed description of our supply chain, including both direct and indirect sourcing. This will involve conducting environmental and human rights impact assessments and compiling a list of our partners. As stated earlier, we have developed a supplier code of conduct and established contractual clauses to ensure sustainable practices throughout the supply chain.

In selecting partners, we prioritize those committed to corporate responsibility and actively monitor their implementation of these initiatives. This work is on-going and requires constant revision. We will continue to share additional information about our supply chain on our website. In early 2024, we visited mango suppliers in Vietnam and a strawberry supplier in Egypt, where we confirmed their commitment to sustainable practices.

Auditing as a Tool for Accountability

To ensure compliance, we adhere to the ISO 26 000 guidelines and conduct annual audits. More importantly, we perform our own audits of significant

material flows within our supply chains in Sweden, Finland, and Poland. In Sweden, we use KRAV certification to measure and verify these standards. To uphold ethical trade practices, we require SMETA (Sedex Members Ethical Trade Audit) audits from our suppliers operating in countries classified as standard risk countries.

We recognize that auditing smaller suppliers may require a different approach compared to larger companies in the industry. As a result, smaller suppliers are not necessarily subjected to the same extensive audit procedures as their larger counterparts, particularly those operating outside of high-risk countries. Nevertheless, we remain steadfast in our commitment to ensure that our smaller suppliers also adhere to our sustainability standards. For instance, although we demand compliance to the Laaturaha standard from most of our garden berry suppliers in Finland, smaller suppliers receive operating instructions, and we audit them ourselves.

If any of our suppliers or partners fail to meet these requirements, we take necessary measures to address the issue. If the standards are not met

even after corrective actions, Polarica will discontinue cooperation with the non-compliant party. In the 2023 season, two partners were disqualified due to unsatisfactory internal processes. In 2024, during our visit to Vietnam, we were pleased to learn that our current supplier is actively working to improve their sustainability efforts.

We aim to support our suppliers in developing their businesses to ensure proper and ethical operations. Our efforts have been focused on supporting subcontractors in Finland, and all our current partners are striving to improve their operations.



Goal: Empower People

Actions	Progress
<ul style="list-style-type: none"> Conduct a comprehensive assessment of human rights impacts across the entire value chain, thoroughly mapping out potential areas of concern 	●
<ul style="list-style-type: none"> Ensure respect for berry pickers' and other raw material suppliers' human rights, including fair and reasonable compensation and good working and living conditions 	●
<ul style="list-style-type: none"> Increase awareness of human rights and other sustainability issues to our relevant stakeholders 	●
<ul style="list-style-type: none"> Conduct surveys for internal and external employees and set up a reporting channel 	●

KPI's

- Analysis of the overall effects and risks regarding human rights, as well as action prioritization
- Earning model and total annual payments
- Number of persons trained
- Results of surveys and reporting

We recognize the significant impact we have on people's lives, as Polarica directly employs approximately 160 individuals in Sweden, Finland, and Poland. Additionally, we invite seasonal berry pickers to Finland and Sweden through subcontractors; meaning they are not directly employed by Polarica.

Human Rights in the Value Chain

We will conduct a thorough mapping of human rights impacts throughout our value chain as part of our commitment to human rights, and we will guarantee compliance with relevant regulatory frameworks. Our focus is on respecting the rights of berry pickers and other raw material suppliers, including fair and reasonable compensation and the provision of good working and living conditions.

In 2024, we initiated a pilot program with Fair Trade Finland and other industry players to establish criteria for certified berry-picking practices. The criteria were finalized in June 2024.

Raising awareness of human rights and sustainability among our stakeholders is also a key priority for us. To achieve this, we have conducted surveys for both internal and external workers and created new reporting channels for berry pickers to facilitate open communication.

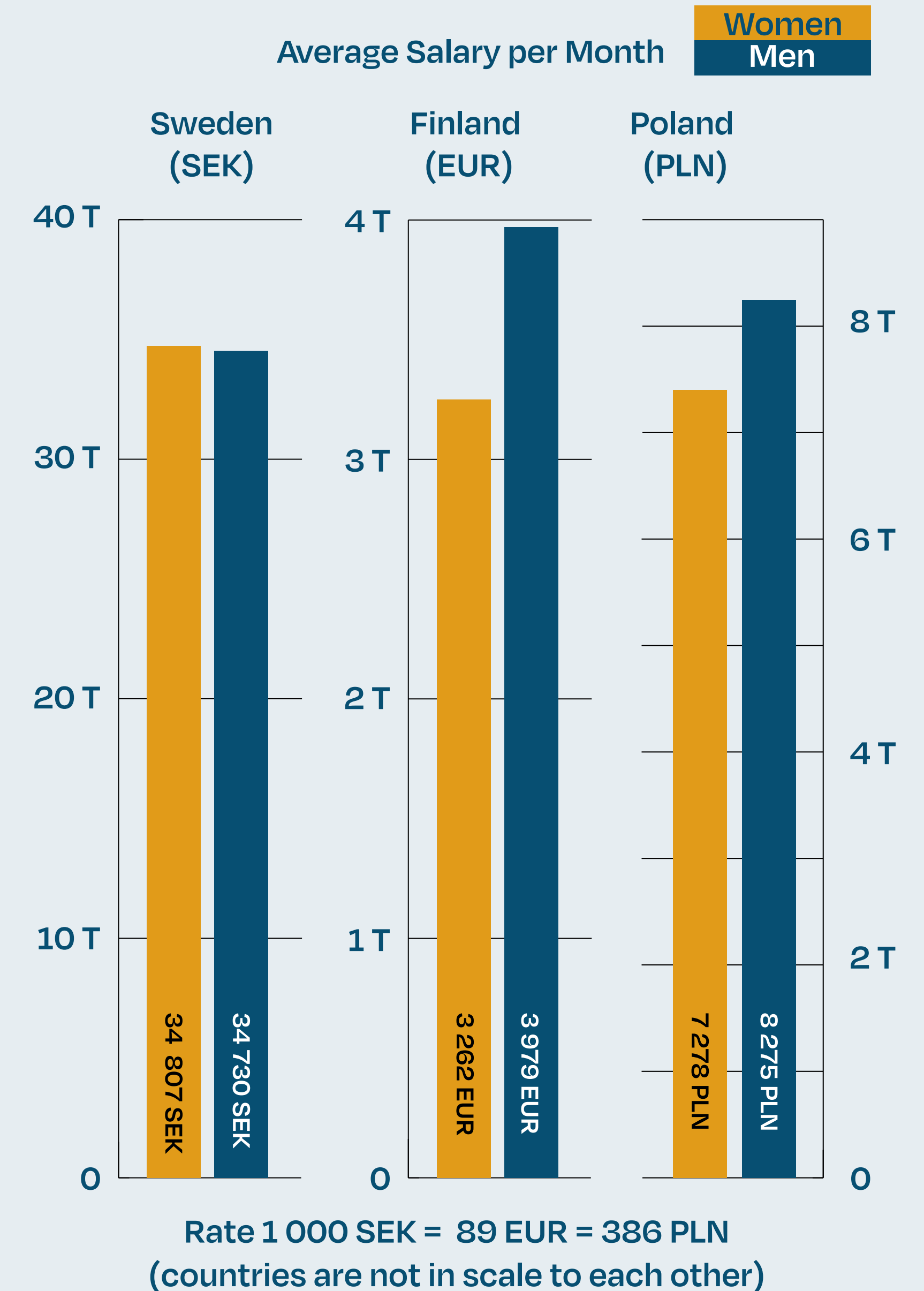
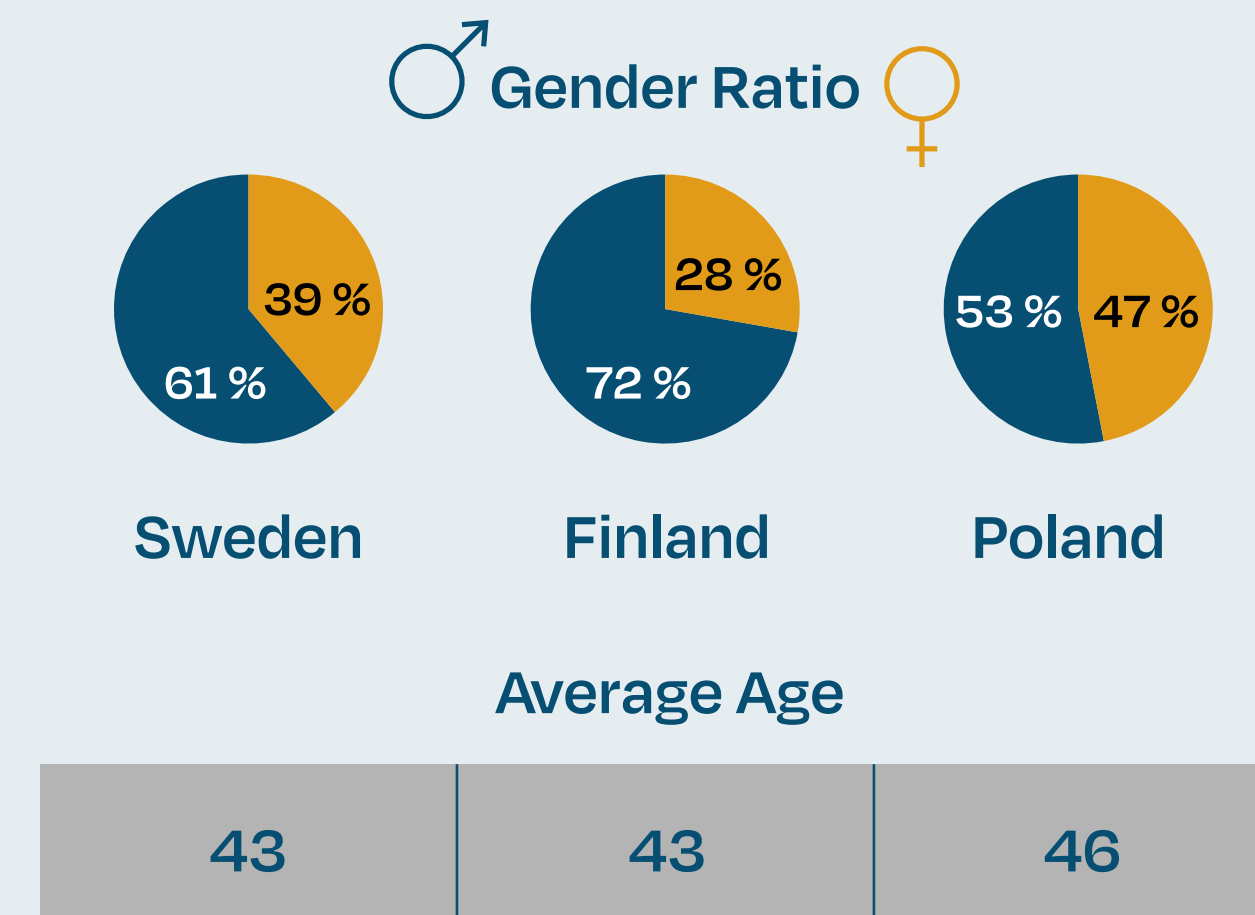
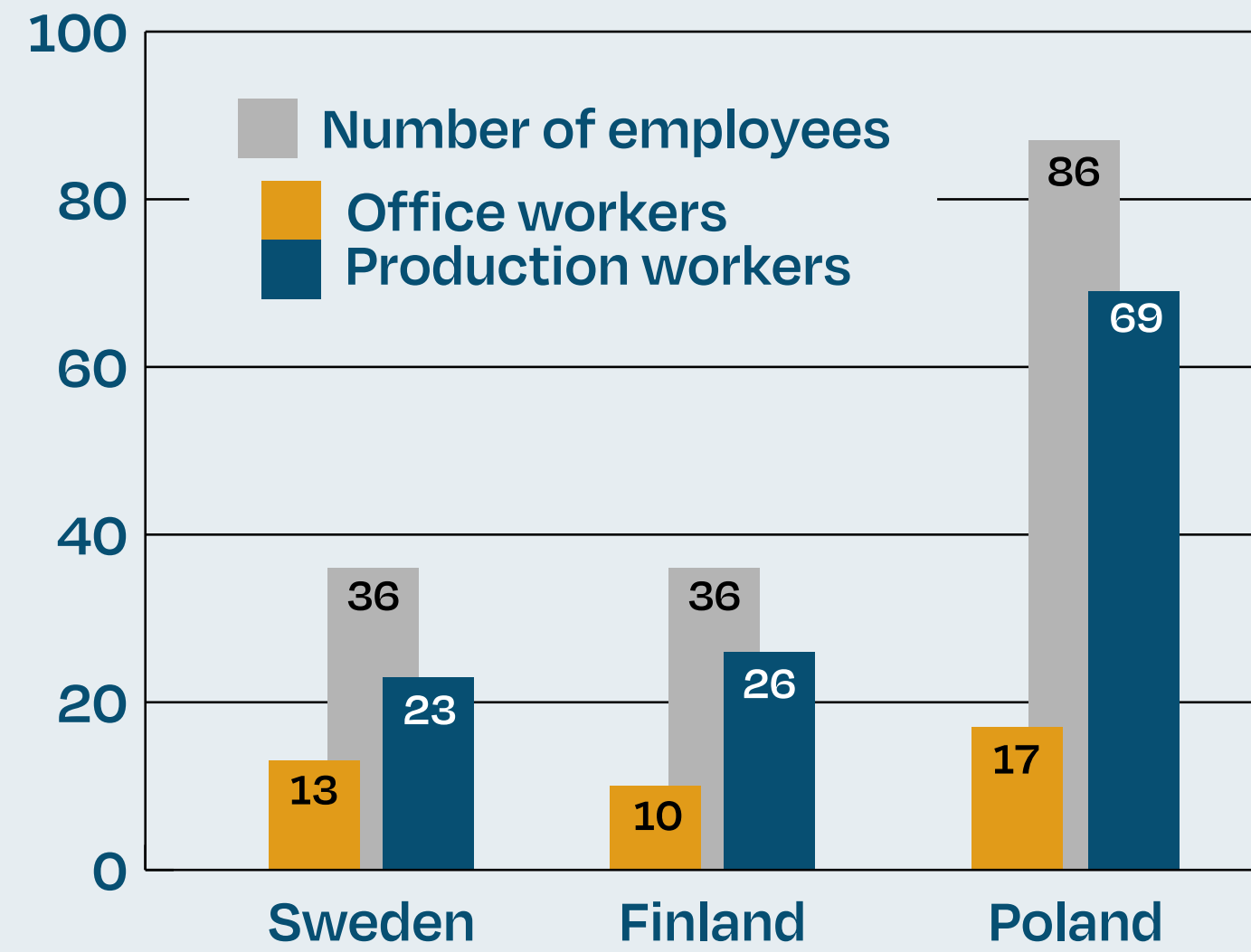
To measure our success in these efforts, we have utilized key performance indicators (KPIs) such as analyzing human rights impacts and risks comprehensively, prioritizing appropriate actions, assessing our payment practices and

income distribution, tracking the number of individuals trained, and evaluating the results and feedback from surveys and feedback reporting mechanisms. In 2023, we drafted and published a Q&A for our clients on our approach to berry-picking and the pickers' working conditions. Some of our clients also audited the berry-picking camps themselves.

Polarica adopted a Human Rights Policy in 2023 to streamline, guide, and strengthen our commitment to corporate human rights responsibility. The policy was an outcome of a thorough Human Rights Impact Assessment (HRIA) done at the end of 2022.

Our business operations have a significant impact on four crucial stakeholder groups: our own workforce, individuals within our supply chains, end-users of our products, and the local communities residing near our facilities.

We pay particular attention to our supply chains and take proactive measures to ensure that work is carried out in conditions that fully respect fundamental human rights. This includes strict adherence to the prohibition of forced or compulsory labor, illegal child labor, and human trafficking. Furthermore, we prioritize the realization of rights pertaining to life



and health, as well as the promotion of fair wages and trade union rights. Currently, we do not have any union representation in any location.

Comprehensive Employee Survey

Employees are our most valuable resource, and their well-being and satisfaction are high priorities to us. We conducted an employee survey in the beginning of 2024 – both online and on paper – to gather insights into our employees' perspectives. We received a total of 100 responses from 3 different countries. Of the respondents, 60 were blue-collar workers, 36 were white-collar workers, and 4 chose not to disclose their status.

It is important for us to foster an organizational culture that supports the success of each of our employees in their work. We were pleased to notice that our investment in training and professional development was reflected in the survey responses. Positive feedback was received in areas such as constructive feedback exchange, support from colleagues, learning new responsibilities, clarity of expectations, and possessing the competencies

needed for successful work performance.

The survey provided valuable insights into areas for improvement. In the future, we will pay special attention to the information flow between managers and personnel, as well as refining work organization to ensure that employees have enough time to perform tasks without causing too much stress.

Equal workplace

At Polarica, we value our workforce and embrace diversity in our workplace. While most of our team comprises permanent staff members, we pride ourselves on having a diverse workforce with varied educational backgrounds, genders, ages, and nationalities. Additionally, our board consists of three members, one of whom is a woman.

All our employees in Finland, Sweden, and Poland are over 18 years old. Women make up 40.5 % of our permanent workforce, while men account for 59.5 %. Approximately 25 % of our employees work in the office, while the remaining 75% are engaged in production-related roles. We are proud to employ individuals from different nationalities, including

people from Sweden, Poland, Finland, Latvia, and Ukraine.

Inclusive Work Environment

We prioritize the rights of every employee to work in a safe and inclusive environment, free from discrimination and harassment. To that end, we have adopted a comprehensive anti-bullying and harassment policy. This policy includes detailed guidelines and resources designed to provide our employees with the tools and understanding they need to identify and address inappropriate workplace behavior. We strongly encourage any employee who is subjected to bullying, discrimination, or harassment to immediately contact their supervisor, who will address the issue.

Workplace Safety and Workers' Well-being

We provide comprehensive healthcare services and a range of valuable fringe benefits to our employees. As an example, we offer extensive occupational healthcare, which encompasses access to specialist doctors through referrals from our occupational health physicians.

	2021 / 2022	2022 / 2023	2023 / 2024
Polarica AB Haparanda	2,8%	2,4%	2,7%
Polarica Skogsbärinköps AB	2,7%	0,6%	0,6%
Polarica Marjahankinta Oy	3,2%	4,5%	0%
Kaskein Marja Oy	6,3%	6,1%	3,7%
Polarica Sp z o.o	9,6%	9,3%	4,8%

Sick leave % Fiscal Years 2021-2024



- Poland: medical services and sport activities
- Sweden: massage; sport and healthcare
- Finland: Smartum – gym/massage

We also have a Company Social Fund managed by the Company Social Committee. This fund provides cash gifts for Christmas and Easter, grants for medical care, sports, and difficult life situations, and loans for apartment renovations and leisure activities.

We firmly believe in the importance of maintaining a healthy work-life balance for our employees. To support this, we provide statutory

parental leave options and retirement arrangements to all our employees in Sweden, Finland, and Poland.

Investing in the growth and development of our employees is paramount to fostering a motivated and skilled workforce that drives our collective success. To achieve this, we provide our employees with regular training across a range of relevant topics, including legislative changes, occupational safety, and food safety.

Occupational Safety Program

To ensure the effectiveness of our occupational safety efforts, we have a dedicated occupational safety manager who oversees safety procedures throughout the organization.

We are committed to fostering a proactive risk prevention culture, focused on preventing workplace accidents and continuously improving working conditions.

As part of our occupational safety program, we address critical risks such as forklift traffic and the potential hazards associated with pallets and

containers. To mitigate these risks, we enforce strict adherence to job instructions, use precautionary measures, implement traffic reduction strategies, maintain proper container storage, and promptly dispose of any faulty ones.

We are pleased to report that we have successfully managed and mitigated overall safety risks, resulting in a safe working environment.

Fair and Reasonable Compensation for Berry Pickers

In 2023, we encountered a setback when we were unable to employ pickers due to the Finnish authorities' decision not to issue tourist visas to Thai berry-pickers. As a solution, we engaged pickers through a subcontractor. Nevertheless, to uphold fair and ethical practices, we maintain close cooperation with both the Thai and Finnish authorities.

Our aim is to ensure that the pickers earn a significantly higher income than the minimum requirement set by the Thai authorities. In Thailand, the net minimum income requirement, after deducting expenses, was set at 30 240 BAHT (circa 840 euros)

per season. In Sweden, the minimum gross wage is defined in the collective bargaining agreement. In 2023 the minimum gross wage in Sweden was 54 488 SEK per season. In 2024, pickers will be on employment status also in Finland.

We guarantee a fair and reasonable minimum income for the berry pickers through various support measures. These include employing berry scouts, training programs, earnings monitoring, expense minimization, and providing financial compensation if the net minimum threshold is not met. It is worth noting that last year there was no need for additional compensation for our subcontractor's pickers in Finland.

Empowering Berry Pickers: Training and Feedback

We have several channels for collecting berry picker feedback and suggestions. A comprehensive initial survey is conducted at the start of the season, and it is repeated in the middle of the season. An anonymous feedback survey is also available for berry pickers to provide feedback throughout the season.

Finally, a satisfaction survey is conducted at the end of the season.

In Thailand, Polarica's partner, the Thai coordinator, oversees training that covers fundamental aspects of berry picking, pickers' rights according to the Finnish Berry law, the earning model, feedback channels, and cost structure. In Sweden, the recruitment is based on collective agreement. Additionally, the Thai coordinator attends training organized by

	Sweden 2022	Sweden 2023	Finland 2022	Finland 2023
Total number of pickers	655	579	1142	103
Average gross income (during the season)	64 829 SEK	70 297 SEK	6129 €	7 769 €
Average net income (during the season)	20 141 SEK	32 303 SEK	2 347 €	3 506 €

Average income for pickers in 2022 - 2023




the Department of Employment (DOE) in Thailand to stay updated on industry standards and regulations. Furthermore, we have created a concise two-page summary of the essential parts of the berry law and earning model, which is reviewed again in Finland together with the pickers.

To ensure that each picker has received sufficient information on these topics, participants are asked to sign a document where they confirm that they have participated in the training both in Thailand and in Finland and understood the contents of the trainings. Similar procedure is also conducted in Sweden.

Additionally, our handbook contains essential information, such as the pickers' rights and contact information for authority assistance. We also offer additional berry picking training if the pickers are having trouble reaching the minimum net income level.



Goal: Transparent Business Practices

Actions	Progress
<ul style="list-style-type: none"> Describe how we handle tax payments 	
<ul style="list-style-type: none"> Understand the relevance of economic responsibility and good governance 	
<ul style="list-style-type: none"> Update the company's policies, including the anti-corruption policy 	

KPI's

- Total annual tax payments
- Policy papers

One of the key objectives outlined in our sustainability program is to ensure transparent business practices. To achieve this, we will provide a detailed overview of our approach to tax payments, actively address economic responsibility and good governance issues, and update our company policies, including the anti-corruption policy.

To measure our progress in this area, we will utilize key performance indicators (KPIs) such as total annual tax payments and the development of policy papers. Our tax payments are detailed on page 11. In 2023, Polarica Marjahankinta went through a tax audit as mentioned on the same page earlier.

Polarica maintains a politically neutral stance. Employees who choose to participate in political activities do so strictly in their personal capacity and not as representatives of Polarica. The company respects the individual rights of its employees to engage in political activities while ensuring a clear distinction between personal involvement and official representation.

Anti-corruption and Anti-competitive Behavior

We enhance the effectiveness of our anti-corruption measures through continuous training of our supervisors and the implementation of dual-control principles in expense scrutiny. We provide clear guidelines on gift acceptance to our supervisors, and the CEO regularly reviews financial statements to identify any irregularities in expense reporting.

In instances where evidence of misconduct is discovered, we actively collaborate with law enforcement agencies to gather evidence and conduct thorough investigations. To prevent the recurrence of such incidents, we take appropriate measures, which may include implementing behavioral interventions, employee terminations, and making necessary process modifications.

Employees at risk of contravening Polarica's anti-corruption policy are instructed to report the matter to management immediately. Similarly, employees, stakeholders, or others who suspect that our anti-corruption policy is being deviated from can report to Polarica's management through our anonymous Whistleblowing channel.

Ongoing Investigations

On February 2024, the Northern Finland Prosecution District announced charges against Jukka Kristo, former CEO of Polarica Marjahankinta Oy, for aggravated human trafficking. Throughout the ongoing preliminary investigation, Mr. Kristo has maintained his innocence and is determined to contest the

charges. Mr. Kristo stepped aside from his role at the company at the end of 2022. Polarica Marjahankinta Oy and its management categorically reject any insinuation of unlawful conduct.

In September 2023, Finnish Competition and Consumer Authority initiated an inspection of Polarica AB and its group companies in Finland and Sweden. Polarica is fully cooperating with the authority's investigation, providing all necessary information. Thus far only one questionnaire have been received by the authorities in Finland, none in Sweden. Polarica denies any violation of competition rules.

In May 2024, Polarica Berry Group received notice of the charges brought against Jukka Kristo, former CEO of Polarica Marjahankinta Oy for aggravated bribery and against the company's current CEO for aiding in crime. Both parties have denied the charges, and Polarica disputes the basis for the corporate fine levied against the company.



Measures for the Future

We understand that fostering sustainable business practices is an ongoing process that requires continuous development.

Our focus is on developing a deep understanding of economic responsibility and good governance within our company. Key areas of attention include fair compensation, anti-corruption measures, and tax compliance. We are actively engaged in ongoing discussions with authorities regarding the regulations for berry-picking both in Finland and Sweden. Clear directions from the authorities make it easier for all parties to commit to sustainable practices.



Goal: Minimize Environmental Impact

Actions	Progress
▪ Baseline measurement and goal setting of environmental impacts	●
▪ Reduce emissions based on carbon calculations (SBTi): Carbon Neutral by 2035	●
▪ Implementing ISO 14001	●
▪ Create a biodiversity program	●
▪ Improving recycling rate: zero waste target	●

KPI's

- 3-year data on emissions, material and energy use
- Biodiversity program action plan
- ISO audits
- Recycling rate

Polarica places a strong emphasis on environmental responsibility and carbon emissions reduction. We also recognize the critical importance of biodiversity for the long-term sustainability of our business.

We are committed to optimizing production processes and to increasing efficiency by streamlining implementation and eliminating bottlenecks. Our goal is to achieve 3–5 % annual efficiency improvements and consumption reductions across various areas, including raw materials, packaging, transportation, and logistics, to continuously lower our carbon footprint.

In our sustainability program, we have established ambitious targets to achieve carbon neutrality by 2035. We have set emissions reduction targets through the Science Based Targets initiative (SBTi). Our targets for 2030 and 2035 are set and approved by SBTi. To support these goals, we implemented ISO 14001 in our Polish facilities in spring 2024 and partnered up with Havu-latva to establish a carbon sequestration system in Finland. Moreover, we are improving our recycling rate to achieve zero waste.

We will measure our success by the following KPIs: 3-year data on emissions, material, and energy use; action plan for the biodiversity program; ISO audits; and recycling rate.

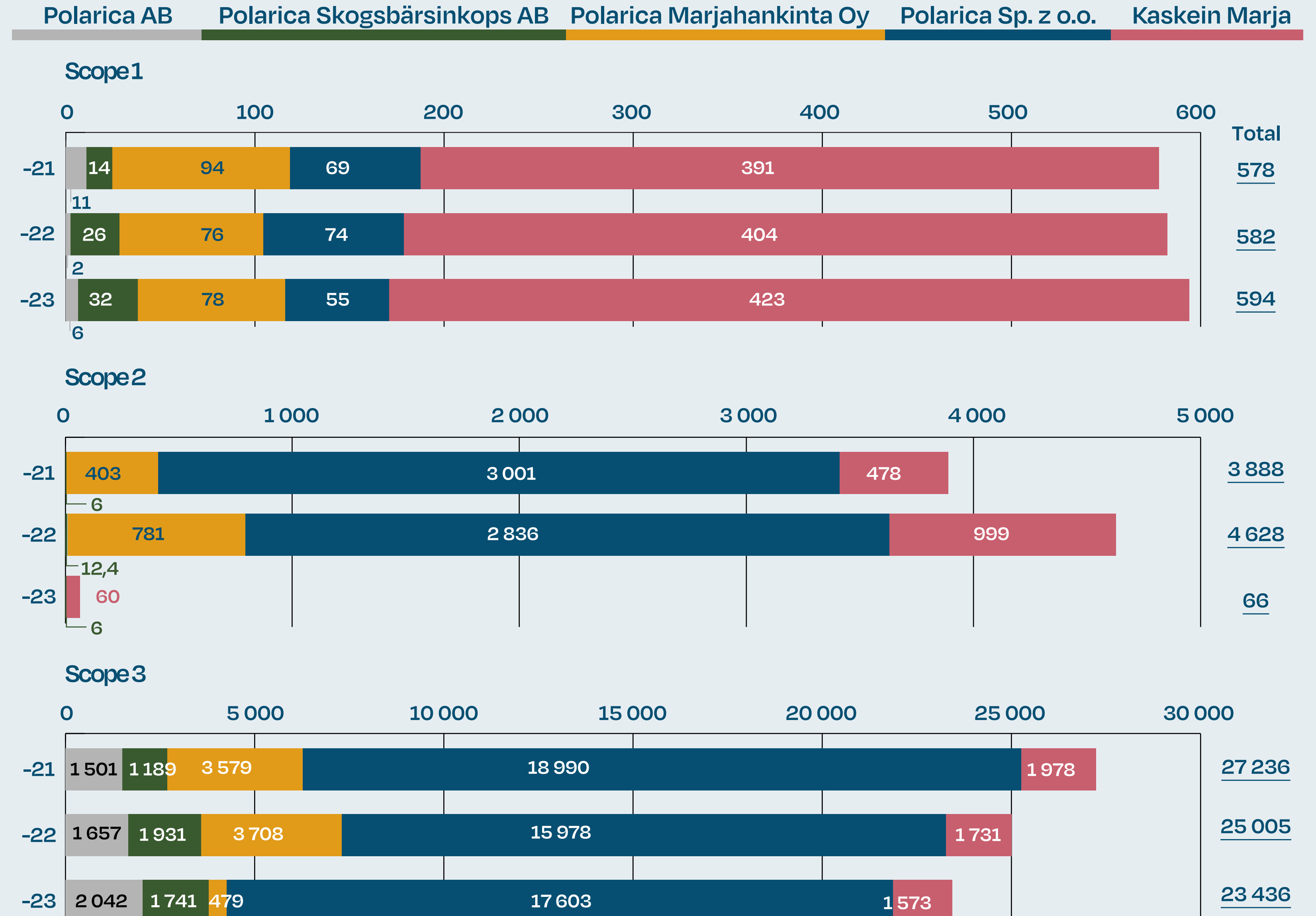
Calculating Our Carbon Footprint

Transparency and accountability are fundamental principles that guide us, and we are committed to ensuring accurate and transparent carbon calculations. We collaborated with the Finnish Consulting Agency Third Rock, to calculate emissions for 2022 and based on their remarks we also recalculated emissions for 2021. For the year 2023, we calculated the emissions ourselves, leveraging the knowledge gained from previous years.

To provide year-to-year comparable data, we also recalculated our 2021 carbon footprint that was originally reported in last year's report. This recalculation addressed the emission factors for flights and included minor corrections to raw data quantities and other emission factors.

Total carbon footprint in all 3 scopes amounted to 24 098 tons of CO₂e. The majority comes from Scope 3: Raw materials and packages purchases, transport and business travel.

During 2023, we achieved a significant reduction in our Scope 1 and 2 carbon emissions.



This was mainly due to our project ensuring a guarantee of origin for the energy purchased in Poland, Kaskein Marja, and Polarica Marjahankinta (Finland).

For energy certified as being produced by nuclear power, an emissions factor value of 0 was used in the calculations, which significantly impacted our overall carbon footprint. According to the Greenhouse Gas Protocol, renewable energy, such as solar, wind, geothermal, and hydropower, have no direct emissions at the point of electricity generation, and therefore one can use an emission factor of zero in Scope 2. Nuclear-generated electricity is also carbon-free at the point of generation.

Carbon Sequestration and Biodiversity

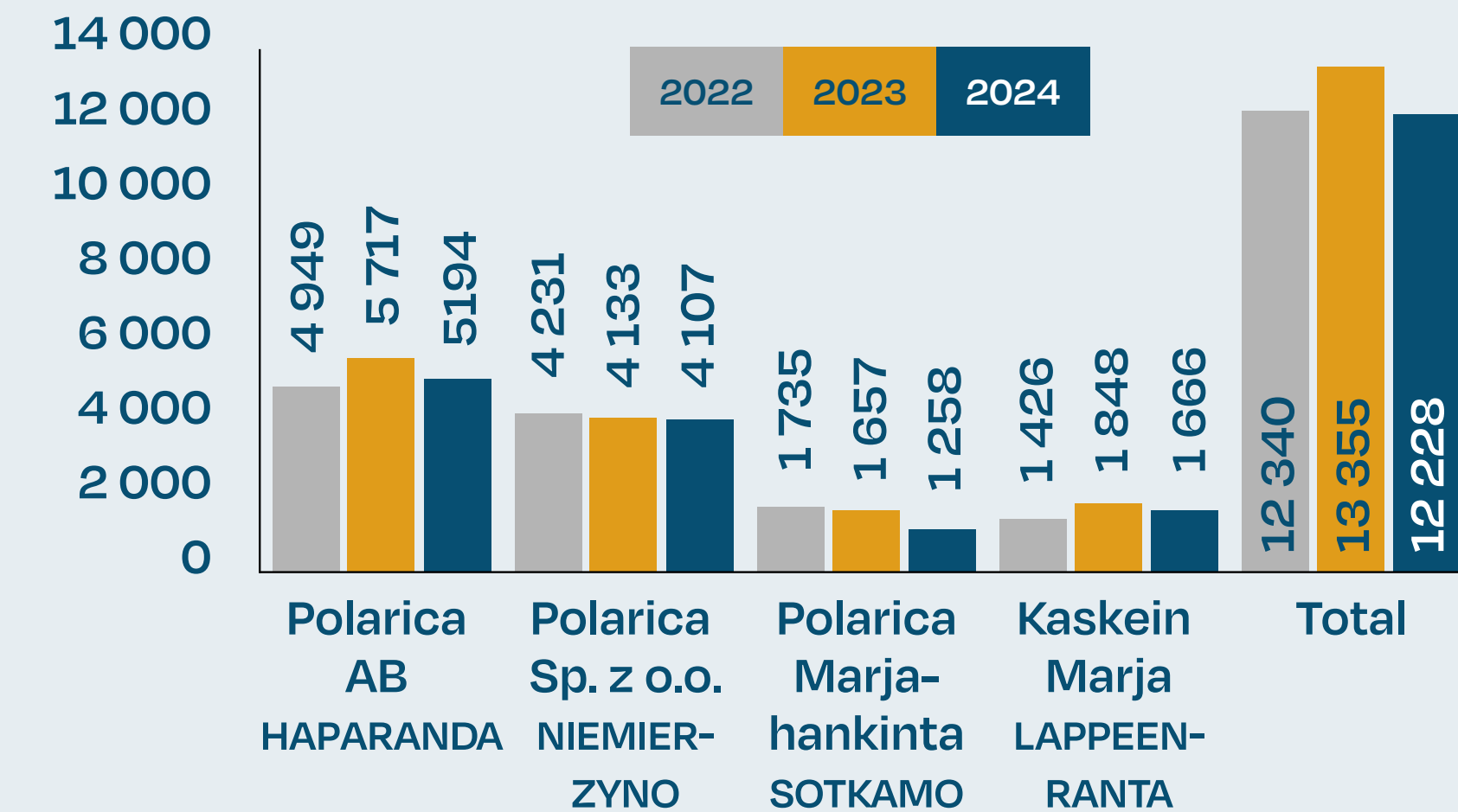
Because calculating carbon footprint and reducing emissions is not enough, Polarica is undertaking voluntary climate actions aimed at accelerating the attainment of carbon neutrality.

Polarica has teamed up with Havulatva Oy, a climate change solutions provider. Polarica is investing in Finnish forest-based climate units managed by Havulatva's carbon sequestration system.

To date, Polarica has redeemed 2520 tons of CO₂e of Finnish forest-based climate units. One climate unit is equivalent to one ton of CO₂e and represents a mitigation outcome achieved in a carbon sequestration project. For reference, Polarica's total carbon footprint for the year 2023 was 24 098 tons of CO₂e.

The carbon sequestration service focuses on improving the nutrient economy of Finnish forests. It is one of the most efficient methods to remove carbon dioxide from the atmosphere. Improved nutrient economy accelerates forest

Energy Consumption and Source (MWh)



Scope	Emission 2023 kg CO ₂ e	Emission by % of total
1	594 024,5	2,47 %
2	66 003,0	0,27 %
3	23 437 965,0	97,26 %
Scope 3 Business Travel	1 586 555,2	6,58 %
Scope 3 Raw materials and packages	19 386 375,0	80,45 %
Scope 3 Transport	2 126 331,5	8,82 %
Scope 3 Traveling to work	189 319,4	0,79 %
Scope 3 Waste Management	149 383,8	0,62 %
Total	24 097 992,4	100,00%

growth, increases berry yields, underground vegetation, and food plants, thereby providing more food for animals as well. A forest in good nutritional condition also produces better antibodies against pests.

Given our reliance on Nordic forests and their diverse ecosystems, it is important for us to contribute to the increase separate of Finnish forests and their biodiversity. We are committed to establishing a biodiversity program with a third-party during Financial Year 2024/2025.

Water is mainly used in the process of cleaning fresh fruit and berries (Poland), for production of drinks (Kaskein), and for normal facility operations.

As part of our environmental impact management, we measure electricity usage, water consumption, waste generation, and carbon footprint. These measures enable us to track our environmental impact, identify areas for improvement, and implement strategies to enhance our overall sustainability performance.

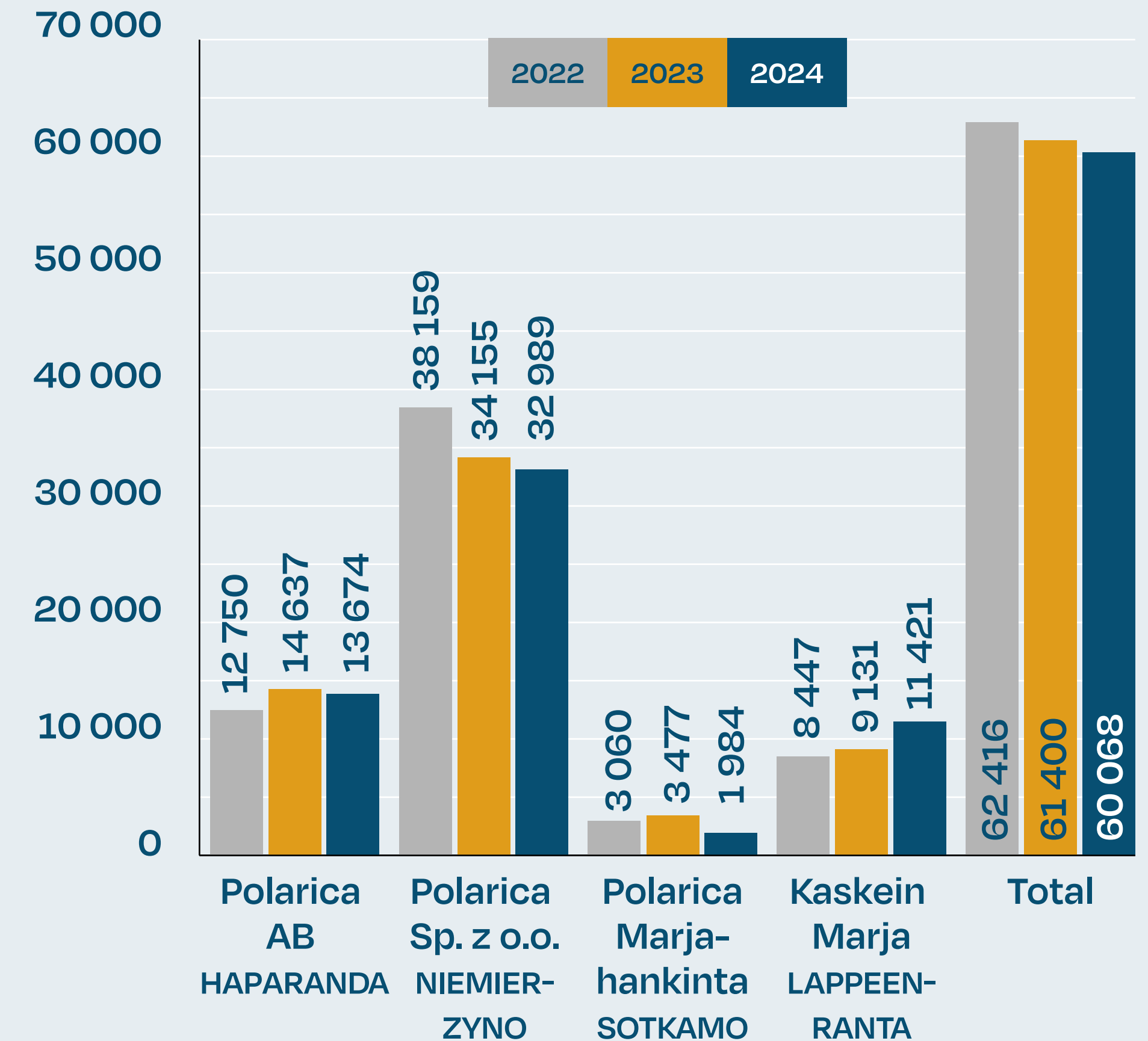
Implementing ISO 14001

During the year 2023, we initiated an ISO 14001 implementation project in our Polish factory. ISO 14001 is an internationally agreed standard that sets out the requirements for the company's environmental management system. It helps organizations improve their environmental performance through more efficient use of resources and reduction of waste.

The project included a full review of legal and standard requirements, analyzing our operations' environmental impacts, and identification of risks and opportunities.

The ISO has facilitated the development of our environmental management system and provided tools for its implementation and monitoring. With the introduction of our system, we have acquired new tools to minimize our operations' negative impact on

Water Usage (m3)



the environment. Additionally, the project has also increased our employees' awareness and ability to react in case of emergencies regarding environmental topics.

The system was implemented in Poland during the year 2023/2024 and audited and certified in the spring 2024. Moving forward, we are committed to extending these efforts to our other locations, with implementation projects planned as our next step.

Developing Better Packaging

In recent years, we have significantly improved the management of waste materials, reduced truck carbon emissions, implemented internal recycling policies, reduced plastic, carton, and paper waste, as well as switched to recycled packaging materials when possible. However, our dedication to the principles of the circular economy has led us to expand our efforts further.

In the beginning of 2023, we started a project to harmonize and optimize the trade unit packages of our frozen retail products in Poland. The project's purpose was to find the most optimal way to fulfill the trade units' cartons and pallets used in warehousing

and transportation. Optimizing pallet space utilization leads to a more efficient use of warehouse space by reducing the number of occupied pallet locations.

As a result of the project, we managed to improve the filling rate of one pallet by 8 percent, while simultaneously including 8% fewer cardboard boxes in one pallet. Additionally, the new solution requires less stretch foil and corners.

The first goods batch using this optimized approach was delivered to the customer in the fall of 2023.

Increasing Energy Optimization and Transitioning Away from Fossil Fuels

We acknowledge the significant impact of energy consumption on our overall carbon footprint. If we aim to achieve our goals of minimizing total emissions, we must pay special attention to energy efficiency and the sources of energy we utilize.

During the past few years, we have optimized energy usage through improved production processes, optimized storage utilization, transitioning to LED lighting, implementing heat recovery

systems, reducing heating oil and pellet usage, and maximizing load capacity during transportation.

In 2023, we successfully achieved a significant reduction in CO₂e emissions in our Scope 1 and Scope 2 emissions. This was due to our project aimed at ensuring the guarantee of origin for the energy purchased in Poland, Kaskein Marja, and Polarica Marjahankinta, Finland. The energy we use is certified nuclear power, which is environmentally friendlier compared to fossil fuel sources such as coal. In Sweden we purchase hydro, wind and solar power energy.

In the future, we will continue working to reduce our energy consumption and move away from fossil fuels. Over the coming year, our goals include operating 50% of Sweden's transportation with biogas (LBG) trucks and installing solar panels so that they cover 25% of our annual energy demand.

Additionally, larger containers have been placed in our warehouse to minimize the energy consumption of forklifts.

To optimize logistics efficiency and reduce our environmental footprint, we prioritize maximizing load capacity during transportation, resulting in an average occupancy rate of approximately 90 %.

Management and Recycling

Year	Polarica AB			Polarica Marjahankinta			Polarica Sp. z o.o.			Kaskein Marja Oy		
	2021	2022	2023	2021	2022	2023	2021	2022	2023	2021	2022	2023
Biowaste (Mg)	213,1	384,0	250,4	0,5	0,5	0,2	249,4	231,8	240,8	22,3	47,3	30,3
Municipal solid waste / Energy waste / Burnable waste (liter and Mg)	9,6 Mg	22,2 Mg	7,1 Mg	4,8 Mg	6,0 Mg	5,0 Mg	198000 l	219140 l	257700 l	35,3 Mg	36,4 Mg	29,2 Mg
Paper and cardboard packages waste (Mg)	20,5	15,0	14,1	6,0	5,0	1,0	525,1	444,9	458,1	-	-	-
Plastic waste (together with berry boxes etc) (Mg)	7,2	0,7	7,6	2,5	-	6,0	88,2	56,1	64,7	-	-	-
Paper (Mg)	0,2	0,1	0,1	-	-	0,6	-	-	-	1,5	0,1	0,1
Wood (Mg)	20,9	7,1	10,3	-	-	3,2	-	-	-	6,0	-	-
Glass packages waste (Mg)	-	-	-	-	-	-	-	-	-	14,0	26,0	20,5
Iron and steal (Mg)	1,1	2,3	-	2,5	-	12,1	6,4	-	17,4	-	-	-
Mixed metals waste (Mg)	-	-	-	-	-	-	6,0	-	3,5	0,6	-	0,2
Concrete and aconstruction waste (Mg)	-	-	-	-	-	-	-	-	-	18,4	9,1	-
Used equipment (Mg)	-	-	22,7	-	-	-	0,6	0,3	0,3	2,2	-	2,0
Rubber (Mg)	-	-	-	-	-	-	0,1	-	-	-	-	-
Oil (liter and Mg)	-	1100,0 l	-	-	1,0 Mg	-	0,9 Mg	1,3 Mg	0,4 Mg	-	-	-
Other Hazardous waste (Mg)	-	-	0,1	-	0,1	-	0,2	-	0,2	0,4	0,1	0,2

About the Data in This Report

The CO₂ emission calculations presented in this report are based on the Greenhouse Gas Protocol company standard and guidance. Emission calculations are divided into three main categories: Scopes 1, 2, and 3. Scopes 1 and 2 include our energy-related emissions from both owned and leased premises of which Polarica have operational control.

This enables us to have direct influence over the reduction of emissions and take necessary steps to achieve carbon neutrality without offsets.

Scope 1 emissions (i.e. direct GHG emissions) cover the on-site energy consumption of fossil fuel sources for owned facilities, as well as emissions from owned or leased fleet vehicles.

Scope 2 emissions (i.e. indirect GHG emissions) are from purchased electricity and district heating. Polarica reports market-based Scope 2 electricity purchased emissions. Corporate offices (Haparanda, Lappeenranta, Sotkamo and Poland)

are included in calculations. GHG emissions are calculated based on the direct measurement of energy use (e.g. meter reads/invoices). The base year for calculations is 2021 (the first year calculating).

Scope 3 accounts for other indirect GHG emissions (upstream and downstream) relevant for us in 2023:

1. Purchased goods and services
2. Fuel- and energy-related activities
3. Upstream transportation and downstream distribution (The transport we are paying for)
4. Waste generated in operations
5. Business travel
6. Employee commuting

Categories Processing of sold products, Downstream leased assets, Franchises and Investments are not relevant for Polarica based on the business model.

Our Annual Sustainability Report included Scope 3 data from the previous year as Scope 3 data is gathered in Q2.

Restatements in data and description of data gathering process

Due to a recalculation of data following the correction of calculation methods in accordance with recommendations from a new partner, GHG emissions data has been updated for the year 2021 resulting in approximately 15% higher GHG emissions than previously reported.

Waste management -table categories for different waste types have been standardized in this year's report to improve comparability across different locations. Therefore, the figures differ from those in the 2022–2023 sustainability report.

GRI content index

GRI 2: General disclosures 2021		Location
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303-1	Interactions with water as a shared resource	NA
303-2	Management of water discharge-related impacts	NA
303-3	Water withdrawal	NA
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303-5	Water consumption	41
GRI 304: Biodiversity 2016		Location
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304-2	Significant impacts of activities, products and services on biodiversity	Impact assessment during the sustainability program
304-3	Habitats protected or restored	NA
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	NA

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409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	29-31

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410-1	Security personnel trained in human rights policies or procedures	NA
GRI 411: Rights of Indigenous Peoples 2016		Location
411-1	Incidents of violations involving rights of indigenous peoples	NA
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416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	None
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417-1	Requirements for product and service information and labeling	-
417-2	Incidents of non-compliance concerning product and service information and labeling	None
417-3	Incidents of non-compliance concerning marketing communications	None
GRI 418: Customer Privacy 2016		Location
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	None



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