Polarica®

SINCE 1972

Sustainability Report 2024

Contents

Company Overview

CEO Forewords

At Polarica, we envision a future where we are not just participants but forerunners in the berry industry – setting benchmarks for quality, innovation, and sustainability. This vision drives every decision we make and every action we take.

Our strong commitment to sustainability is not a separate track from our core business; it is the path forward. For us, recognizing our deep connection to nature and carrying the responsibilities that come with being a leader in the berry industry is a continuous process of learning and development. When we launched our Sustainability Roadmap in 2023, we challenged ourselves to think bigger, better, and greener. Today, I am proud to say we are on the right track to turn that vision into action.

I'm pleased to report that our work on sustainability has progressed significantly over the recent reporting period. 2024 was about building the systems and processes needed to turn plans into actions and make meaningful improvements in operations.

This report marks a new step forward in our sustainability communication. While Polarica is not currently required to report under the CSRD, we have chosen, however, to adopt elements of the European Sustainability Reporting Standards (ESRS) where relevant. By doing so, we aim to bring more structure and comparability to our reporting, combining insights from previous years with a more transparent and forward-looking format for our stakeholders.

We have also conducted a thorough Double Materiality Assessment where we have engaged our key stakeholders, particularly our clients, to identify the most relevant sustainability impacts for Polarica.

We have placed a particular focus on the wellbeing of employees – our own and third party – throughout the value chain, which has remained a central con-

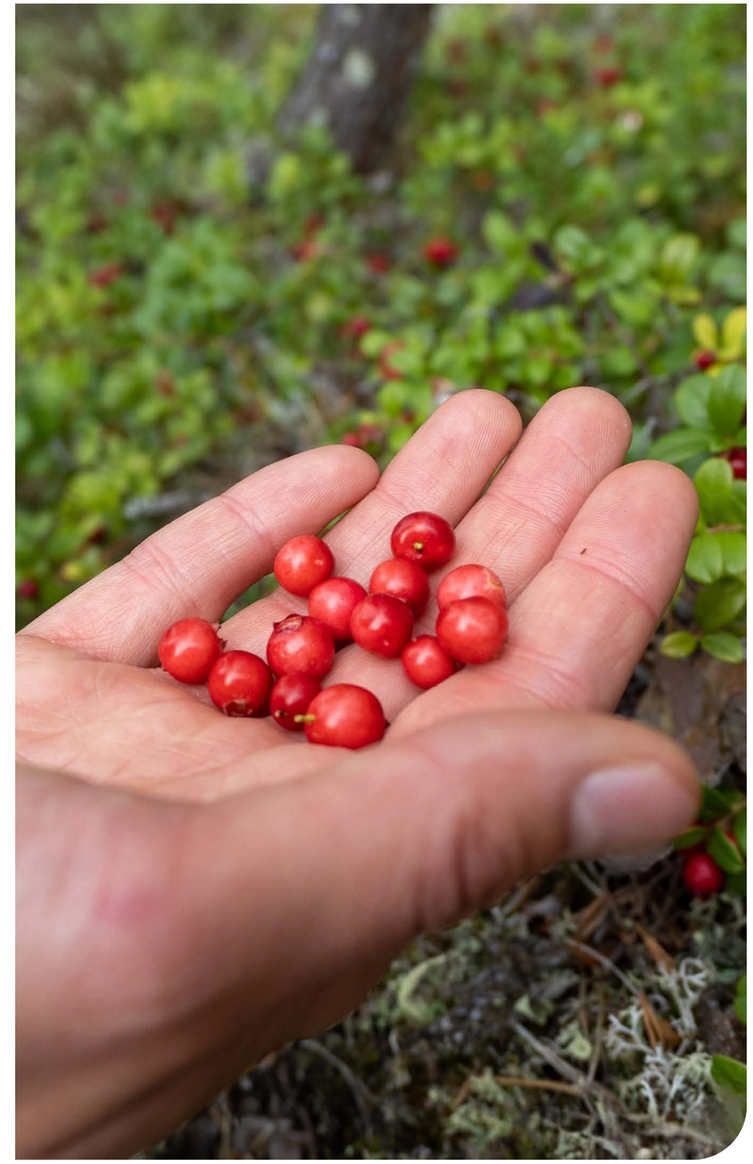
cern for many of our partners. We visited production sites and took additional steps in berry picker recruitment and training in Finland and Sweden. We have also reviewed our quality and food safety policy to include sustainability aspects, as we believe this is key to our customers' overall satisfaction. In addition, we updated our purchasing and supplier evaluation criteria to place even greater emphasis on sustainability.

On the environmental side, we secured contracts for certified green electricity at our production sites in Finland and Poland. Compared to previous years, we reduced our Scope 1 and 2 emissions considerably, achieving up to a 93% reduction from 2021 levels. More recently, we have also worked closely with our suppliers to collect more accurate emissions data. As for Scope 3, we have started discussions with our raw material suppliers. Additional work is needed there.

Internally, we have seen increased engagement at all levels. Sustainability is now a standing item in management discussions, and it informs procurement decisions and shapes our reporting structure. In short, it is an integrated part of the way Polarica thinks and operates.

There is still much room for improvement, especially regarding biodiversity and ecosystems, as well as Scope 3 emissions data. However, our Sustainability Roadmap provides a clear path forward. The work we have done this year puts us in a better position to develop our business with greater transparency and accountability.

For me, sustainability is not an add-on black and white question or compliance. It is part of our inner core. We humbly recognize that we are not yet where we aspire to be, but we are determined to evolve, improve and take actions to move forward, although we do not get everything right at once. But I believe that by focusing on better questions, we can build a culture where sustainability remains at the heart of everyday decisions.



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. Polarica was established in 1972 in Sweden and has since grown into a multinational company 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.

Polarica's mission is to inspire people with nature's treasures. We are committed to positive change in the berry industry through visionary leadership in sustainability, technology and customer-centricity. Our product selection includes wild berries from the Nordic region, as well as cultivated berries and fruits carefully sourced from reputable farmers and producers across Europe, Asia, Egypt, South-America, and Canada. Wild berries make up around 29,4 percent of the turnover, whereas fruits and other cultivated products make up the rest.

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.

Poland is a key production site for frozen fruits and berries. In Haparanda, we produce frozen fruit and berries as well as NFC (Not from Concentrate) juices and purees.

Our subsidiary Kaskein Marja produces mulled wines, meads, and dried berry and fruit products which are available in several prominent retail chains throughout Finland. We aim to expand Kaskein Marja's product offerings, focusing primarily on Sweden along with other European markets. Kaskein Marja also does contra-manufacturing (bottling) for various customers.

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%). The investors involved in operational roles are Mari Onkamo (Managing Director) and Pekka Koivisto (Head of Sales, Marketing and NPD). 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.

Assets for Healthier Future

	Retail	Private Label	Industry	Food Service
 **Wild berries from the Nordic**	Frozen / IQF berries and fruits Frozen mushrooms Juices, Mulled wines, Mead, smoothies Dried berries and fruits, powders and whole Jams, snacks, soups	Frozen / IQF berries and fruits Frozen mushrooms Dried berries and fruits Juices & drinks Glöggs IQF berries, mushrooms and fruits	Frozen / IQF berries and fruits Berry and fruit purees NFC juices Juice concentrates Dried berry and fruit products	Frozen / IQF berries and fruits Dried berry and fruit products Juices Glöggs Jams and fillings Frozen mushrooms
 **Farmed berries & fruits from Europe & South America**	Berry soups & snacks Smoothies Dried berries and fruits IQF berries and fruits	Freeze- and air dried berries and fruits IQF berries and fruits NFC juices	IQF berries & fruits Purees Juice concentrates Dried berries and fruits	IQF berries, fruits and mixes Snacks and soups Smoothies
 **Tropical fruits from Asia, Africa & South America**	Healthy snacks Smoothies, smoothie bowls Freeze dried fruits	IQF fruits Freeze dried fruits	Dried berries and fruits IQF berries and fruits Purees	IQF fruits, berries and mixes Snacks and soups Smoothies

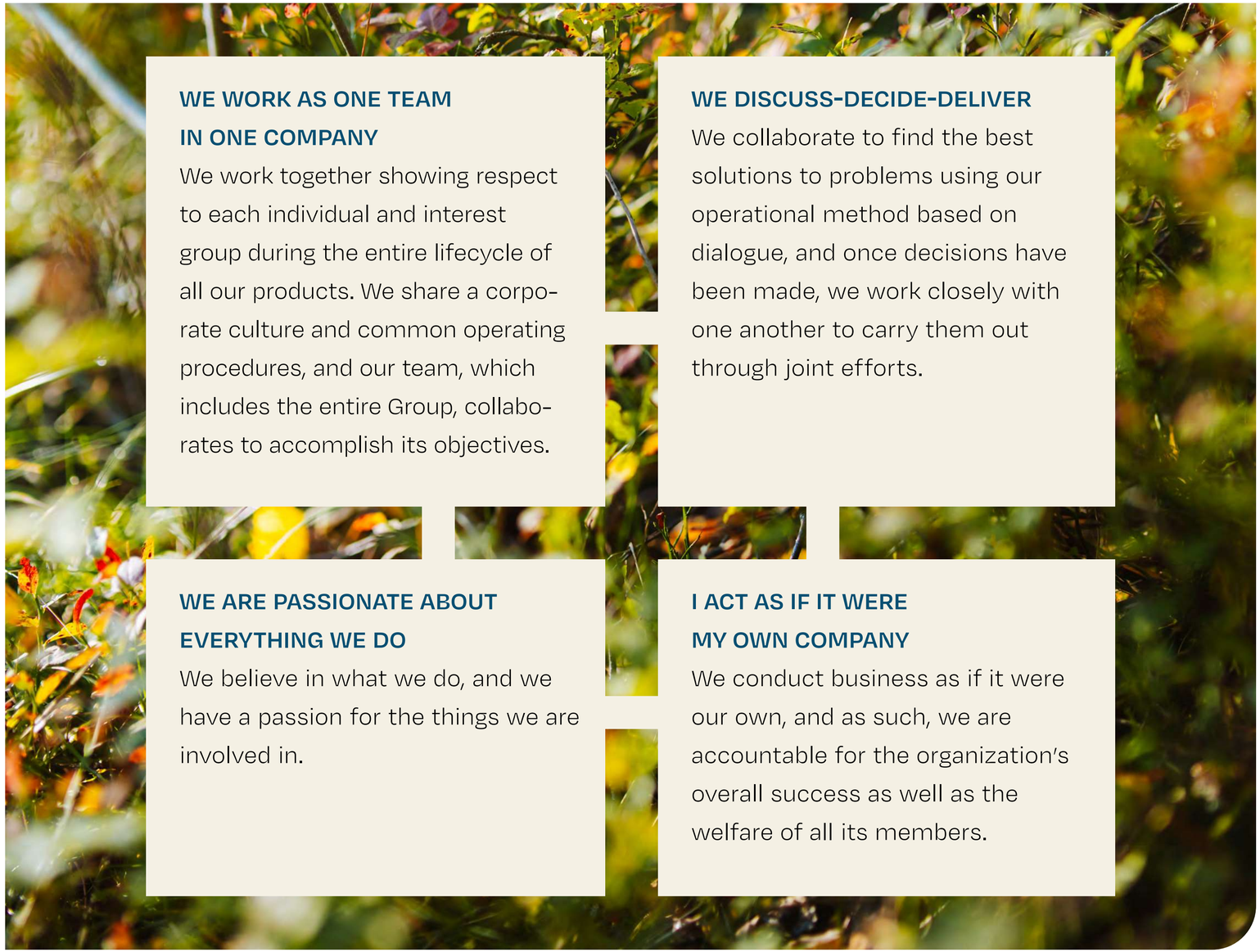
Our Values

We want to inspire people to take care of themselves by providing healthy, innovative, and functional berry- and fruit-based products.

We are committed to sustainability, social responsibility, and a transparent value chain.

We aspire to create a safe, encouraging, and positive work environment that motivates employees to realize their fullest potential and produce extraordinary results.

Our values guide our everyday operations.



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

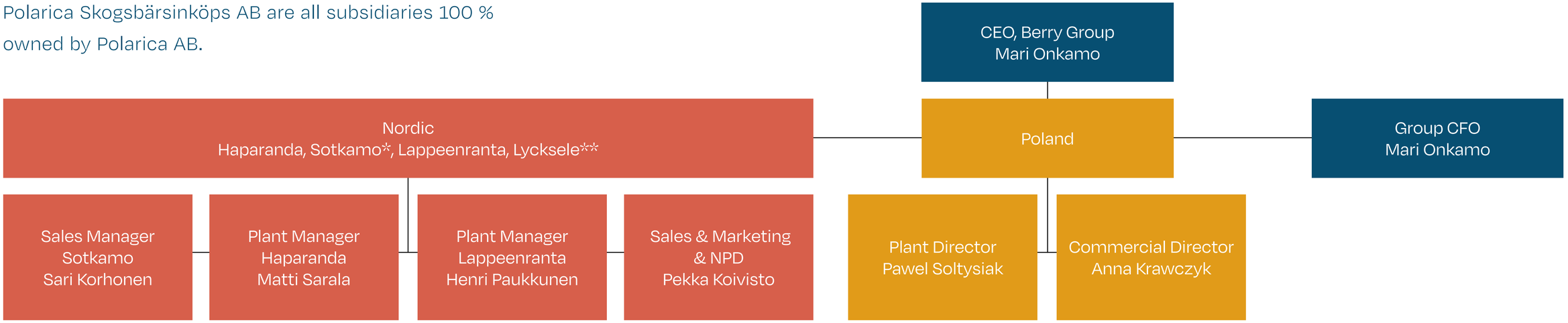
We believe in what we do, and we have a passion for the things we are involved in.

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.

Company Structure

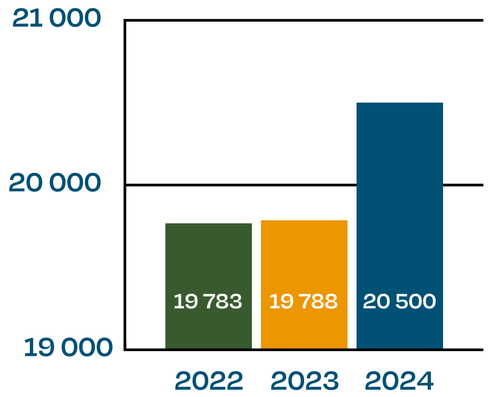
Kaskein Marja Oy, Polarica Marjahankinta Oy, Poland and Polarica Skogsbärsinköps AB are all subsidiaries 100 % owned by Polarica AB.



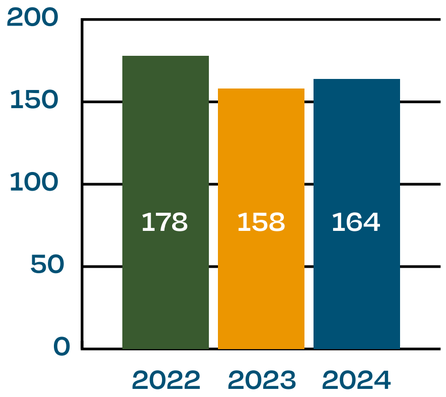
* In Sotkamo, we operate a freezing warehouse and source our wild Finnish berries.
**Wild berry sourcing in Sweden

Our Team

Fruit & berries produced (tn)



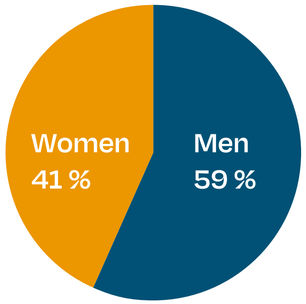
Number of employees



Average age

44

Gender ratio



SWEDEN

Haparanda, HQ

Lycksele

POLAND

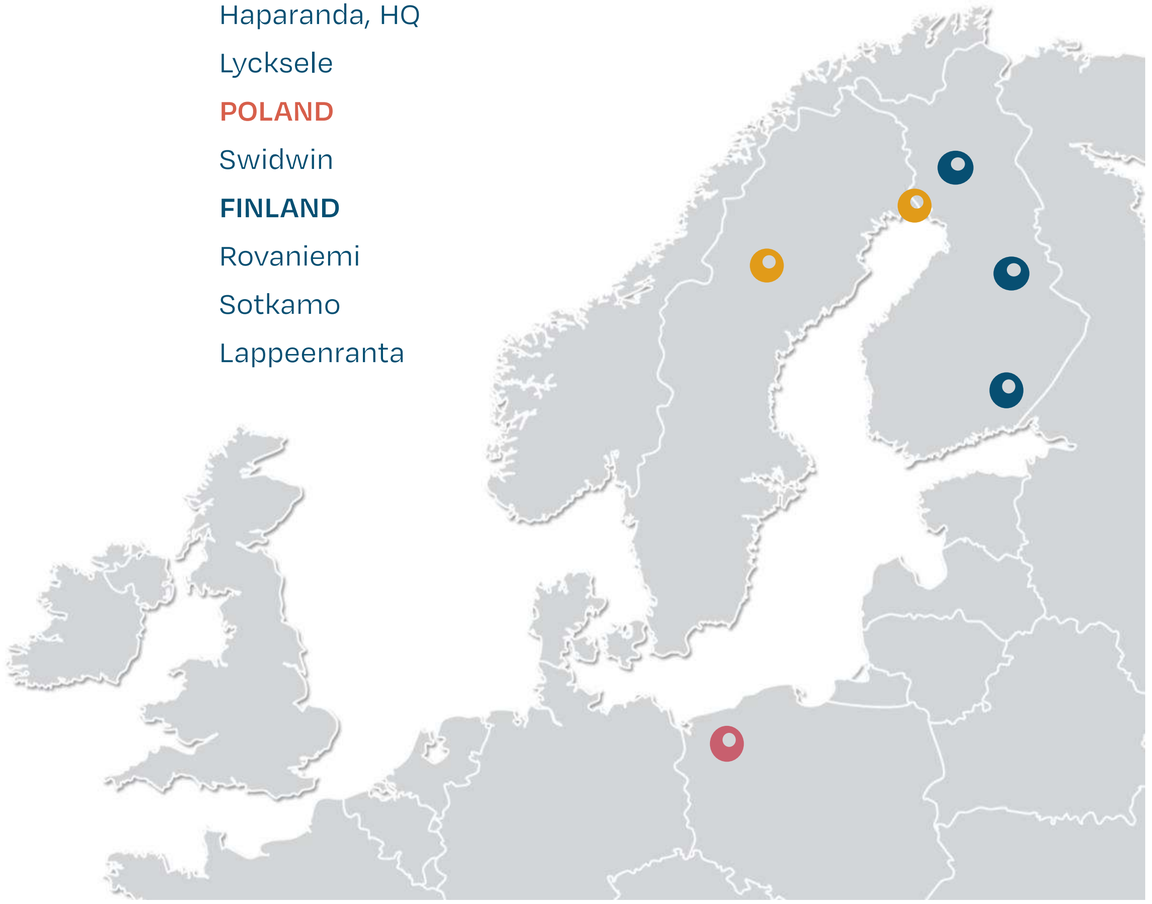
Swidwin

FINLAND

Rovaniemi

Sotkamo

Lappeenranta



Highlights of 2024

Focused on **New Product Development** – functional products and healthy shots are in the pipeline for 2025

Conducted **sustainability training** for fresh suppliers in Poland, covering key topics like human rights, ETI Base Code, environmental protection, and carbon footprint

Significantly **reduced** our Scope 1 and 2 **emissions up to 93%** from the base year 2021

Updated supplier selection, approval and management processes – sustainability is now embedded alongside quality and food safety in our evaluation and due diligence criteria

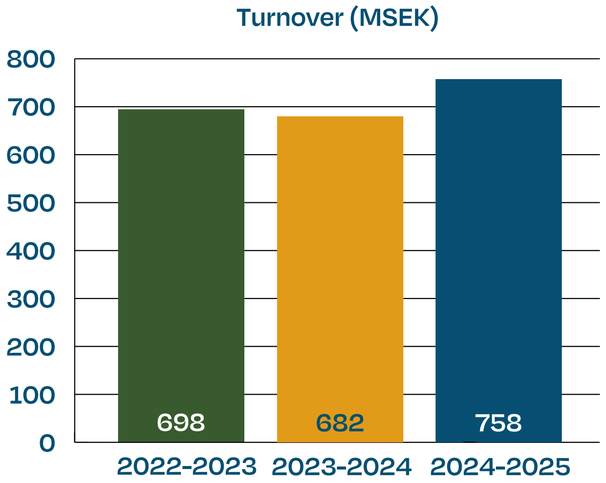
Continued cooperation with Havulatva on **carbon sequestration** project

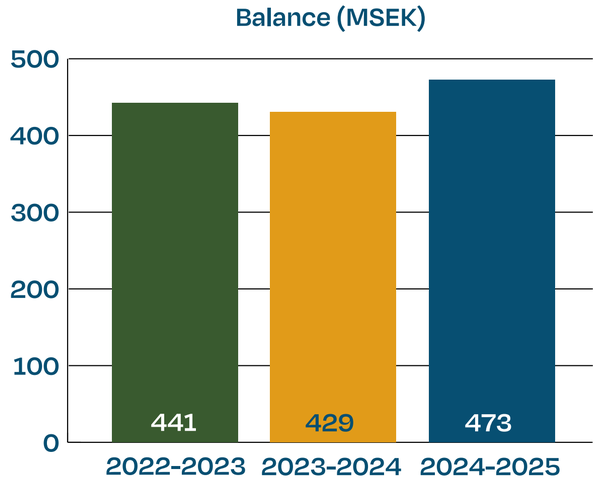
Finalized a comprehensive **Double Materiality Assessment** for 2024/25 – key environmental and social impacts identified will guide our future sustainability focus and reporting

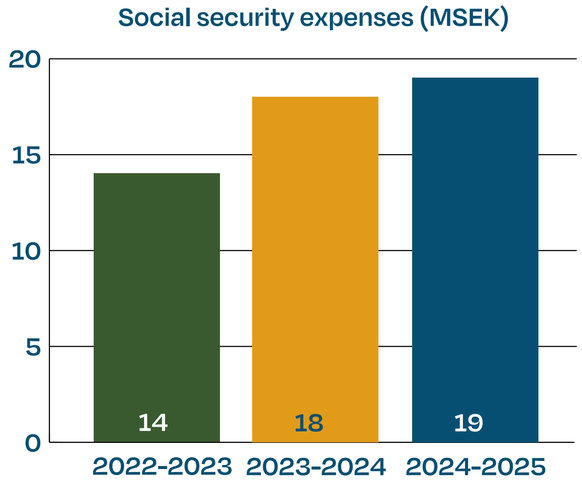
Reviewed purchasing points in Sweden and conducted several **berry-picker camp reviews** – both internal and with customers – to enhance transparency and oversight of berry picking operations

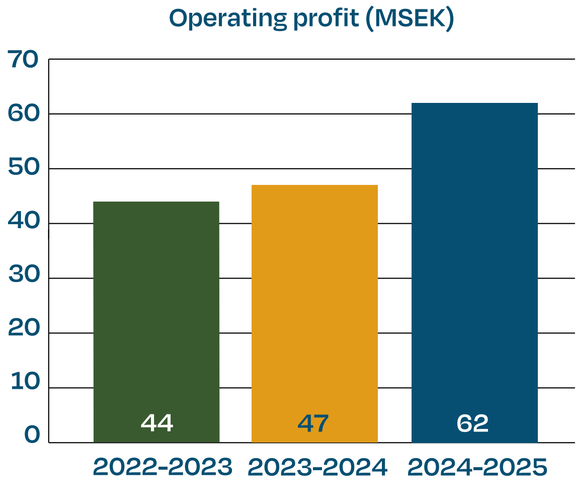
Participated in **berry picker recruitment and training meetings** in Thailand to strengthen onboarding and awareness of rights and responsibilities

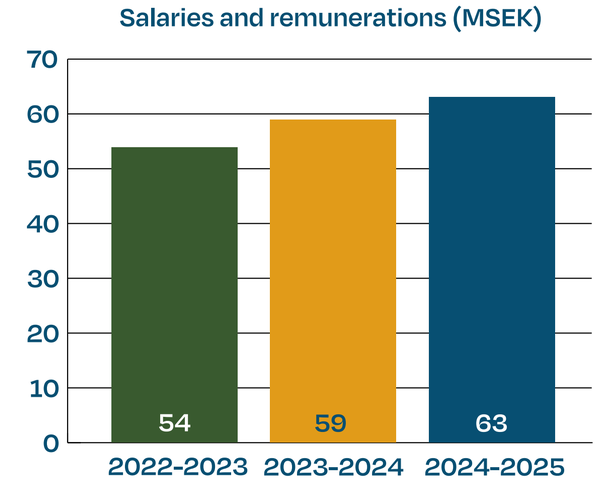
Financial Performance

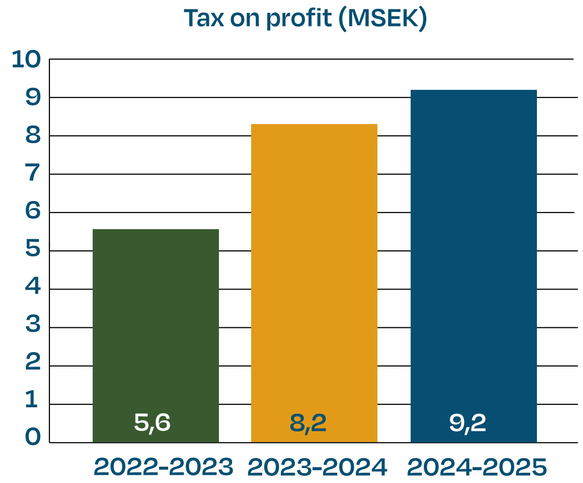












Tax Payments

	TSEK	TSEK	TEUR	TEUR	TPLN
	Polarica AB Haparanda	Polarica Skogsbärsinköps AB	Polarica Marjahankinta Oy	Kaskein Marja Oy	Polarica Sp z o.o
Paid VAT	2 707	318,9	556,7	658,9	-8 035,1
Withholding tax from salaries	3 884	308,3	34,6	231,5	0
Withhold from corporate tax 2024-2025	730	128,8	0	0	2 894,2
Employer's pension contribution	3 037	76	24,2	185,9	839,7
Employer's social security contributions / health insurance payments	5 608	357	2	15,1	1 561,3
Payroll tax for 2024-2025	0	0	0	0	744,7
Employee's pension contribution	0	0	10,1	83,9	839,7
Employer's unemployment insurance	0	0	0,3	2,2	187,0
Accident and group life insurance	0	0	2,5	20,9	216,4
Property Tax	105,2	25,9	0	0	433,0
Environmental tax	0	0	0	0	0
Alcohol tax	0	0	0	14,9	0
Packaging material and soft drink tax	0	0	0	385,6	118,8
Total	**15 966**	**433**	**630,4**	**1 598,9**	**-200,3**

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.

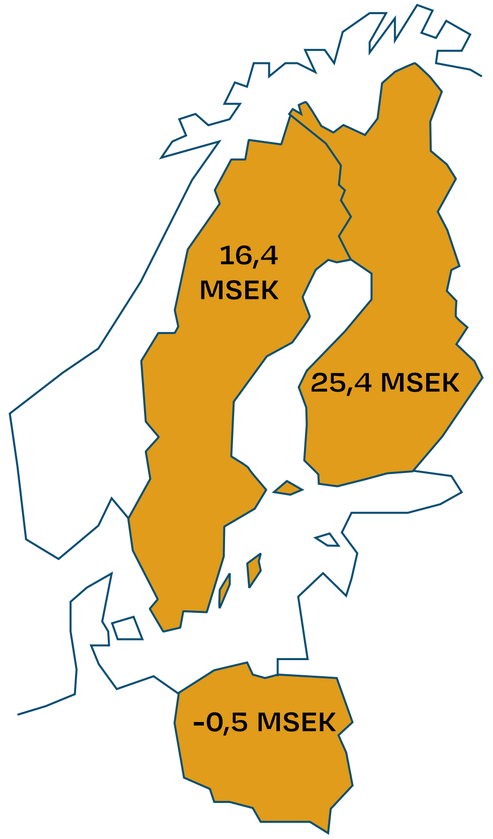
During the latest financial period, we disbursed a total of 63 MSEK in employee salaries. Furthermore, our strong market presence and exceptional performance resulted in an impressive turnover of 758 MSEK, highlighting our substantial contribution to the overall economy.

The financial statement includes information about Polarica Berry Group's fiscal performance for the period 05/2024–04/2025. 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 2024–2025, this commitment translated into a total payment of 41,2 MSEK in taxes and social contributions.

Pursuing Sustainable Growth

As part of our commitment to transparency, we openly disclose the financial support and government subsidies that have supported our operations. During the fiscal year 2024–2025, Polarica AB has received freight subsidies totaling 2,02 MSEK and electricity subsidies amounting to 1,82 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 25,4 MSEK, Sweden 16,4 MSEK and Poland -0,5 MSEK.*

**In Poland, over 99% of our sales are exported with a 0% VAT rate, while a significant part of purchases are made with domestic VAT rates, which in turn generates VAT refunds.*

Sourcing Worldwide

We are sourcing fruits and berries from around the world. 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.

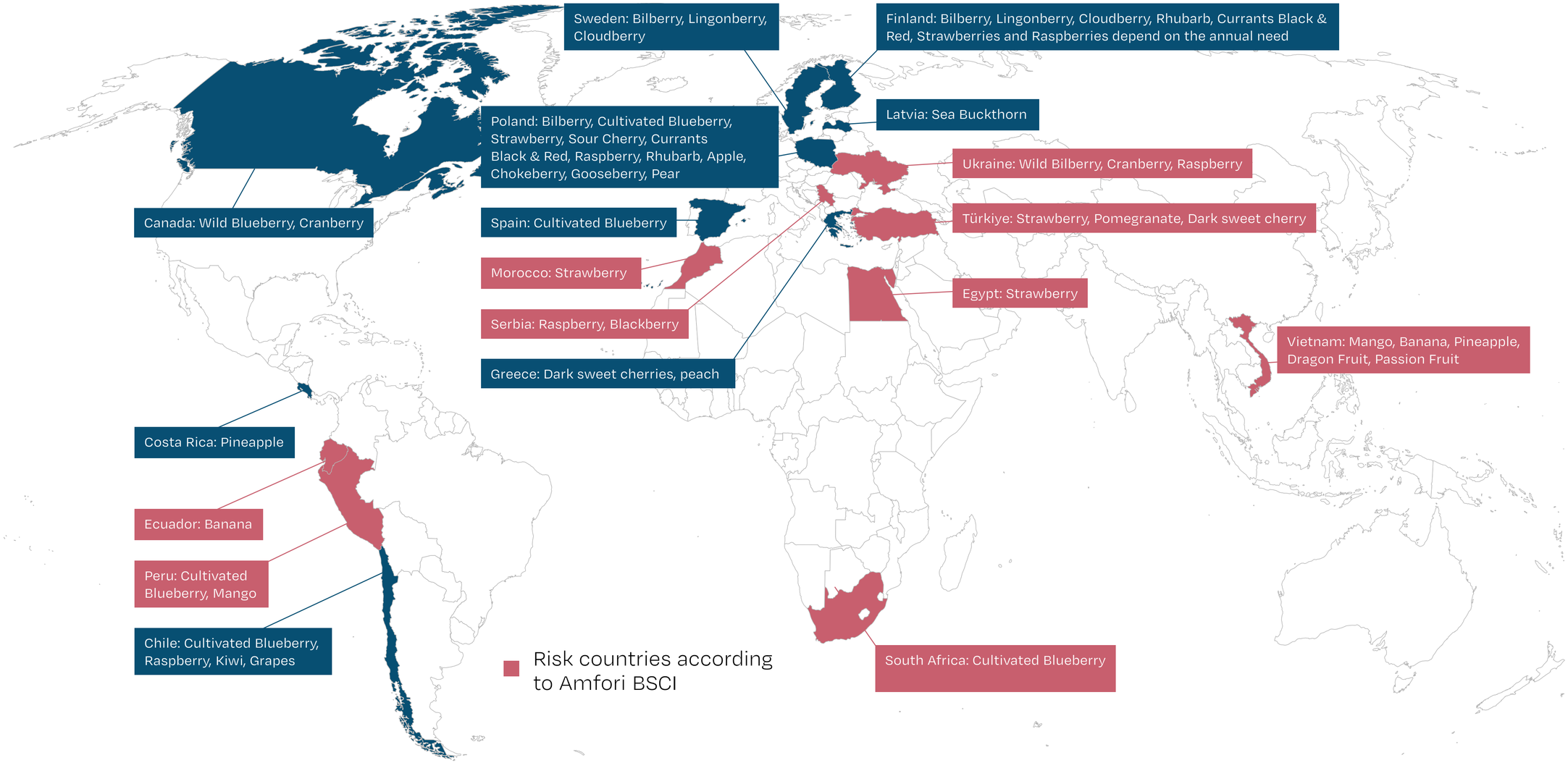
Our global sourcing strategy allows us to be flexible in selecting different fruit and berry types and enhances resilience to climate disruptions and market fluctuations.

With growing market uncertainty and changing weather conditions, we continuously expand and adapt our sourcing base, now covering 21 countries and over 40 product categories including mushrooms and specialty products like dragon fruit, lemon, and pellets.

21
countries

40+
product categories

Sourcing Worldwide



Value Chain Description

We operate two distinct value chains which reflect our dual-region operations in the Nordics and Poland. This separation allows us to address region-specific upstream and downstream impacts, actors, and risks.

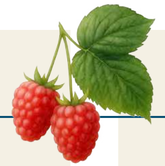
Nordic Value chain includes upstream activities such as wild berry harvesting and local sourcing across Finland and Sweden, followed by initial processing, logistics, and distribution. Upstream actors include both local pickers and international berry pickers, as well as independent sellers who deliver berries through subcontractor operated purchasing points. The downstream segment primarily consists of regional distributors and end-users in the Nordic market, but also includes industry clients, such as pharmaceutical B2B customers in Asia.

Poland Value chain involves the procurement of frozen berries from global suppliers, including exotic fruits, followed by processing and sourcing from local agricultural producers. Upstream actors include international suppliers and factory-level processing teams. The downstream chain includes logistics and distribution to retail customers across Europe (e.g., Western, Northern, Baltic regions) and industrial clients in countries such as Germany, France, Austria, Switzerland, and Poland.

Value Chain Impacts

Raw materials (upstream)	Suppliers (upstream)	Own Operations	Logistics (downstream)	Customers (downstream)	End-of-life
IDENTIFIED POSSIBLE AND ACTUAL IMPACTS					
Agricultural practices affect land-use, soil degradation, and fresh water use. Pesticide residues may remain in the final products that can potentially affect consumer health.	Risks related to working conditions, such as machinery accidents and extreme weather conditions. Seasonal work does not provide year round security. Emissions on production and transportation activities.	CO_2e emissions from electricity use and pollutants from heating, processing, freezing, and storing activities. Additional impacts relate to occupational health and safety as well as long working hours.	Greenhouse gas emissions due to transportation of products and raw materials across land, air and sea.	Possibility of inaccurate claims on product packaging; Non-compliance with food safety procedure can have a direct impact on the finished product.	Environmental impact risks from packaging disposal, depending on material recyclability and waste handling conditions.
MANAGEMENT OF IMPACTS					
Raw materials sourced from lower-risk countries where suppliers comply with recognized certification schemes. To mitigate environmental and health risks, we promote good agricultural practices among farmers and conduct regular testing for pesticide residues.	We have effective procurement processes and certification criteria. Pickers and farmers are offered training and guidance and they work under contracts. Commitment to international conventions.	Optimization of technological processes and investments in renewable energy. Competitive salaries, freedom of association, training programs and policies in place.	Engagement with transportation companies to implement lower-emission solutions, such as gas-powered trucks in the Nordics. Additional offsetting through a carbon sequestration project in the forests of Finland.	Transparent product information in packaging and through digital channels. Nutritional information and origin of ingredients are disclosed. Strict food safety standards, certified and audited (BRC, IFS, HACCP). We gather feedback through customer surveys to identify areas of improvement.	Recyclable packaging used, made from certified biodegradable materials.

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

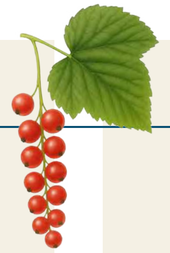


1. PRODUCTION

Minimizing negative impacts on the environment

Limited use of pesticides and chemical fertilizers

Implementing an appropriate cultivation program



2. SOURCING

Harvesting and freezing fresh fruits

Our farmers cultivate fruits sustainably, caring for working conditions

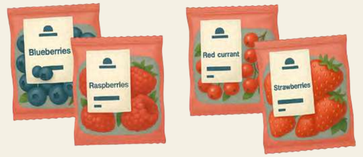
3. TRANSPORTATION

The fruits are transported to the processing facility, where they undergo a technological process.

4. PROCESS AND PACKAGING

The raw materials are washed, cleaned, sorted, and frozen.

The fruits are qualified and packaged accord-ing to our customers' requirements.



5. STORAGE IN WAREHOUSES

The finished products are stored under optimal temperature conditions in our freezing chambers.

The products are exported worldwide to all sales sectors.

6. QUALITY CONTROL

At various stages, each batch of products undergoes rigorous quality testing through laboratory analysis.

To ensure our standards for taste, texture, and safety.

From Farm to Factory to Customer: The Journey of Mangoes

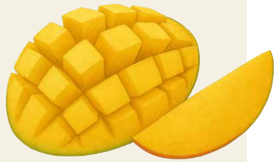
1. SOURCING

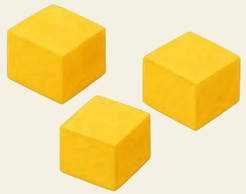
We source mangos from Peru and Vietnam.

The mangoes are harvested at the optimal stage of the ripening process.

2. PROCESSING

Washing, peeling, dicing, and IQF (Individually Quick Frozen) freezing by our certified suppliers.





3. TRANSPORTATION

The cultivated mangos are transported to our production facility in Poland while still frozen.

4. PACKAGING

The mango products undergo meticulous packing into boxes and bags, catering to the needs of our HORECA and retail customers.

5. STORAGE IN WAREHOUSES

Distribution to clients across the globe

6. QUALITY CONTROL

At various stages, each batch of products undergoes rigorous quality testing through laboratory analysis.

To ensure our standards for taste, texture, and safety.

From Forest to Factory to Customer: The Journey of Wild Berries

1. SOURCING

Trained pickers select and pick the finest berries from Nordic nature

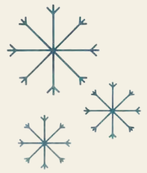
Weighed for the first time

2. TRANSPORTATION

To processing facility

2nd weighing & classification

Rapid freezing in Individually Quick Frozen (IQF) tunnel freezers.



3. CLEANING AND SORTING

Some of the berries go directly for cleaning

Others are stored in containers awaiting cleaning

4. PROCESSING AND PACKAGING

The majority of the berries are packed for retail and Foodervice customers

Some of the berries are dried through freezedrying or air drying methods

...and some are sent for processing into juice or concentrate

5. STORAGE IN WAREHOUSES

Located adjacent to the processing facilities

Distribution to clients across the globe

6. QUALITY CONTROL

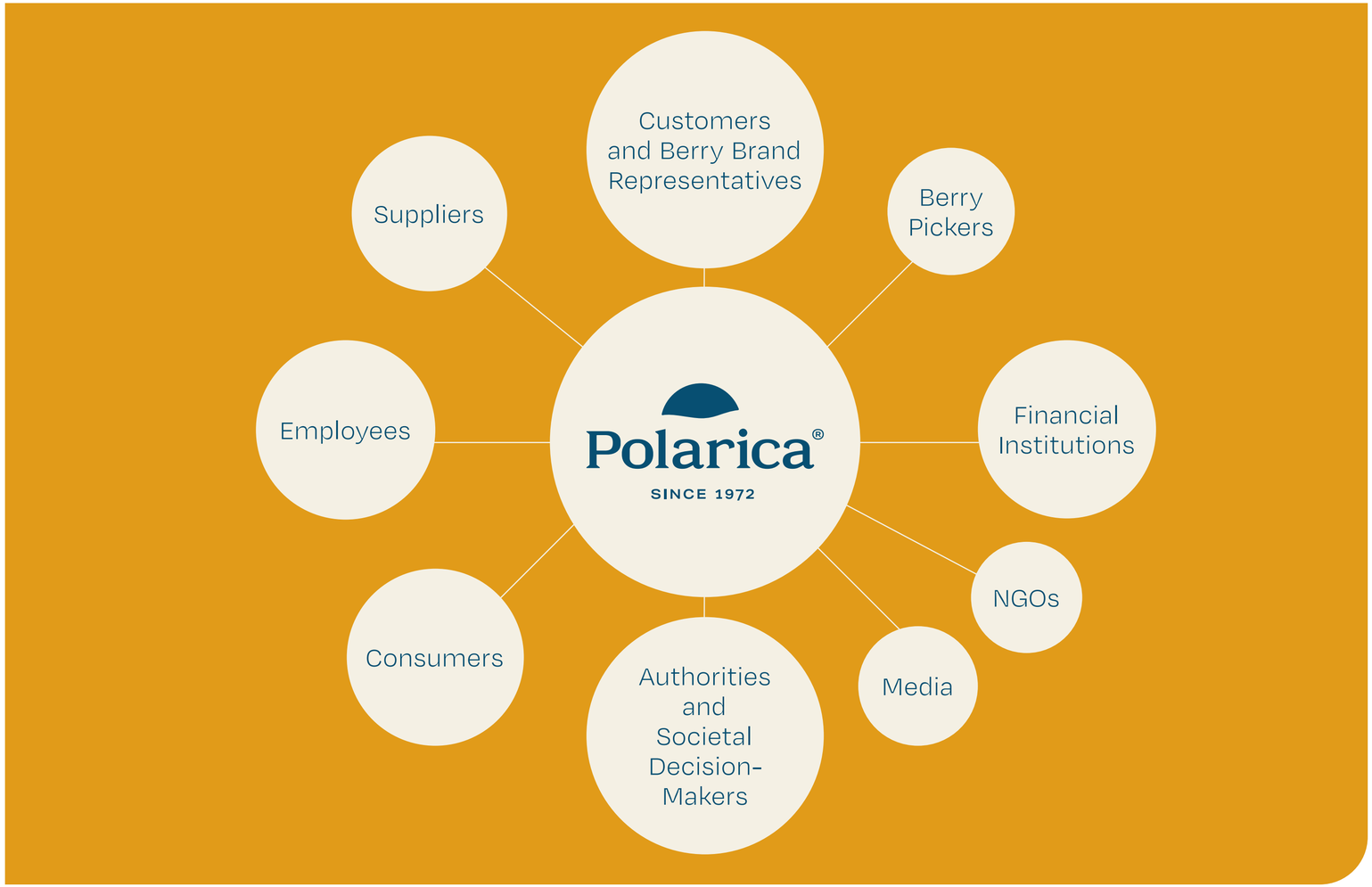
At various stages, each batch of products undergoes rigorous quality testing through laboratory analysis.

To ensure our standards for taste, texture, and safety.

Stakeholder Engagement

Polarica regularly engages with a broad set of stakeholders to understand their expectations, assess potential impacts, and align its business strategy and operations with evolving sustainability priorities. Key stakeholder groups include employees, suppliers, clients, investors, local communities, regulators, labor unions, financial institutions, and the media.

We have identified our key stakeholders and their expectations about sustainability information. 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.



Stakeholder Dialog

Affected Stakeholders & Users of the Sustainability Statement	Stakeholder Involvement and Interaction	Stakeholders Expectations and Targets	Connection with the Strategy and Business Model
Board of Directors	Senior Executives and Department Manager meetings	▪ Responsible for overall business performance and strategic initiatives. ▪ Oversee specific functions within the company.	Code of Conduct, occupational health and safety program, remuneration policy, recruitment process, trainings, surveys
Employees	Annual questionnaire and feedback surveys; Whistleblowing channel; Weekly meetings with white-collar workers; Meetings with factory workers twice a year at least	▪ Corporate culture, employee wellbeing, professional development, good management and leadership, work safety, fair and reasonable compensation, sustainable brand image	HR policy, Polarica Berry Group's Equality and Diversity Policy, Anti-Bullying Policy
Local Community	Dialog and coordination with local hospitals and authorities regarding berry-picking.	▪ Concerned about environmental impact, employment opportunities, fair compensation and community development ▪ Interested in the environmental impact	
Subcontractors and Suppliers (including pickers)	Auditing of suppliers in Finland, Poland, Vietnam and other locations; Discussions about supplier requirements and goals, Whistleblowing channel; Berry Pickers Survey two times per season; Participation in Thailand recruitment process; Interviews with pickers	▪ Supplier relationship, long-term and fair partnership ▪ Development, valuing sustainability work	Supplier Code of Conduct, fair contract terms, stakeholder cooperation, Survey analysis and operations development, active discussions with pickers, human rights assessment, oversight of partners in the recruitment process
B2B clients	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
Consumers	Customer service, sustainability reporting, website, social media, product labels and consumer information	▪ Interest in food safety, brand and transparency	Sustainability program, innovations and product Development

Affected Stakeholders & Users of the Sustainability Statement	Stakeholder Involvement and Interaction	Stakeholders Expectations and Targets	Connection with the Strategy and Business Model
Shareholders and investors (individual and institutional)	Annual general meeting and regular investor relations. Shareholders also have a representative on the Board.	▪ Information on emissions, Employee diversity and safety ▪ Interested in financial returns and company growth, risks and opportunities regarding sustainability	
Authorities and regulatory bodies (Industry and Government)	Oversight, discussions, collaboration, audits including tax audits	▪ Ensure compliance with industry standards and regulations ▪ Oversee legal and regulatory compliance	Compliance with given requirements, offering expertise and perspective on the industry, transparent Communication
Financial Institutions (Pension Funds, Banks)	Regular face to face meetings with financial institutions, normally 1-2 times per year and email correspondence	▪ Detailed information for investment and funding decisions	Delivering transparent information
Labor Unions	Workers' rights and participation to collective agreements	▪ Visits on sites and ensuring safe working conditions	
Partners	Subcontrators, joint ventures	▪ Partnering for research and development, as well as recruiting graduates ▪ Aim for successful collaborations and shared	
Media and Public Relations	Press Releases and Blogs, interviews	▪ Report on Polarica HRDD ▪ Business performance and environmental perspective	Consistent, regular and honest communication
Professional Association and Industry Bodies	Polarica is part of professional bodies that set standards and provide networking opportunities	▪ Research programs, evaluation criteria in procurement ▪ Increasing interest and collaboration in ESG topics	

Quality Management

Our quality policy ensures that our products meet high standards of safety and quality. We hold several third-party certifiations that guide and validate our processes.

FSSC 22000

BRCGS Food Safety CERTIFICATED

IFS Food

ISO 14001 ISOQAR REGISTERED alcumus.com

UKAS MANAGEMENT SYSTEMS 0026

Sedex | SMETA

ועד הקהלות היהודיות בפולין
Związek Gmin Wyznaniowych Żydowskich w Polsce
The Union of Jewish Communities in Poland
Certificate of Kashrut

CERTIFIED HACCP FOOD SAFETY Hazard Analysis Critical Control Point

EKO GWARANCJA

BIOSUISSE

KRAV®

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 well-being 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.

Our Key Sustainability Targets

- Achieve ISO14001 certification at production sites
- Achieve carbon net-zero by 2035
- Launch biodiversity KPI tracking
- Implement and enforce minimum income compliance for berry pickers (under national labour union contracts in 2024 and 2025)
- Develop and adopt national picker certification standards with Fair Trade Finland
- Complete supplier site visits and SMETA audits in high-risk countries and maintain a rigorous process for supplier selection, approval, and ongoing management.
- Roll out a group-wide anti-corruption and whistleblower training program
- Continue internal feedback collection through annual employee and product safety surveys

Sustainability Statement

General information

1. Sustainability Statement

General basis for preparation of the sustainability statement

(BP-1)

This Sustainability Statement has been prepared by Polarica in accordance with the European Sustainability Reporting Standards and is presented on a consolidated basis, covering all business units and operations across our offices. The scope of consolidation is identical to that used in the financial statements, and no subsidiaries have been excluded from this sustainability statement.

The statement includes information about our upstream value chain, including berry producers, suppliers, and subcontractors, and service providers from a wide range of global sourcing regions, including Asia, South America, Africa, Europe, and Canada. Wild berries are sourced either through Polarica's own pickers or via subcontracted partners. The downstream value chain covers logistics providers, retailers, industry clients, wholesalers, and end-consumers. Disclosures relating to the value chain are provided to the extent material and required under relevant ESRS topical standards.

We have not applied any exclusions related to intellectual property, know-how, or innovation-sensitive information in the preparation of this statement. Furthermore, no exemptions have been used under Articles 19a(3) or 29a(3) of Directive 2013/34/EU regarding disclosure of sensitive developments.

Disclosures in relation to specific circumstances

(BP-2)

We have adopted ESRS standard definitions for short-, medium-, and long-term horizons unless stated otherwise. Our current sustainability strategy runs until 2026 and will be reviewed in the coming year to define a longer-term outlook. While we are not yet legally required to report under the CSRD, this year's report aligns with ESRS guidance where possible, though not all tables or disclosures have been included. The report is also not verified by an auditor.

Some Scope 3 emissions data, particularly from upstream suppliers, rely on general emission factors. To improve data quality, we are actively engaging suppliers to gather primary emissions data. This transition is ongoing, and our goal is to gradually replace estimates with more accurate, supplier-specific inputs.

In 2024, improved environmental reporting at our Poland facility introduced under ISO 14001 led to a significant drop in recorded biowaste, correcting prior overestimations from 2020–2023. Polarica has fewer than 750 employees and qualifies for ESRS phase-in provisions, but these have not been formally applied. All material topics identified through our internal Double Materiality Assessment are disclosed.

2. Governance

The role of the administrative, management, and supervisory bodies

(GOV-1)

At Polarica, sustainability oversight rests with the Board of Directors, which holds ultimate responsibility for the effective implementation of our sustainability strategy. Day-to-day leadership is delegated to the Managing Director, who oversees progress and reports directly to the board. To support strategic execution, a Sustainability Coordinator was appointed in late 2023. This individual brings advanced academic training in ESG, climate, and energy, along with deep operational familiarity, ensuring sustainability is meaningfully integrated into business practices.

Our sustainability governance is further operationalized through two cross-functional working groups – People and Environmental – comprising members from Finland, Sweden, and Poland. These working groups hold regular meetings throughout the year to monitor the advancement of goals under the 2022–2026 Sustainability Strategy. Their mandate includes reviewing progress, flagging implementation risks, and proposing improvements. Sustainability targets are monitored through these recurring evaluations, and updates are reported to the Managing Director and the Board of Directors. The Sustainability Coordinator serves as the key liaison between the working groups and the executive team, ensuring coordination and alignment.

To ensure robust and informed oversight, Polarica engages external experts on specialized issues such as human rights, environmental assessments, and reporting. All personnel received sustainability training in 2023 to support the implementation of our strategic goals and to strengthen engagement across the organisation. ESG-related topics are also becoming an integral part of training cycles in key operational areas, helping to embed sustainability principles more deeply into everyday work. Responsibilities for managing impacts, risks, and opportunities are clearly defined within the governance hierarchy, ensuring both accountability and transparency.

Table 1: The composition and diversity of the administrative and management bodies

Polarica AB, Kaskein Marja, Polarica Marjahankinta, Polarica Skogsbärsinköps					
	Female	**Male**	**Other**	**Not disclosed**	**Total number**
Board members	1	2	0	0	3
Administrative Roles (Executive)	1	1	0	0	2
Independent board members (Non-Executive)	0	1	0	0	1

Polarica Sp. z o.o					
	Female	**Male**	**Other**	**Not disclosed**	**Total number**
Board members	2	1	0	0	3
Administrative Roles (Executive)	2	1	0	0	3
Independent board members (Non-Executive)	0	0	0	0	0

Table 2: Gender diversity ratio

Polarica AB, Kaskein Marja, Polarica Marjahankinta, Polarica Skogsbärsinköps				
	Female	**Male**	**Other**	**Total %**
Polarica AB, Kaskein Marja, Polarica Marjahankinta, Polarica Skogsbärsinköps	1	2	0	33,33%
Polarica Sp. z o.o	2	1	0	66,67%

Sustainability oversight and decision-making

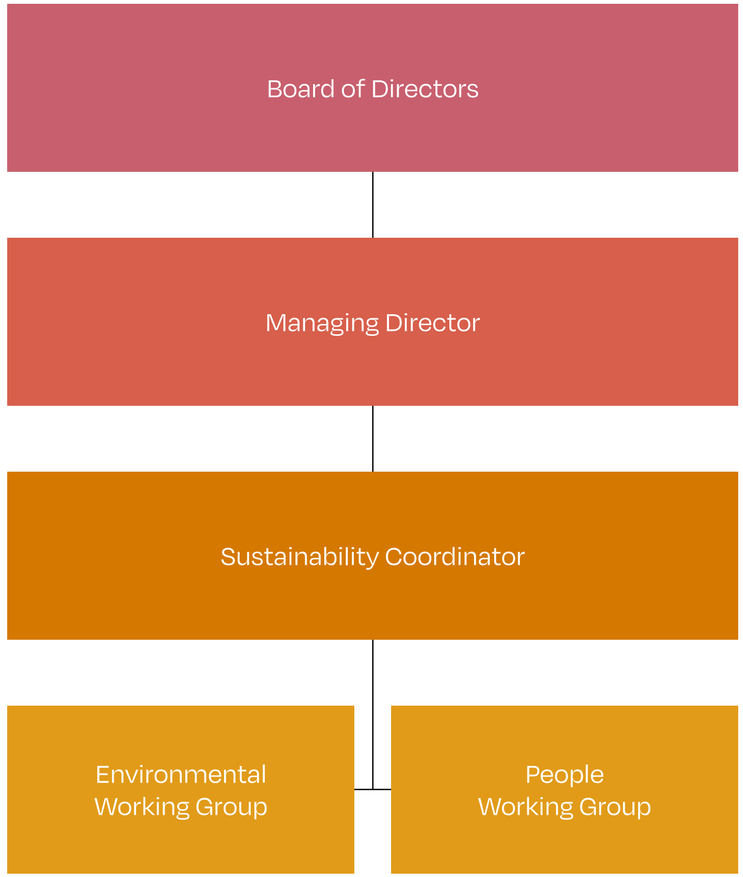
(GOV-2)

During the reporting period, Polarica's Managing Director and Board of Directors were regularly informed about material sustainability topics and progress on the 2022–2026 Sustainability Strategy. Sustainability oversight is led by the CEO (President of the Management Board), who plays an active role in integrating sustainability into the Group's strategic direction. At the annual general board meeting of Polarica AB, sustainability is included as a dedicated agenda item. The Sustainability Coordinator presents key developments and performance updates, offering a structured overview of initiatives, goals, and challenges.

Sustainability updates are also shared throughout the year during recurring management meetings and strategic reviews. These sessions cover ESG performance, priority actions, and emerging risks such as labor conditions for seasonal workers and supplier compliance in high-risk countries. Inputs are collected from internal channels including site-level data, supplier audits, employee surveys, and working group contributions. These updates ensure that sustainability topics are regularly reviewed at both operational and strategic levels.

The ESG working groups for Environmental and People support oversight and implementation. Comprised of members from Sweden, Finland, and Poland, these groups also operate at the national level to address location-specific issues. They hold routine meetings to assess progress and escalate critical matters. In addition to oversight, the working groups actively implement elements of the ESG strategy at country level by running sub-projects, engaging employees, and coordinating with relevant stakeholders to embed sustainability into day-to-day operations. Sustainability issues are also discussed during weekly team meetings and at factory-level meetings held at least twice a year. This governance structure provides the Board with timely and relevant insights, enabling informed decision-making and ensuring visibility into regulatory expectations, social impacts, and environmental risks across our operations.

Hierarchy

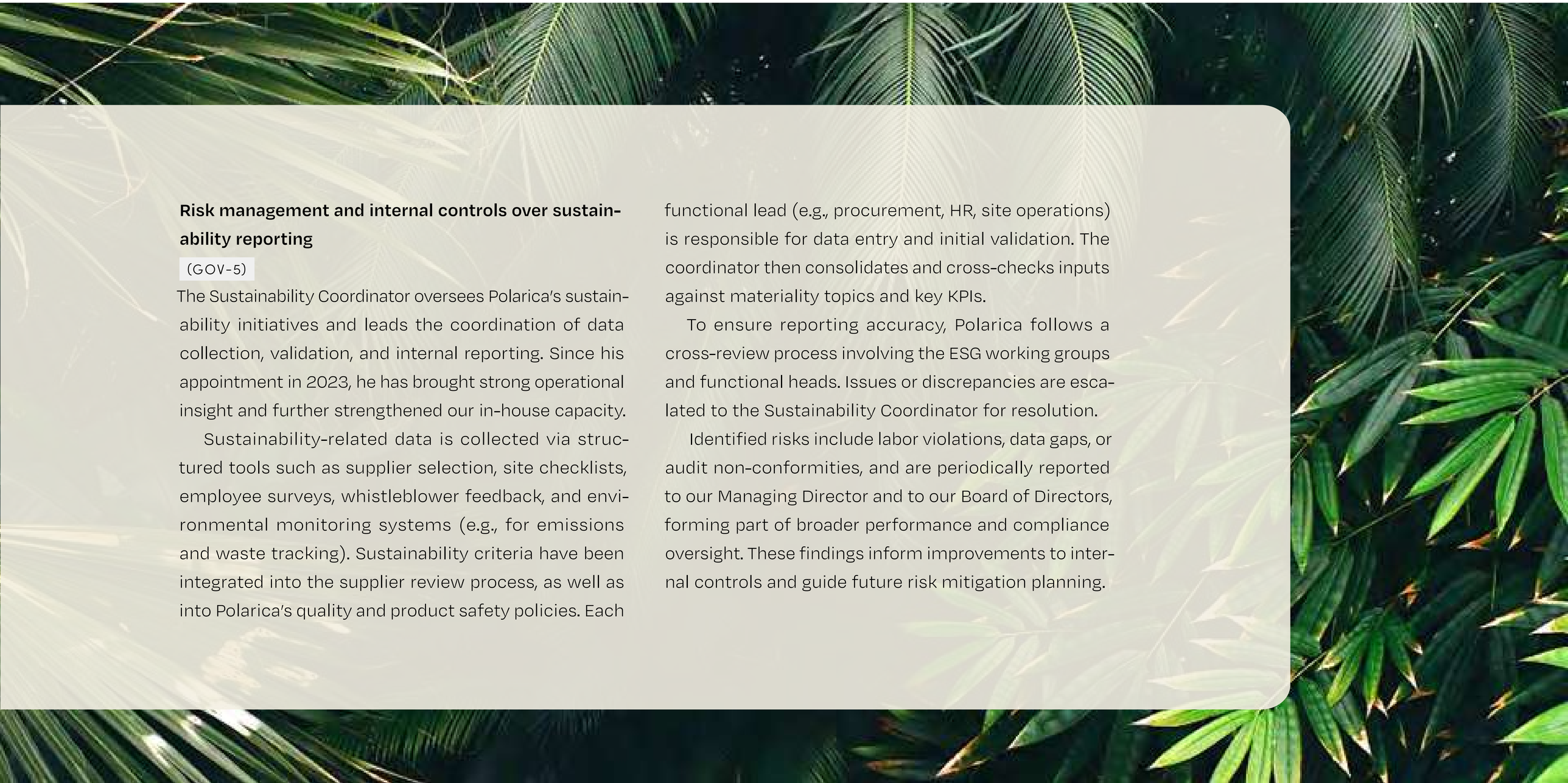


Statement on Due Diligence

(GOV-4)

Table 3: Elements of Due Diligence

Core elements of due diligence	Paragraphs in the Sustainability Statement
a) Embedding due diligence in governance, strategy and business model	ESRS 2
b) Engaging with affected stakeholders in all key steps of the due diligence	ESRS 2
c) Identifying and assessing adverse impacts	ESRS 2
d) Taking actions to address those adverse impacts	ESRS 2.MDR-A, E1, E4, S1, S2, S4, G1
e) Tracking the effectiveness of these efforts and communicating	ESRS 2.MDR-M, E1, E4, S1, S2, S4, G1



Risk management and internal controls over sustainability reporting

(GOV-5)

The Sustainability Coordinator oversees Polarica's sustainability initiatives and leads the coordination of data collection, validation, and internal reporting. Since his appointment in 2023, he has brought strong operational insight and further strengthened our in-house capacity.

Sustainability-related data is collected via structured tools such as supplier selection, site checklists, employee surveys, whistleblower feedback, and environmental monitoring systems (e.g., for emissions and waste tracking). Sustainability criteria have been integrated into the supplier review process, as well as into Polarica's quality and product safety policies. Each functional lead (e.g., procurement, HR, site operations) is responsible for data entry and initial validation. The coordinator then consolidates and cross-checks inputs against materiality topics and key KPIs.

To ensure reporting accuracy, Polarica follows a cross-review process involving the ESG working groups and functional heads. Issues or discrepancies are escalated to the Sustainability Coordinator for resolution.

Identified risks include labor violations, data gaps, or audit non-conformities, and are periodically reported to our Managing Director and to our Board of Directors, forming part of broader performance and compliance oversight. These findings inform improvements to internal controls and guide future risk mitigation planning.

3. Strategy, Business Model, and Value Chain

Sustainability-related business context

(SBM-1)

Polarica AB is a multinational supplier of frozen berries and fruits with strong market presence in 21 countries across Europe and Asia. Our produce portfolio includes wild berries, cultivated berries and fruits procured from the Nordic region, Central Europe, South and North America, Africa, and Asia. Polarica AB is the parent company of Polarica Berry Group and oversees key operations through its subsidiaries in Finland, Poland and Sweden. Our business also includes value-added products such as juices, syrups, and dried berry ingredients, tailored to meet diverse customer needs across markets.

Polarica does not engage in the production or sale of products banned in any of its operating markets. We further confirm that we do not operate in any of the following sectors: fossil fuels, chemical weapons, or tobacco production.

Polarica's 2022–2026 sustainability strategy focuses on responsible sourcing, transparent supply chains, stakeholder engagement, and environmental impact reduction across all markets and product categories. Our key goals include securing raw material volumes, expanding and vetting the supplier network, ensuring traceability, enhancing social responsibility, and aiming for carbon neutrality by 2035. The sustainability strategy is directly linked with the overall business strategy where sustainability is one of the key themes.

We are aligning our operations and product development with this strategy through initiatives such as packaging innovation, implementation of environmental standards, supplier codes of conduct, and impact assessments on both environmental and human rights issues. Challenges like climate-related supply chain disruptions, complex global sourcing, and evolving

packaging regulations are addressed through supplier diversification, emissions tracking, and improved internal controls.

Our business model relies on sourcing wild and cultivated fruits and berries globally, adding value through freezing, processing, and packaging, and distributing products to B2B, foodservice, and retail clients under both private-label and Polarica-branded lines. Our upstream value chain involves agricultural suppliers across Europe, Asia, Africa and the Americas, while downstream operations focus on delivering tailored products through trusted partners, supported by regular ESG evaluations and traceability efforts.

Table 4: Headcount of employees by geographical area, in average throughout the year

Geographical area*	Number of employees
North America	0
Europe	164
Asia-Pacific	0
Latin America	0
Africa	0
Other Regions	0
Total	164

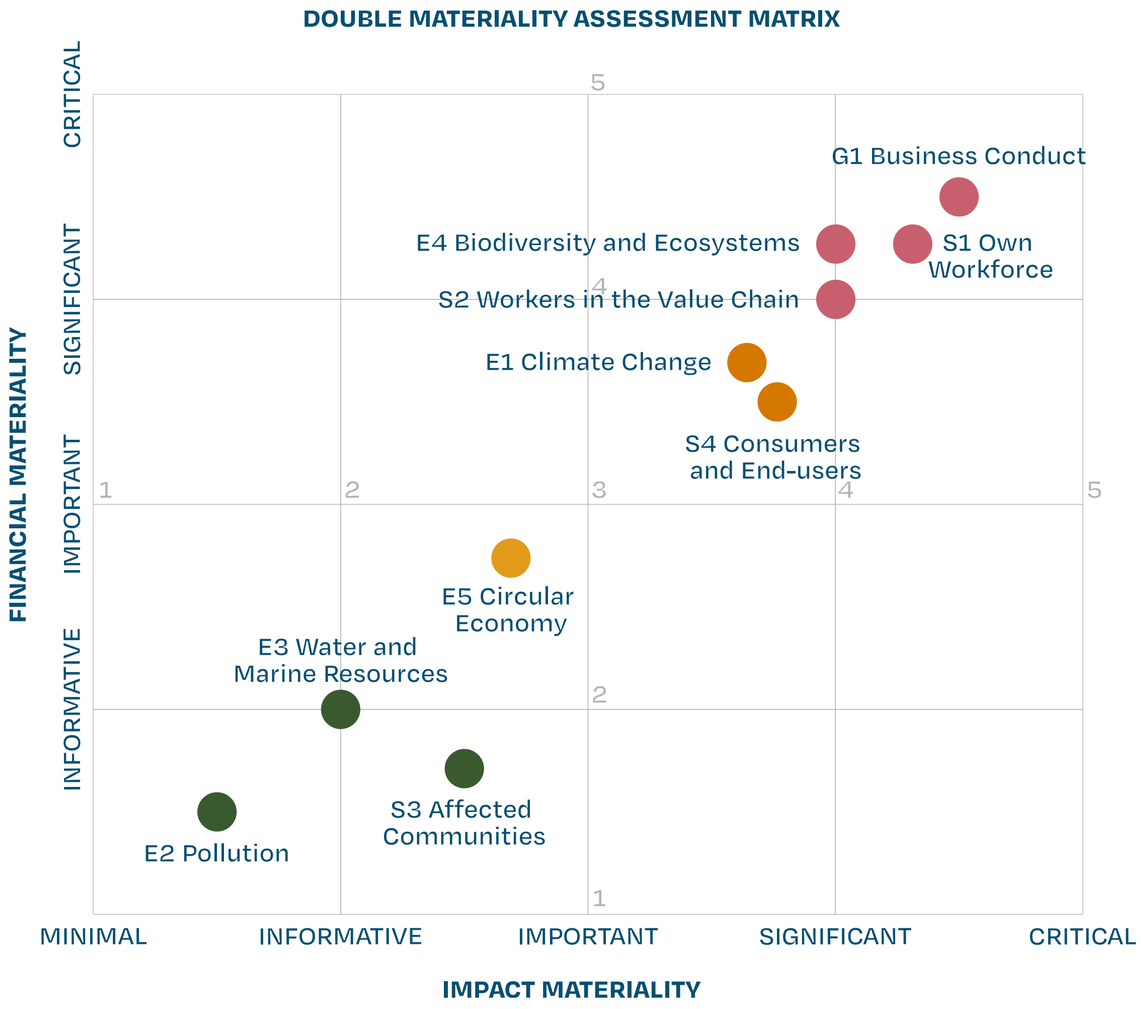
**Note: The geographical areas listed reflect our operational presence, and not the nationality or country of origin of employees.*

Interests and Views of Stakeholders

SBM-2

Polarica regularly engages with a broad set of stakeholders to understand their expectations, assess potential impacts, and align its business strategy and operations with evolving sustainability priorities. Key stakeholder groups include employees, suppliers, clients, investors, local communities, regulators, labor unions, financial institutions, and the media. Engagement with these groups has revealed a range of expectations:

- Employees value occupational safety, fair compensation, and leadership that supports wellbeing and development.
- Suppliers expect fair procurement practices and long-term partnerships.
- Clients and consumers emphasize social issues, good governance, food safety, biodiversity, and circular economy principles.



- Investors and financial institutions demand transparency on emissions, risk management, ESG reporting, and governance – particularly anticorruption
- Authorities and local institutions focus on social impact, especially in connection with seasonal berry picking and labor conditions.

These insights inform our strategic priorities and operational model in several ways:

- Human resource strategies emphasize employee well-being, safety, and leadership training.
- Supplier management puts greater emphasis on ethical sourcing and sustainable procurement.
- Product development focuses strongly on safe, transparent, and sustainable offerings.
- Governance structures have been strengthened to reflect ESG considerations, with oversight by senior leadership.

Polarica's Double Materiality Assessment (DMA) served as a key tool for identifying and prioritising sustainability topics that are material both to the company and its stakeholders. As part of this work, engagement practices were formalised and expanded to ensure a structured and inclusive process. The DMA began in late 2024 and concluded in April 2025.

Stakeholder analysis for the DMA began with the categorization of internal and external actors. Internal stakeholders included senior leadership, employees, and operational teams. External stakeholders included suppliers, retail partners, clients, and other business partners. The preliminary analysis was carried out by an external consultant and reviewed in a workshop led by the CEO. This was followed by a stakeholder engagement phase that included:

- An internal survey for employees
- Interviews with clients and key suppliers

Double Materiality Assessment was done between October 2024 and April 2025

Stakeholders were prioritized based on their relevance to and influence on our sustainability performance. Employees, clients, and investors were identified as the most impacted. Other relevant groups included local communities, subcontractors, regulators, labor unions, and professional associations. Stakeholders such as end consumers and the general public were not directly engaged but considered through indirect channels such as product feedback and social media.

The outcomes of this engagement led to a validated set of material topics, some of which were adjusted to better reflect stakeholder concerns. These findings informed our sustainability strategy and were integrated into our ESG governance framework.

Material impacts, risks and opportunities and their interaction with strategy and business model

(SBM-3)

We have assessed the material impacts, risks, and opportunities on our strategy and business model as per ESRS standards. We have found that the most material themes for Polarica are: E1 (Climate Change), E4 (Biodiversity and ecosystems), S1 (Own Workforce), S2 (Workers in the Value Chain), S4 (Consumers and End-Users), and G1 (Business Conduct).

In addition, we have identified several sub-topics and sub-sub-topics as material to our operations, but not significant enough to be disclosed in the sustainability report.

The sustainability themes to be reported use the following criteria:

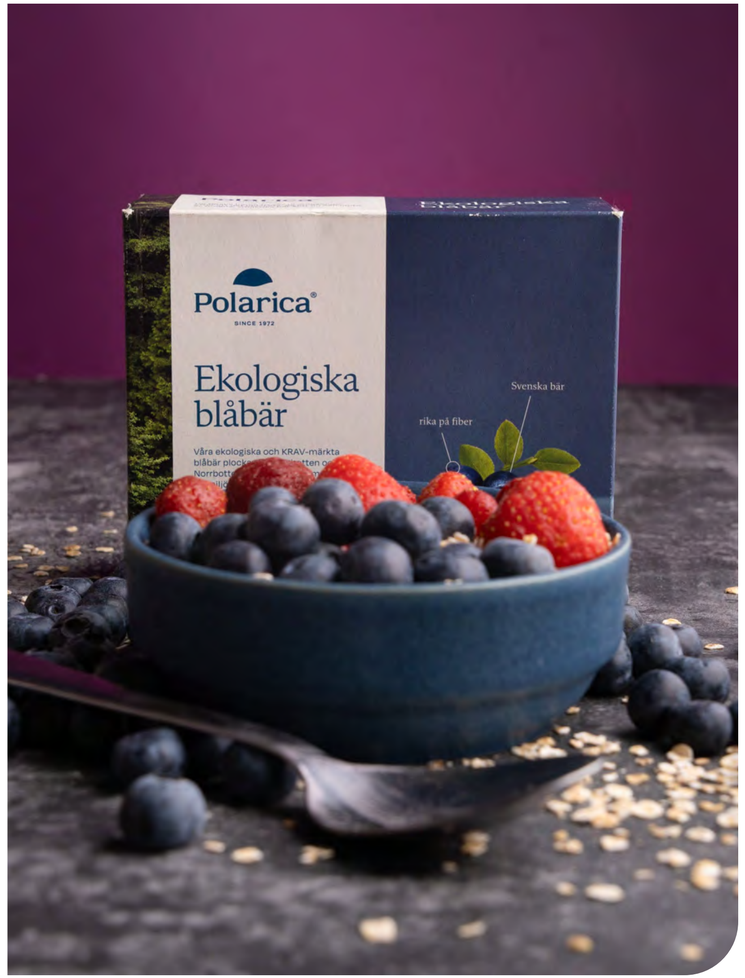
- Relevance to the business
- Impact to the stakeholders
- Scale, scope, and remendability
- Position in the value chain and
- The ownership structure

The outcomes of the Double Materiality Assessment are in line with several strategic directions that are already in place as part of our Sustainability Program 2022–2026.

We have taken action across multiple fronts to align our operations with the identified material themes. For example, under the goal of improving transparency and business conduct (G1), we are reviewing and updating company policies, including our anti-corruption policy, and strengthening internal understanding of economic responsibility and good governance practices. In response to material topics related to climate change and biodiversity (E1, E4), we have initiated baseline environmental measurements, set science-based emissions reduction targets in line with the SBTi framework, and aims to achieve net zero operational emissions by 2035. Additional environmental actions include implementing ISO 14001 in Poland and launching a biodiversity program to reduce ecological impacts across sourcing regions. Water-related impacts are of particular interest to our clients.

We have mechanisms in place to address labour rights and working conditions (S1, S2), including conducting a Human Rights Impact Assessment (HRIA) in 2022. These efforts have since been further strengthened through expanded monitoring and targeted initiatives across the value chain. These include comprehensive assessments of direct and indirect human rights impacts, surveys for employees, and mechanisms for worker feedback such as reporting channels. We have also committed to ensuring fair treatment and reasonable income for seasonal berry pickers, particularly during high-season harvesting operations. In support of this, we implemented a 15% travel cost compensation under the EPP (Employer Pays Principle) scheme for berry pickers in Sweden (2023) and Finland (2024). We also promote awareness of sustainability and human rights across our supplier base through stakeholder engagement and targeted communication.

In the area of responsible sourcing and value chain management, we have a Supplier Code of Conduct, which defines expectations related to legal compliance, ethical business practices, labour rights, environmental responsibility, and human rights across its supply chain. Supplier selection, approval, and ongoing management follow a structured process that incorporates ESG performance, risk assessments, and alignment with international frameworks. This process enables us to assess suppliers' practices around food safety, working conditions, and corporate integrity, ensuring responsible sourcing aligned with stakeholder expectations and corporate values. In 2024-2025 we had the first SMETA audit in the Polish facility.



4. Impact, Risk and Opportunity Management

Process to identify material impacts, risks, and opportunities

(IRO-1)

In 2024, we conducted a Double Materiality Assessment (DMA) in collaboration with an external consultant. The process was structured around three workshops led by our CEO and attended by senior leadership. The consultant facilitated the methodology, value chain mapping, and stakeholder engagement.

The assessment began with the definition of scope, methods, and stakeholder inclusion principles. We mapped both our Nordic and Polish value chains, using the ESRS 2 topical list and our sustainability program to shortlist potential material topics. Each topic was scored using the consultant's in-house matrix, assessing both impact materiality (effects on people and the environment) and financial materiality (effects on enterprise value), with support from internal expertise and external benchmarking.

Stakeholder engagement included internal personnel surveys and interviews with clients and suppliers across domestic and international markets. These inputs were used to validate and refine material topics.

We evaluated the impacts of our operations across the entire value chain, including sourcing, processing, logistics, and sales, both in the Nordic and Polish regions. However, we did not account for downstream impacts that occur solely under the control of third-party distributors or retailers. Also, our impact on the upstream value chain is limited as we do not have our own farms.

We operate in the wild berry industry, with a focus on natural resource use, seasonal labor, and biodiversity. While these elements can create positive social and environmental contributions, they may also introduce risks such as fair labor challenges and supply chain emissions.

We evaluated the impacts of our operations across the entire value chain.

In assessing financial risks, we considered both the magnitude of potential financial effects and the likelihood of occurrence.

The scoring methodology is designed to support comparability with other food and agricultural businesses in the EU. While Polarica has moderate environmental intensity compared to heavy industries, its impacts on ecosystems and local communities can be significant. Scores were derived by averaging underlying sub-topic assessments. Each sub-topic received equal weight to ensure balance, and care was taken to reflect the dual value chain nature of Polarica in scoring.

In assessing financial risks, we considered both the magnitude of potential financial effects and the likelihood of occurrence. Magnitude was assessed using our operational profit impact as a reference point and represents 50% of the risk score. Likelihood was assessed using short-, medium-, and long-term probability ranges and represents the other 50%.

All risk scores reflect existing mitigation measures in place and were developed with input from subject-matter experts. Quantitative modeling was supported by our internal risk framework and supplemented with qualitative analysis due to the difficulty of assigning monetary values to environmental or social risk scenarios.

Materiality thresholds were set at the level of "significant." Topics whose impact or risk level met or exceeded this threshold were classified as material in the Double Materiality Assessment and matched their respective ESRS categories.

The final materiality outcomes were reviewed and approved by senior leadership, with feedback from shareholders, employees, and business units. The DMA results are now integrated into our ESG governance and inform our sustainability reporting.

Policies Adopted to Manage Material Sustainability Matters

(MDR-P)

We have adopted comprehensive policies to manage our most material sustainability impacts, risks, and opportunities, covering responsible sourcing, labor and human rights, climate and environmental stewardship, and corporate governance. These policies aim to prevent and mitigate negative impacts, ensure regulatory compliance, and support long-term value creation.

Our supplier selection, approval and management processes enhance transparency and accountability across both direct and indirect sourcing. It includes environmental and human rights impact assessments, a mapped list of partners, and a Supplier Code of Conduct with enforceable contractual clauses. Compliance is monitored through regular reviews and site visits, including in high-risk sourcing countries such as Vietnam and Egypt. Recognizing sustainability as a continuous improvement process, suppliers are required to undertake corrective actions in case of non-compliance, which are then tracked and monitored for effectiveness. In line with our view of sustainability as a continuous improvement process, we requested one of our Finnish subcontractors in 2023 to formally commit to identified corrective actions. This was part of our structured 2025 supplier approval process, reinforcing our expectation for accountability and improvement over time. Where non-compliance persists or is repeated, supplier relationships may ultimately be discontinued.

The Human Rights Policy applies to our internal workforce and upstream seasonal workers, including berry pickers hired via subcontractors. It guarantees fair and reasonable compensation, minimum income aligned with national wage floors, and good working and living conditions. Materials such as handbooks and country-specific wage breakdowns are distributed in local languages. Grievance channels and seasonal training are provided to workers. In 2024, we finalized national criteria for ethical berry-picking practices with Fair Trade Finland, but this has not been adopted by the clients. The primary cost concern stemmed from the 100% Employer Pays Principle, which would have significantly increased expenses.

Environmental commitments include achieving carbon neutrality by 2035 through SBTi, implementing ISO 14001 in Polish operations, launching a carbon sequestration partnership with Havulatva Oy (2023–2026), and protecting biodiversity across Nordic sourcing regions. A dedicated biodiversity program with third-party tracking and defined KPIs is yet to be established.

The Governance and Integrity Policy includes anti-corruption guidelines, whistleblower protections, review mechanisms, and supervisor training. Whistleblower training is a recurring part of Polarica's annual training cycle, with materials and reporting instructions made continuously available (e.g. via posters and QR codes). These efforts promote transparency and compliance and align with ISO 26000 and other international standards.

These policies apply to our operations in Finland, Sweden, and Poland, and extend to upstream partners.

Implementation is overseen by senior management and carried out by ESG, HR, procurement, and safety teams, with communication to stakeholders via training, audits, and reports.

Key Elements of the Code of Conduct

Polarica Berry Group's Code of Conduct, adopted by the Board of Directors in October 2024, applies to all our entities and subsidiaries and guides operations according to our values of integrity, transparency, sustainability, and accountability. The Code outlines ethical principles and operational expectations for both Polarica employees and business partners, with supporting policies covering anti-corruption, human rights, environmental responsibility, product safety and quality, GDPR, equality and diversity, and whistleblower protections.

The Code applies across our internal operations as well as the value chain, supported by a separate Supplier Code of Conduct that defines mandatory requirements for suppliers. Compliance is overseen by our Board of Directors and senior management. Implementation is reinforced through regular training for employees, internal audits, stakeholder dialogue, and supplier monitoring. The Code integrates relevant international standards, and national legal requirements. It is communicated transparently through internal channels, public reporting, and partner engagement, ensuring that both employees and external stakeholders understand and uphold our principles.

Actions and Resources Related to Material Sustainability Matters

(MDR-A)

We are executing a structured sustainability roadmap (2022–2026) that includes environmental protection, labor rights, governance, and supply chain actions. On the environmental front, we are working towards carbon neutrality by 2035 and have implemented ISO 14001 in our Polish facility. We have also launched a carbon sequestration partnership with Havulatva Oy. Progress is monitored through audits, resource use metrics, waste tracking, and adoption of sustainable packaging.

Labor-related initiatives include a Human Rights Policy, enforcement of minimum wage compliance for seasonal workers across Finland and Sweden. These actions are supported by training, handbook distribution, grievance mechanisms, and field-level recruitment oversight. Supplier oversight includes SMETA audits, worker interviews, and site visits to assess working and living conditions.

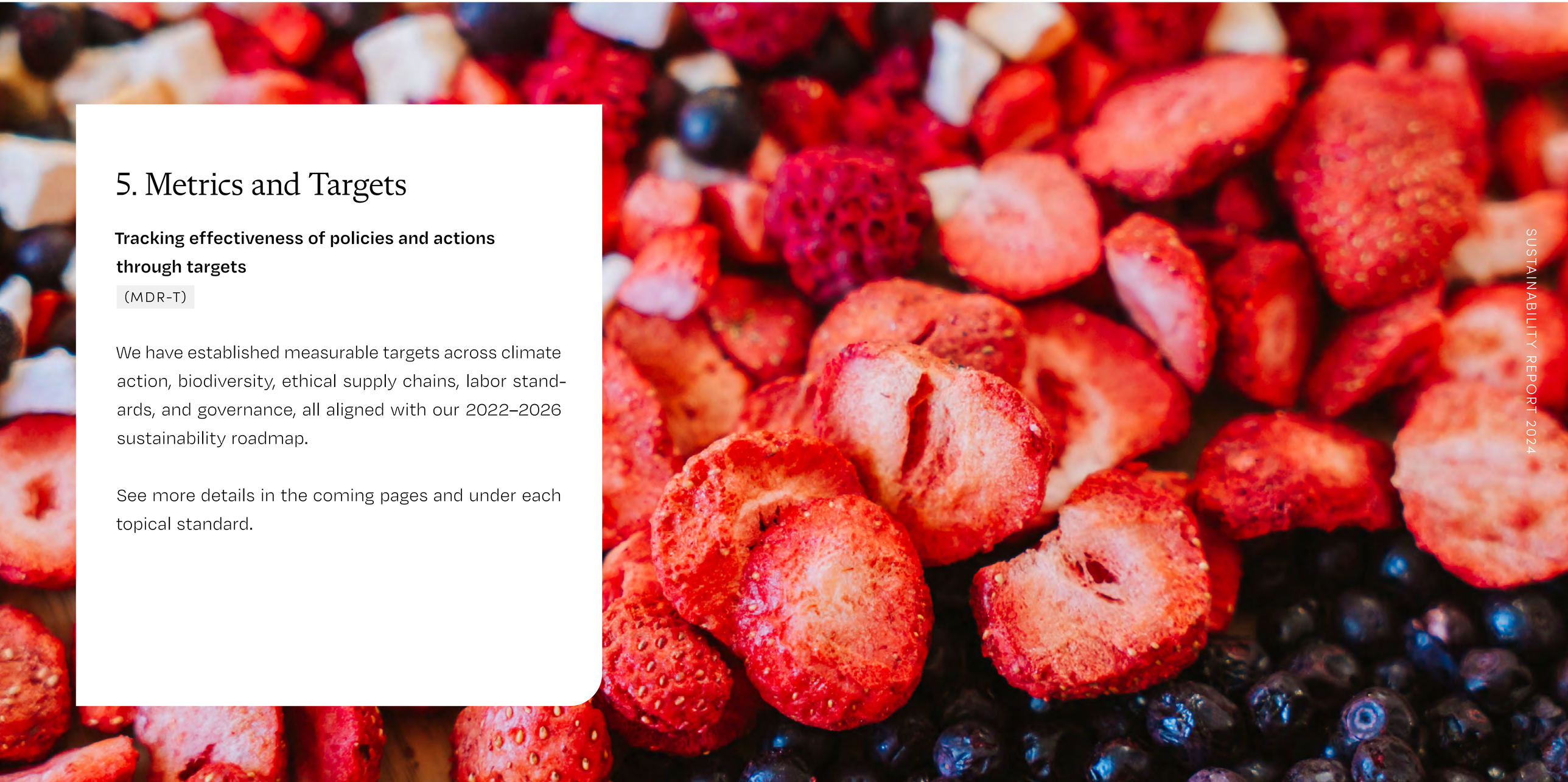
To strengthen governance, we have integrated anti-corruption and whistleblower training into Polarica's employee training programs. Wellness benefits and regular monitoring of sick leave help support employee well-being. In Finland, we offer Smartum benefits to promote well-being, with a similar locally adapted approach in Sweden, aligned with national tax regulations. In Poland, a legally mandated Social Fund provides additional financial support to employees. We also conduct regular employee surveys to identify areas for improvement across our operations.

All initiatives are executed by a cross-functional team of ESG, HR, procurement, and top management representatives, in collaboration with the CEO and supported by external consultants. Activities are monitored using defined KPIs and disclosed in Polarica's annual sustainability report.

Outcomes of Key Actions

Key Actions	Related Policy Objective	Timeline	Scope	Expected Outcome	Actual Outcome	Progress
Implement ISO 14001 in Polish operations	Reduce environmental impact & achieve climate goals	2023–2024	Poland Factory	Certified EMS system, reduced resource use	System has been implemented and certified	Certification audit successfully completed; system now in active use
Launch carbon sequestration partnership with HavuLatva Oy	Achieve carbon neutrality by 2035	2023–2026	Finland forests	Offset CO_2, enhance biodiversity	Certified carbon sequestration achieved with documentation of CO_2 absorption	Project underway with verified carbon capture data; implementation will continue
Apply union-based minimum wages for employed berry pickers berry pickers	Ensure fair pay and human rights	Annual (ongoing)	Thailand, Finland, Sweden	Compliance with national wage floors, improved livelihoods		Ongoing
Develop national berry-picking certification standards with Fair Trade Finland	Raise industry-wide standards for labor rights	2023–2024	Finland	Published criteria for ethical picker recruitment	National criteria	Not applied due to 100% EPP requirement
Conduct supplier site visits and audits in Egypt and Vietnam	Strengthen ethical sourcing and supplier compliance with additional on-site verification	2023–2024	High-risk sourcing countries	Identify risks, enforce compliance		Complete

Key Actions	Related Policy Objective	Timeline	Scope	Expected Outcome	Actual Outcome	Progress
Participation in berry-picker trainings in Thailand, attended by the CEO of Polarica	Transparent supply chain	2023– 2025		Increased transparency across the recruitment process and better oversight of working conditions.	Strengthened visibility into recruitment practices and prevention of prohibited labour practices.	Ongoing engagement and participation during recruitment seasons in Thailand
Roll out biodiversity program and conservation strategy	Protect Nordic and Polish ecosystems, meet E4 targets		Nordic and Polish sourcing regions and fresh fruit supply chain	Launch third-party biodiversity initiative and measure KPIs		Program development underway
Conduct employee surveys and track safety metrics	Improve worker well-being and internal feedback	Annual	Sweden, Finland, Poland	Identify stress points, improve work conditions	Surveys conducted in 2024 and 2025; corrective actions identified based on feedback from employees across Sweden, Finland, and Poland.	
Update anti-corruption policy and whistle-blower training	Improve governance, transparency, and compliance	2023–2025	Group-wide	Strengthened policy framework and staff capacity	Reinforced compliance with legal requirements; training programs in place to uphold high standards of corporate culture and transparency.	Policy updated; whistle-blower training sessions conducted



5. Metrics and Targets

Tracking effectiveness of policies and actions through targets

(MDR-T)

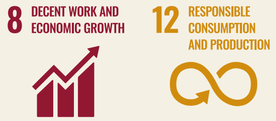
We have established measurable targets across climate action, biodiversity, ethical supply chains, labor standards, and governance, all aligned with our 2022–2026 sustainability roadmap.

See more details in the coming pages and under each topical standard.

Polarica Sustainability Program 2022–2026

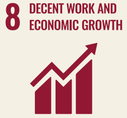
Know Our Supply Chains

- 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
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	●

KPI's

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

TImeline: 2022-2024

Progress

● done ◐ partly done ● ongoing ● not started

Goal: Empower People

Actions	Progress
Conduct a comprehensive assessment of human rights impacts across the entire value chain, thoroughly mapping 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	◐
Increased supplier awareness of human rights requirements; conducted sustainability training for fresh fruit suppliers in Poland; improved transparency and compliance measures for berry pickers.	◐
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

TImeline: 2023-2024

Goal: Transparent Business Practices

Actions	Progress
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	●

KPI's

- Total annual tax payments
- Policy papers

TImeline: 2022-2024

Goal: Minimize Environmental Impact

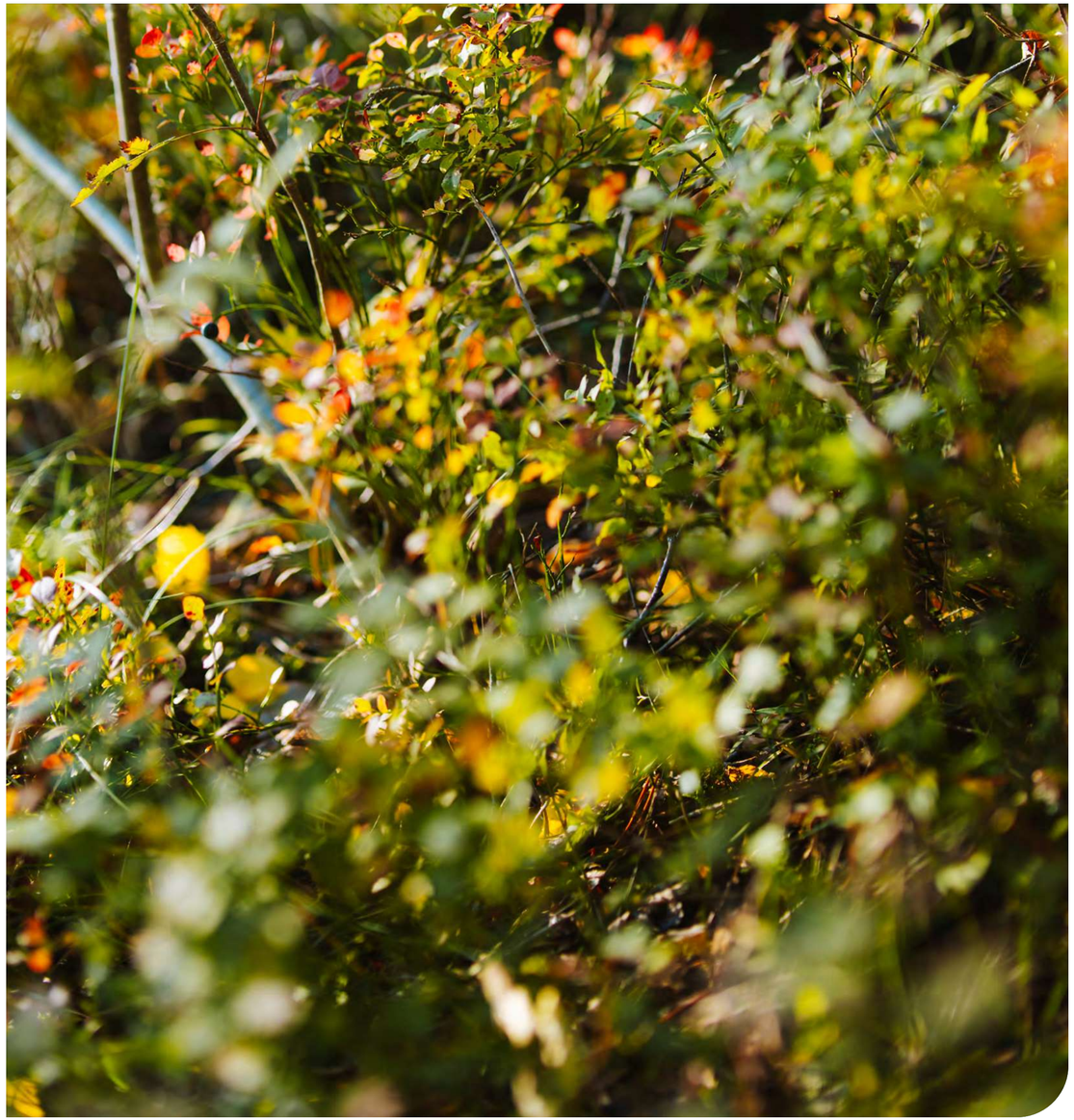
Actions	Progress
Baseline measurement and goal setting of environmental impacts	●
Reduce emissions based on carbon calculations (SBTi): Carbon Neutral by 2035	◐
Implement ISO 14001	◐
Create a biodiversity program	●
Improve recycling rate and waste management systems; standardizing waste categories across locations.	●

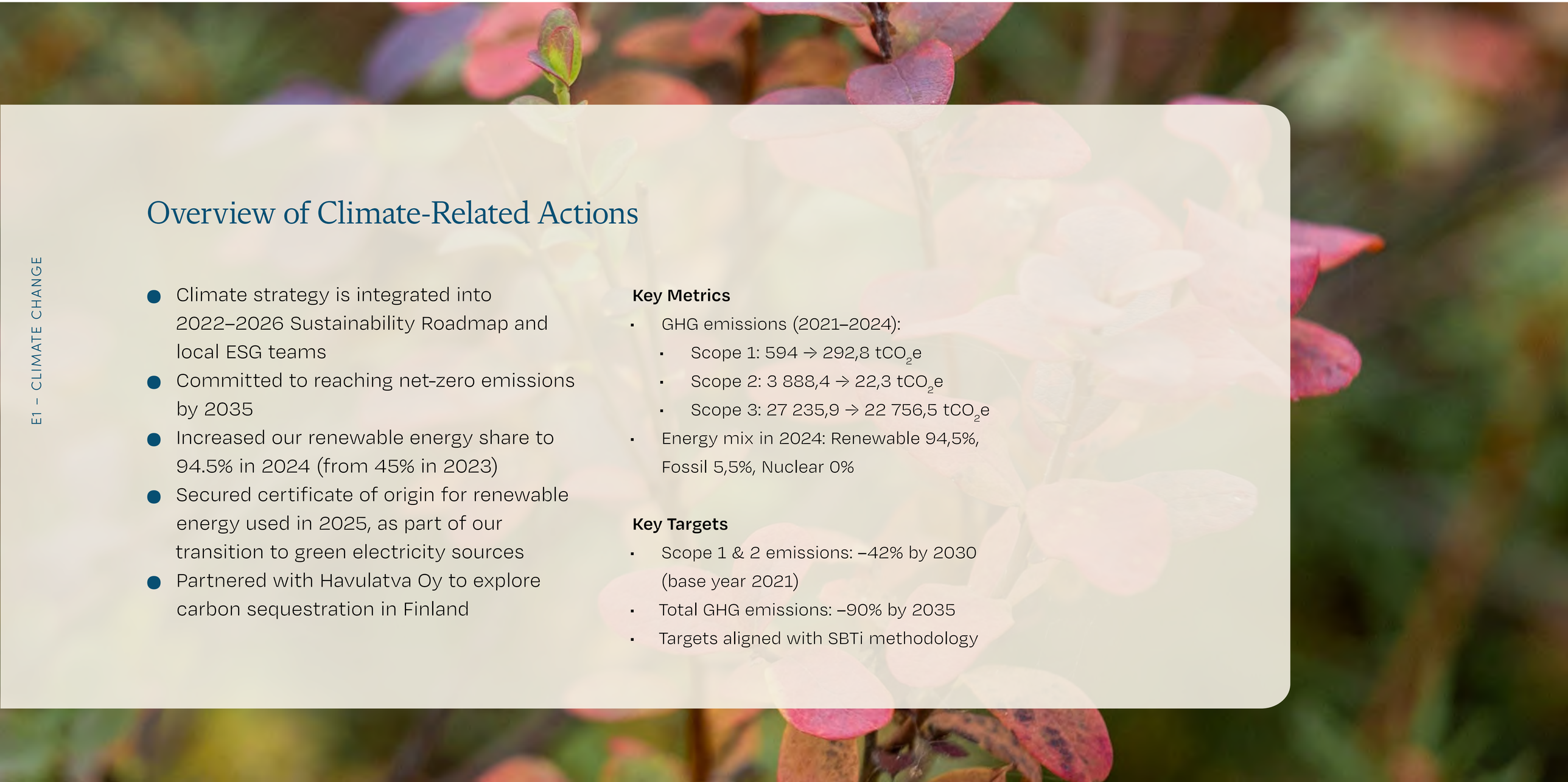
KPI's

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

TImeline: 2023-2024

E1
Climate Change





Overview of Climate-Related Actions

- Climate strategy is integrated into 2022–2026 Sustainability Roadmap and local ESG teams
- Committed to reaching net-zero emissions by 2035
- Increased our renewable energy share to 94.5% in 2024 (from 45% in 2023)
- Secured certificate of origin for renewable energy used in 2025, as part of our transition to green electricity sources
- Partnered with Havulatva Oy to explore carbon sequestration in Finland

Key Metrics

- GHG emissions (2021–2024):
  - Scope 1: 594 → 292,8 tCO_2e
  - Scope 2: 3 888,4 → 22,3 tCO_2e
  - Scope 3: 27 235,9 → 22 756,5 tCO_2e
- Energy mix in 2024: Renewable 94,5%, Fossil 5,5%, Nuclear 0%

Key Targets

- Scope 1 & 2 emissions: –42% by 2030 (base year 2021)
- Total GHG emissions: –90% by 2035
- Targets aligned with SBTi methodology

Impacts, Risks and Opportunities on Climate Change

	Positive/Negative	Opportunity/Risk
Climate change adaptation	**P:** Sourcing raw materials globally supports supply chain resilience against climate risks (e.g., mangoes from South America and Asia). **N:** Extreme weather and temperature fluctuations reduce raw material quality, leading to increased waste and energy use during freezing.	**O:** Diversifying sourcing regions builds supply chain resilience, reducing reliance on single locations and minimizing disruptions from weather events. **R:** Extreme weather impacts fruit supply, quality, pricing - leading to increased processing waste, higher energy consumption, and rising insurance and investment costs
Climate change mitigation	**P:** Use of recyclable packaging, optimized production processes, and a carbon sequestration project in Finland support climate goals. **N:** GHG emissions from electricity use and transport (land/sea) tied to raw material sourcing and production.	**O:** Energy efficiency and packaging improvements reduce emissions and energy costs; Boosts brand image and appeal to eco-conscious consumers; Lower waste and resource use reduce production costs and support regulatory compliance **R:** Upfront investment in low-carbon tech may strain short-term finances; Compliance with stricter emission laws may raise operational cost; Failing to act on climate could damage brand reputation and competitiveness
Energy	**P:** Process optimization and investment in renewable energy reduce energy use and emissions per product unit. **N:** Freezing and storage consume high energy, leading to significant CO_2 emissions if powered by fossil fuels.	**O:** Aligning with sustainability trends through energy efficiency and renewable energy improves brand image and reduces costs; Upgraded systems lower utility bills and may qualify for grants/tax breaks; Solar panels offer long-term savings and protect against rising energy prices **R:** High upfront costs for energy-efficient upgrades and renewables may strain finances; Regulatory shifts could impact investment viability; non-compliance risks penalties; Power outages from extreme weather can disrupt freezing/storage; Renewables' weather dependency may cause shortages, increasing reliance on expensive backup energy sources

1. Governance

Integration of sustainability related performance in incentive schemes

(GOV-3)

At present, we do not integrate climate-related considerations into the remuneration of ouradministrative, management, or supervisory bodies. The company's remuneration frameworks do not currently include performance criteria linked to GHG emission reduction targets or other climate-related objectives.

2. Strategy

Transition plan for climate change mitigation

(E1-1)

We are committed to achieving net-zero emissions by 2035, in alignment with the Paris Agreement and the EU's goal of limiting global warming to 1.5°C. This commitment is part of our 2022–2026 Sustainability Roadmap and guides ongoing investments in climate mitigation, energy efficiency, and the adoption of low-carbon technologies across all operations.

The transition plan is integrated into our business strategy and is overseen by the Sustainability Coordinator with support from senior management. ESG working groups across Finland, Sweden, and Poland ensure that climate targets are translated into practical site-level actions and monitored through regular performance reviews. In the Nordic countries–where we are headquartered–additional emphasis has been placed on improving cold storage efficiency, reducing energy use per kilogram of frozen product, and integrating renewable energy sources, such as LED lighting in Swedish facilities. Our Nordic operations have also been central to exploring the material impacts of climate-related disruptions to the freezing process and energy intensity, as identified in local risk assessments.

In Poland, a wide range of mitigation actions have already been initiated. These include participation in the Polish Energy Security Program, implementation of ISO 14001 environmental management systems, and site-wide energy audits to identify operational upgrades. Specific actions at Polish facilities involve modernizing heating systems, upgrading insulation and doors in cold storage areas, recovering waste heat through container washer bypass systems, and installing LED lighting and low-impact water dispensers. Waste-related improvements include optimizing the collection and recycling of plastic film and carton labels, and reusing organic waste in line with strict compliance protocols.

Across all sites, our efforts are aimed at reducing Scope 1, 2, and 3 emissions by improving process efficiency, minimizing raw material waste, and using more

sustainable packaging. These initiatives not only reduce environmental impact but also offer operational cost savings, align with evolving regulatory requirements, and enhance brand value among environmentally conscious consumers. Diversifying sourcing regions has also helped improve climate resilience and so ensures raw material availability despite increasing extreme weather events.

Nevertheless, we recognize the risks associated with this transition. High upfront investments in low-carbon technologies may impact short-term financial performance, while changing regulatory requirements may introduce compliance costs. Operational risks also stem from weather-dependence of renewable energy sources and power instability, particularly for energy-intensive freezing processes. Additionally, failure to meet growing consumer and investor expectations on climate action could harm the company's reputation and market position.

To ensure the credibility and measurability of Polarica's transition, we are working to quantify emissions reductions in line with E1-3 and E1-4. Although CapEx allocations have not yet been disaggregated, future investments are expected to align with EU taxonomy requirements. Progress is tracked annually through internal monitoring and third-party verification, while forward-looking risk assessments and scenario analyses, as described under IRO-1, continue to inform our strategy across all regions.

Material impacts, risks and opportunities and their interaction with strategy and business model

(SBM-3)

We have identified a range of material climate-related impacts, risks, and opportunities that intersect with Polarica's strategy and business model.

Physical risks primarily relate to climate change adaptation challenges, including extreme weather events, temperature fluctuations, and supply chain disruptions. For instance, changes in weather conditions have affected the quality of raw materials, leading to higher energy consumption during freezing processes and increased emissions per kilogram of finished products. These risks are particularly relevant in both Nordic and Polish operations where the company relies on temperature-sensitive production and storage processes.

Transition risks, while more limited in scope, include the greenhouse gas emissions generated from energy-intensive operations, such as the freezing and transportation of fruits, especially if these are powered by non-renewable energy sources. The purchase and transport of raw materials, particularly by land and sea, also contribute to Scope 3 emissions.

Despite these risks, Polarica's strategy is oriented toward seizing climate-related opportunities. A key pillar of this is the company's transition plan to achieve climate neutrality by 2035. This goal is embedded within the 2022–2026 Sustainability Roadmap and has guided several mitigation and adaptation actions. Examples include the implementation of ISO 14001 in Polish facilities, energy audits, thermal sealing of cold storage areas, optimization of production and packaging processes, and the installation of LED lighting.

These improvements are expected to lower energy consumption and reduce emissions intensity across the company's operations. Polarica has also invested in renewable energy sources and recovery systems such as heat reuse from container washers. In parallel, the company has developed a biodiversity and carbon sequestration partnership in Finland and continues to explore opportunities for CO_2-free solutions.

In line with scenario analysis conducted under the IRO-1 disclosure, Polarica has assessed its resilience under a 1.5°C, 2°C, and >2°C warming pathway. The company is not exposed to fossil fuel-related assets or operations and thus faces minimal lock-in risks. Instead, its main exposure lies in potential increases in energy and transportation costs under more aggressive climate policy scenarios.

To manage these risks, Polarica is diversifying its sourcing regions, strengthening its supply chain resilience, and scaling investment in emissions reduction projects. These material risks and opportunities have been incorporated into strategic planning processes and are monitored at both the site and group levels. The company continues to integrate ESG considerations into its core decision-making through working groups that oversee the implementation of climate-related targets across its operations in Poland, Finland, and Sweden.

3. Impact, Risk and Opportunity Management

Description of the processes to identify and assess material climate related impacts, risks and opportunities

(IRO-1)

Our material climate-related impacts primarily stem from greenhouse gas emissions associated with freezing, storage, electricity use, and the transportation of raw materials, particularly in Poland. Physical climate risks identified include the increasing frequency of extreme weather events, which can disrupt supply chains, reduce raw material quality, and increase energy consumption during processing. These risks are compounded by the potential for operational downtime and rising insurance costs.

Transition risks include evolving regulations, rising energy prices, and the capital investment required for low-carbon technologies. At the same time, we recognise opportunities in improving energy efficiency, reducing emissions, and responding to stakeholder demand for sustainable practices through renewable energy use, process optimisation, and recyclable packaging.

These findings inform our climate strategy and have been integrated into our mitigation and adaptation planning.

Scenario Analysis

As climate change continues to affect global food systems, we face both operational risks and strategic opportunities across our cold-chain logistics, berry sourcing, and packaging operations. As a frozen food supplier with sourcing networks in Europe, South and North America, Asia, and Africa, we play a critical role in maintaining secure and sustainable food supply chains. To enhance the company's resilience and align with its 2035 carbon neutrality goal, we conducted a climate scenario analysis. This analysis follows the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and supports compliance with ESRS E1 reporting requirements.

Three plausible climate scenarios were developed to evaluate how global warming pathways may affect our operations. These include policy responses and physical disruptions such as floods or heatwaves. The scenarios are mapped over short (1–3 years), medium (3–5 years), and long-term (5–10 years) timeframes aligned with our sustainability roadmap. Short-term risks focus on sourcing and storage disruptions, medium-term on policy-driven cost shifts, and long-term on structural transformation in energy and packaging systems.

Methodology and Scope

The inputs for the scenario analysis were guided by data from the IPCC, EU Fit for 55 policy package, and national adaptation plans. Polarica's ESG Working Groups in Finland, Sweden, and Poland coordinated internal discussions around scenario drivers and impacts.

Climate Scenario Analysis

TCFD-aligned methodology:

1. **Defining the Baseline:** 2021–2024 emissions and operational data were consolidated, including energy use, waste management, and supplier audits.
2. **Modeling Climate Scenarios:** Scenario variables were informed by IPCC, EU climate policy (Fit for 55), and national energy data. Risk profiles were defined for transition disruptions, physical events, and compliance gaps.
3. **Quantifying Impacts:** Climate mitigation efforts, such as cold-chain energy efficiency and recyclable packaging, were mapped to expected emissions reductions. Scenario risks were assessed qualitatively.
4. **Developing Adaptive Strategies:** The analysis informed policies such as low-emission heating upgrades, supplier engagement in climate-sensitive zones, and improved monitoring via ESG working groups in all three countries of operation.

While not yet a quantitative modelling exercise, this process helps the company assess exposure to both transition risks (e.g., regulation, technology shifts, carbon pricing) and physical risks (e.g., droughts, floods, temperature extremes) across its value chain.

Climate Scenario Analysis

Scenario	Impact	Risks	Opportunities
Net Zero by 2050 (1.5°C Pathway)	Increased short-term costs due to energy transition and compliance investments. Operational upgrades needed to meet new climate standards.	Higher costs from low-emission heating system upgrades, packaging changes, and energy sourcing. Stricter EU regulations on emissions and supply chain transparency.	Access to green financing and incentive programs. Competitive edge from early adoption of sustainable practices (e.g. ISO 14001, carbon neutrality by 2035). Stronger customer alignment on sustainability.
Delayed Action, Moderate Regulation (2°C Pathway)	Slower regulatory shift but higher exposure to physical climate impacts in key sourcing countries. Disruption risks increase over time.	Supply chain instability due to extreme weather. Crop volatility impacts raw material prices. Delays in decarbonization create compliance uncertainty.	Longer runway to adapt operations. Increased value from investments in biodiversity, packaging optimization, and supplier audits. Opportunity to become an early mover in under-regulated markets.
High-end climate change (above 2°C)	Severe disruption to sourcing and logistics networks due to extreme climate events. Increasing reputational and operational instability.	Heatwaves, droughts, and storms affect harvest and transport. Food safety and storage risks increase. Infrastructure stress leads to downtime and losses.	Demand for resilient, cold-chain food suppliers grows. Greater value placed on local sourcing, sustainable packaging, and traceable, low-carbon logistics.

Assessing Risks and Opportunities Through Metrics and Targets

To assess climate impacts across these scenarios, we combined operational data and ESRS E1 -aligned indicators including GHG emissions, waste recovery, and biodiversity KPIs. Key areas of focus included:

1. **Carbon Pricing Sensitivity:** Energy audits and fuel consumption data were used to model operational exposure to carbon pricing and efficiency targets, especially in Poland.
2. **Physical Climate Risk Exposure:** The analysis reviewed exposure to temperature-sensitive operations (e.g. freezing, cold storage) and seasonal harvest disruptions across sourcing countries.
3. **Opportunity Mapping:** Polarica's investments in ISO 14001 certification, the Havulatva Oy carbon sequestration initiative, and new biodiversity KPIs are expected to enhance its market position under all climate scenarios.

Our ESG Working Groups oversee integration of climate-related insights into operations and strategic planning. Results are shared with senior leadership, and scenario analysis findings are expected to support future capital planning and risk prioritization efforts.

Policies related to climate change mitigation and adaptation

(E1-2)

We have adopted an Environmental Policy that applies across all our subsidiaries and operations. Our policy sets out the Group's commitment to reducing the negative environmental impacts of its activities, including those related to climate change mitigation and adaptation. Our policy prioritizes environmental protection, pollution prevention, compliance with obligations, and continuous improvement of environmental performance. It recognizes that environmentally friendly management must consider impacts throughout the value chain – from sourcing raw materials to production, transportation, packaging, and end-of-life product impacts.

We are committed to calculating and reporting our carbon footprint annually and have adopted Science Based Targets initiative (SBTi)-aligned emission reduction targets. Our Environmental Policy also supports the identification and assessment of environmental aspects, with operational objectives established annually. Our strategy includes stakeholder engagement and is supported by internal processes for continuous improvement.

We have completed ISO 14001 certification at our Polish facility and are in the process of expanding these standards across the Nordic operations.

Actions and resources in relation to climate change policies

(E1-3)

In 2024, we implemented a range of targeted climate mitigation and adaptation actions, embedded within its ISO 14001-aligned environmental management system. Our actions were driven by cross-functional ESG, procurement, and operations teams and aim to support the company's net-zero 2035 goal. Energy efficiency improvements in Poland included joining the Polish Energy Security Program, conducting site-wide energy audits, and initiating measures such as thermal insulation, heating system upgrades, and a waste heat recovery system. Facilities were also fitted with LED lighting and filtered water dispensers to reduce emissions and waste.

To support waste reduction and circularity, 100% of production waste – paper, plastic, and organic material – was directed to recycling or composting. Additionally, we improved plastic packaging and reduced label materials, while reducing baling frequency to improve recycling efficiency. Adaptation efforts included collaborating with Havulatva Oy on a carbon sequestration and biodiversity project in Nordic sourcing regions, and supplier audits were conducted in high-risk areas to evaluate climate-related risks and promote resilient procurement practices.

Operational upgrades also led to improved segregation of waste, infrastructure insulation, and modernization of water heating systems. While specific CapEx or OpEx allocations were not disclosed, the company reported that progress is reviewed internally and disclosed annually, with the aim to align future disclosures with taxonomy-aligned CapEx reporting under EU standards.

4. Metrics and Targets

Targets related to climate change mitigation and adaptation

(E1-4)

We have adopted GHG reduction targets aligned with the 1.5°C pathway and validated through the Science Based Targets initiative (SBTi). These targets are absolute. Specifically, we have committed to reduce Scope 1 and Scope 2 emissions by 42% by 2030, and combined Scope 1, 2, and 3 emissions by 90% by 2035, using 2021 as the base year. We aim to reach net-zero emissions by 2035.

These targets are integrated into our operational strategy and reviewed through Polarica's internal ESG governance system. We intend to revise the targets every five years starting in 2030, in line with SBTi guidelines. Progress is tracked across business units, and supplier collaboration is underway to replace generic Scope 3 estimates with primary emissions data, ensuring more accurate GHG accounting over time.

Table 1: Climate-related targets

Targets	2030 Target	2035 Target
GHG emission reductions ($ktCO_2eq$)	-42% in Scope 1 and 2	-90% in Scope 1, 2 and 3

Energy consumption and mix

(E1-5)

In 2024, our total energy consumption amounted to 13,817.8 MWh, down from 14,448.4 MWh in 2023. A significant improvement was seen in the renewable energy share, which rose from 45.0% in 2023 to 94.5% in 2024. This was driven by an increase in the consumption of purchased renewable electricity (12,706.1 MWh in 2024 compared to 6,153.0 MWh in 2023), supported by Certificates of Origin for renewable hydroelectric energy in Finland and Poland and 100% green energy purchases in Sweden.

Fossil-based energy consumption declined from 918.6 MWh to 766.6 MWh, reducing its share in total energy consumption from 6.4% to 5.5%. Nuclear energy, which previously accounted for 48.7% of the energy mix in 2023, was fully phased out in 2024. Green energy certificates further strengthen our renewable sourcing in line with the company's climate strategy.

Table 2: Energy consumption and mix

	2023	2024
(1) Fuel consumption from coal and coal products (MWh)	0,0	0,0
(2) Fuel consumption from crude oil and petroleum products (MWh)	782,0	637,4
(3) Fuel consumption from natural gas (MWh)	20,4	50,0
(4) Fuel consumption from other fossil sources (MWh)	0,0	0,0
(5) Consumption of purchased or acquired electricity, heat, steam, or cooling from fossil sources (MWh)	116,1	79,2
Total energy consumption from fossil sources (calculated as the sum of lines (1-5))	918,6	766,6
Share of fossil sources in total energy consumption (%)	6,4%	5,5%
(7) Consumption from nuclear sources (MWh)	7 031,9	0,0
Share of consumption from nuclear sources in total energy consumption (%)	48,7%	0,0%
(8) Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) (MWh)	345,0	345,1

	2023	2024
(9) Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	6 153,0	12 706,1
(10) The consumption of self-generated non-fuel renewable energy (MWh)	0,0	0,0
(11) Total renewable energy consumption (MWh) (calculated as the sum of lines 8 to 10)	6 498,0	13 051,2
Share of renewable sources in total energy consumption (%)	45,0%	94,5%
Total energy consumption (MWh) (calculated as the sum of lines 6, 7 and 11)	14 448,4	13 817,8

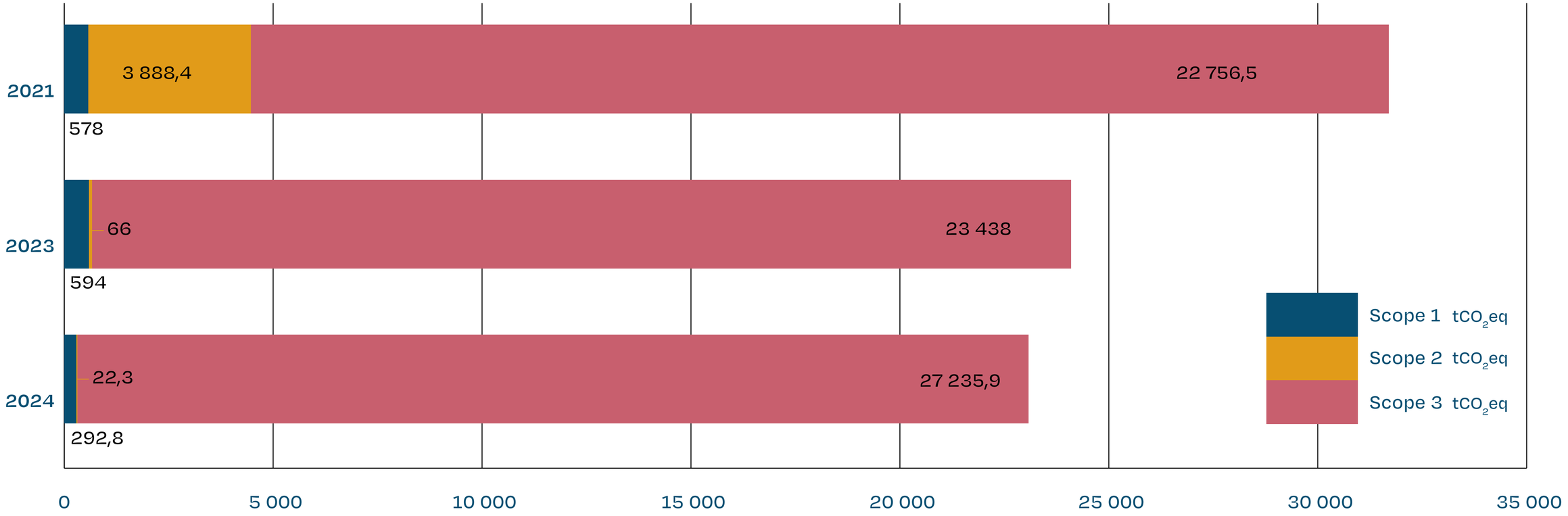
Table 3: Energy intensity per net revenue in high climate impact sectors

	2023	2024	% Current Reporting Period / Previous Reporting Period
Total energy consumption from activities in high climate impact sectors per net revenue from activities in high climate impact sectors (MWh/MSEK)	21,2	18,2	85,8

The net revenue from high climate impact sectors used to calculate the data in Table 4 is reconciled with the financial statement. For reference, the total turnover of Polarica Berry Group, including all its subsidiaries, is 758 MSEK.

Gross Scopes 1, 2, 3 and Total GHG emissions (tCO_2eq)

(E1-6)



Gross Scopes 1, 2, 3 and Total GHG emissions

Table 4: Total GHG emissions

	2021	2023	2024
Scope 1 GHG emissions			
Gross Scope 1 GHG emissions (tCO_2eq)	578	594	292,8
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)			
Scope 2 GHG emissions			
Gross Scope 2 GHG emissions (tCO_2eq)	3 888,4	66	22,3
Significant Scope 3 GHG emissions			
Total Gross indirect (Scope 3) GHG emissions (tCO_2eq)	27 235,9	23 438	22 756,5
1 Purchased Goods and services	20 193,4	19 386,4	21 042
2 Capital Goods	0	0	0
3 Fuel- and Energy-Related Activities (not included in Scope 1 or Scope 2)	0	0	0
4 –	0	0	0
5 Waste generated in operations	420,9	149,4	103,9
6 Business travel	3 988,7	1 586,6	62,1
7 Employee commuting	582,9	189,3	83,4
8 Upstream leased assets	0	0	0
9 Transportation and Distribution (Upstream + Downstream)	2 050,1	2 126,3	1 464,7
10 Processing of sold products	0	0	0
11 Use of sold products	0	0	0
12 End-of-life treatment of sold products	0	0	0
13 Downstream leased assets	0	0	0
14 Franchises	0	0	0
15 Investments	0	0	0
Total GHG emissions	31 702,3	24 098	23 071,6

The GHG emissions intensity for the reporting period is 30,4 tCo_2eq/MSEK, calculated as total GHG emissions divided by net revenue from high climate impact sectors.

5. Greenhouse Gas Emission Calculation Data, Assumptions, and Emission Factors

Emission Source	Scope	Key Assumptions & Calculation Methods	Emissions Factor Sources
Refrigerant leakage and addition	1	Based on actual measurements and quantities listed in purchase invoices	Defra 2024
Fuel Oil (heating oil)	1	Based on volumes recorded in purchase invoices	Defra 2024
Cherry Stones	1	Based on internal usage logs	Defra 2024
Heating oil	1	Based on purchase invoices	Defra 2024
Diesel	1	Based on volume from purchase invoices	Defra 2024
Petrol	1	Based on volume from purchase invoices	Defra 2024
LPG	1	Based on volume from purchase invoices	Defra 2024
Petrol	1	Based on volume from purchase invoices	Defra 2024
Power Supply (Finland, Poland)	2	Based on purchase invoices and meter readings; Cancellation statement certifies the Guarantees of Origin considered	Hydro-electric head installations Fingrid Finextra - EECS. Renewable
Power Supply (Sweden)	2	Based on invoices and meter data	Fossil Free Energy - Vattenfall and Renewable Skellefteakrat
District heat consumption (Kaskein Marja)	2	Based on supplier invoices and consumption meters	Lappeenrannan Energia
District heat consumption (Polarica SKO)	2	Based on supplier invoices and consumption meters	Skelleftea Kraft - Emission 2023 - central heating Lycksele
Scope 3 - Business Travel - Flights	3	Based on travel records and average distances by route; includes RFI (Radiative Forcing Index) multiplier.	Defra 2024 - Flights with RFI multiplier
Scope 3 - Business Travel - Passenger car diesel & gasoline	3	Based on travel logs by employees	Defra 2024
Scope 3 - Business Travel - Express train	3	Based on travel logs by employees	Y-hiilari (2021)

Emission Source	Scope	Key Assumptions & Calculation Methods	Emissions Factor Sources
Scope 3 - Business Travel - Hotel stays	3	Based on travel logs by employees	Defra 2024
Scope 3 - Business Travel - Electric cars	3	Based on travel logs by employees	Defra 2024
Scope 3 - Raw materials and packages - Fresh Fruit and Berries	3	Volumes based on ERP data. The emission range for berries is 0.66–1.5 kgCO_2e/kg. No distinction is made between cultivated and wild-picked berries. Strawberries, with their representative value, are often used as a point of comparison 0,99 kg CO_2e/kg	Climate impacts of student and workplace restaurants and measures to reduce them: Case of Semma Oy
Scope 3 - Raw materials and packages - Fresh Nordic Berries (picked)	3	Volumes based on ERP data. Wild-picked berries in Finland and Sweden as raw material considered as 0 kgCO_2e/kg.	Climate impacts of student and workplace restaurants and measures to reduce them: Case of Semma Oy
Scope 3 - Raw materials and packages - Fresh Nordic Berries (purchased)	3	Volumes based on ERP data. Emission factor based on Polarica calculation for wild-picked berries considered all 3 scopes. 0,677 kg CO_2e/kg	Polarica Calculation
Scope 3 - Raw materials and packages - Frozen Fruit and Berries	3	Volumes based on ERP data. The emission range for berries is 0.66–1.5 kgCO_2e/kg. No distinction is made between cultivated and wild-picked berries. Strawberries, with their representative value, are often used as a point of comparison 0,99 kg CO_2e/kg	Climate impacts of student and workplace restaurants and measures to reduce them: Case of Semma Oy
Scope 3 - Raw materials and packages - Carton/Paper packages (kliklok boxes, cardboard boxes, paper bags)	3	Based on ERP data; averages for package weight applied	Ilmastolaskuri (2018)
Scope 3 - Raw materials and packages - Foil	3	Based on ERP data; averages for package weight applied. For some quantities supplier emission data applied.	Y-hiilari 2021, Defra 2024 and Supplier emission data
Scope 3 - Raw materials and packages - bottles	3	Based on ERP data; averages for package weight applied	Update of wine packaging LCA – Final report Alko Oy (2018)

Emission Source	Scope	Key Assumptions & Calculation Methods	Emissions Factor Sources
Scope 3 - Raw materials and packages - aluminum Cap	3	Based on ERP data; averages for package weight applied	Lumme 2021
Scope 3 - Raw materials and packages - plastic Cup	3	Based on ERP data; averages for package weight applied	Lumme 2021
Scope 3 - Transport - Diesel Trucks	3	Based on ERP delivery data, average route distances and information from logistic companies	Defra 2024 and Supplier emission data
Scope 3 - Transport - Gas trucks	3	Based on ERP delivery data, average route distances and information from logistic companies	Supplier Information
Scope 3 - Transport - Freeze Container shipments	3	Based on ERP delivery data, average route distances and information from logistic companies	Defra 2024 and Supplier emission data
Scope 3 - Traveling to work - passenger car and electric car	3	Calculation based on the average number of working days. Average distance and transport mode distribution applied.	Defra 2024
Scope 3 - Waste management	3	Based on waste register	Y-hiilari 2021 and Defra 2024

E4
Biodiversity and climate change

Overview of Biodiversity and Ecosystem Actions

- Biodiversity impacts mainly arise upstream from land use, wild berry picking, and fertilizer use; company sites are not located near biodiversity-sensitive areas
- A biodiversity program is in development
- Polarica prioritizes responsible use of pesticides and chemical fertilizers, soil and habitat protection, and compliance with EU biodiversity regulations.
- Supplier expectations include alignment with pesticide regulations and biodiversity-conscious practices
- 100% of paper/film waste recycled in 2024; composting initiated for organic waste
- Planning underway for a biodiversity strategy

Impacts, Risks and Opportunities on Biodiversity and ecosystems

	Positive/Negative	Opportunity/Risk
Climate change	**N:** Emissions from production and transport, and from upstream agricultural practices including fertilizer/pesticide use and air pollution.	**O:** Carbon sequestration projects show commitment to climate action and can boost brand image with eco-conscious consumers and investors; Sustainable land and water management improves soil health, crop resilience, and resource efficiency, reducing climate-related risks and costs. **R:** Carbon sequestration and other environmental initiatives require upfront costs that may strain budgets without immediate financial returns; Growing regulatory pressure on biodiversity and conservation may require costly operational changes and increase compliance costs.
Land-use change, fresh water-use change and sea-use change	**P:** Good practices of agriculture followed by suppliers **N:** Land use changes from new plantations may cause deforestation and biodiversity loss; Excessive water use in agriculture can disrupt local freshwater ecosystems.	**O:** Sustainable land and water management improves soil health, crop yield, and climate resilience, reducing risks and resource-related costs. **R:** Changes in land and water use may degrade ecosystems that support pollination, flood control, and water purification, increasing supply chain volatility and costs; Soil degradation from overuse can harm crop quality and require costly, long-term restoration which affects raw material prices and profitability.
Pollution	**N:** Soil polutions from fertilizers and pesticides	**O:** Promoting sustainable farming practices reduces chemical use, protects biodiversity, and meets growing demand for eco-friendly products. These products can command price premiums and lower regulatory risks. **R:** Stricter pesticide and pollution regulations may raise operational costs; Transitioning to greener inputs can affect yields and supply stability, increasing raw material costs and impacting margins and production planning.
Impacts and dependencies on ecosystem services	**N:** Sourcing fresh and frozen berries, especially from wild harvesting, may disrupt habitats, reduce wildlife food sources, and affect local ecosystems.	**R:** Dependence on natural pollination is vulnerable to biodiversity loss, which can reduce yields and raise costs; Soil degradation from intensive farming may lower crop productivity and increase raw material costs, threatening long-term supply stability.

1. Strategy

Transition plan and consideration of biodiversity and ecosystems in strategy and business model

(E4-1)

We recognize that our operations have both direct and indirect impacts on biodiversity and ecosystems, particularly through raw material sourcing, agricultural inputs, and land use practices. While our own production sites are not located in or near biodiversity-sensitive areas based on current knowledge, upstream activities such as wild berry picking in natural forests can affect local habitats and species. These value chain impacts expose us to biodiversity-related risks, including habitat disturbance, soil degradation, and potential regulatory pressures linked to ecosystem protection.

To address these risks, we are progressively integrating biodiversity considerations into our environmental practices and sustainability planning. Key measures include ISO 14001 -compliant environmental management systems, sustainable sourcing guidelines for agricultural inputs, and partnerships with suppliers to promote habitat-friendly practices. Our carbon sequestration initiative in Finland also delivers co-benefits for forest ecosystems. ESG working groups across Finland, Sweden, and Poland, coordinated by the Sustainability Coordinator, oversee the implementation of these initiatives.

Polarica continuously monitors evolving regulatory frameworks, such as the EU Biodiversity Strategy for 2030, to inform future actions. We are currently preparing a biodiversity program that will consider key focus areas such as improving traceability in high-risk supply chains, strengthening ecosystem risk mapping, and identifying sourcing and land stewardship practices that support biodiversity outcomes.

Material impacts, risks and opportunities and their interaction with strategy and business model

(SBM-3)

Our operations intersect with several ecosystem-sensitive areas, primarily through our upstream agricultural supply chains and wild berry picking activities. While none of our production sites are located in biodiversity-sensitive areas, wild harvesting in natural forests and cultivation of agricultural raw materials present potential biodiversity risks. These include habitat disturbance, soil degradation, and water use impacts. Our reliance on natural resources such as clean water, healthy soil, and pollination further highlights Polarica's dependency on functioning ecosystems for long-term business continuity.

Specific risks identified include land degradation, pesticide-related pollution, and potential impacts on local flora and fauna through overharvesting. In Nordic sourcing regions, harvesting areas are mapped and biodiversity-sensitive zones are excluded from collection, with pickers trained in responsible practices to minimize ecological disturbance. However, we recognize that supply chain activities, particularly in wild harvesting and fruit cultivation, may still exert pressures on vulnerable ecosystems. Biodiversity risk mapping is ongoing to better understand these dynamics and support informed decision-making.

2. Impact, Risk and Opportunity Management

Description of processes to identify and assess material biodiversity and ecosystem related impacts, risks, and opportunities

(IRO-1)

As part of our Double Materiality Assessment (DMA), we assessed biodiversity-related risks, dependencies, and opportunities across our Nordic and Polish operations. A key focus was upstream sourcing, including agricultural inputs and wild berry harvesting. Stakeholder dialogue and risk workshops confirmed biodiversity as a material topic, with core dependencies identified around ecosystem services such as fertile soil, pollination, and clean water, which are critical to our long-term supply security.

We identified several key impacts and risks: land-use change, soil degradation, and pollution from fertilizers and pesticides. Regulatory tightening, reputational concerns linked to unsustainable sourcing, and climate-related physical risks such as drought and flooding were also identified. While our own production facilities are not located in biodiversity-sensitive areas, we acknowledge that upstream sourcing can affect vulnerable ecosystems.

We have not yet conducted a formal resilience analysis but are building internal understanding of biodiversity-related risks through the DMA and stakeholder dialogue. Scenario-based discussions have begun, informed by global biodiversity trends and regulatory developments, to explore medium- and long-term exposures. These insights will guide future biodiversity strategy, supply chain risk mapping, and business model adaptation.

Nature Scenario Analysis

Scenario	Impact	Risks	Opportunities
Strong Global Action on Nature	Increased demand for traceable, sustainably sourced ingredients and ecosystem-restorative practices	Cost and complexity of complying with strict biodiversity laws; need for third-party certifications and long-term supplier partnerships	Market leadership in sustainability, access to green finance, improved resilience of supply chain, and enhanced brand reputation.
Weak Policy Action, Continued Loss	Ecosystem degradation persists due to weak enforcement; procurement challenges due to declining soil health and water quality in supplier regions.	Operational instability, reputational damage from sourcing practices, tightening standards from major buyers, and reduced yield per hectare.	Opportunities for selective investment in agroecological suppliers and circular economy models that valorize food waste and promote regenerative farming.
Severe Climate + Rapid Nature Collapse	Biodiversity loss accelerates due to climate stress and land-use intensification; regulatory fragmentation fails to control impact drivers.	Worsening ecosystem service availability, especially pollination and clean water; climate-exacerbated biodiversity impacts undermine long-term viability of current supply chains.	Strengthening internal monitoring, investment in landscape-level initiatives, and co-development of local conservation efforts with farmers to build ecosystem buffers.

Policies related to biodiversity and ecosystems

(E4-2)

We have adopted a range of biodiversity-related policies aimed at managing the impacts, dependencies, risks, and opportunities arising from our agricultural sourcing, land-use practices, and production processes. These policies are embedded in our broader sustainability governance and align with the ESRS 2 MDR-P provisions.

We treat environmental issues as a core priority in all our activities. Our strategic goal is to minimise the environmental impact of our operations. Our environmental policy emphasizes environmental protection through the prevention of pollution, compliance with applicable obligations, continuous improvement of the environmental management system, and progress toward CO_2 reduction targets. While biodiversity-specific topics such as land degradation or deforestation are not addressed in detail within the environmental policy, they may be covered more explicitly through future strategies or dedicated policies.

While none of our productions sites are located in or near biodiversity-sensitive zones, we recognize that upstream activities in its supply chain such as sourcing from agricultural plantations can have negative impacts on biodiversity. We encourage suppliers to follow soil conservation and habitat protection guidelines.

Furthermore, we have strict supplier rules regarding pesticides, plant protection products, and fertilizers, all in line with current EU legislation. This is done as part of our food safety and quality requirements. We conduct regular laboratory testing to check for residues in fruits and maintain open dialogue with our suppliers to ensure biodiversity-conscious practices are upheld.

Actions and resources related to biodiversity and ecosystems

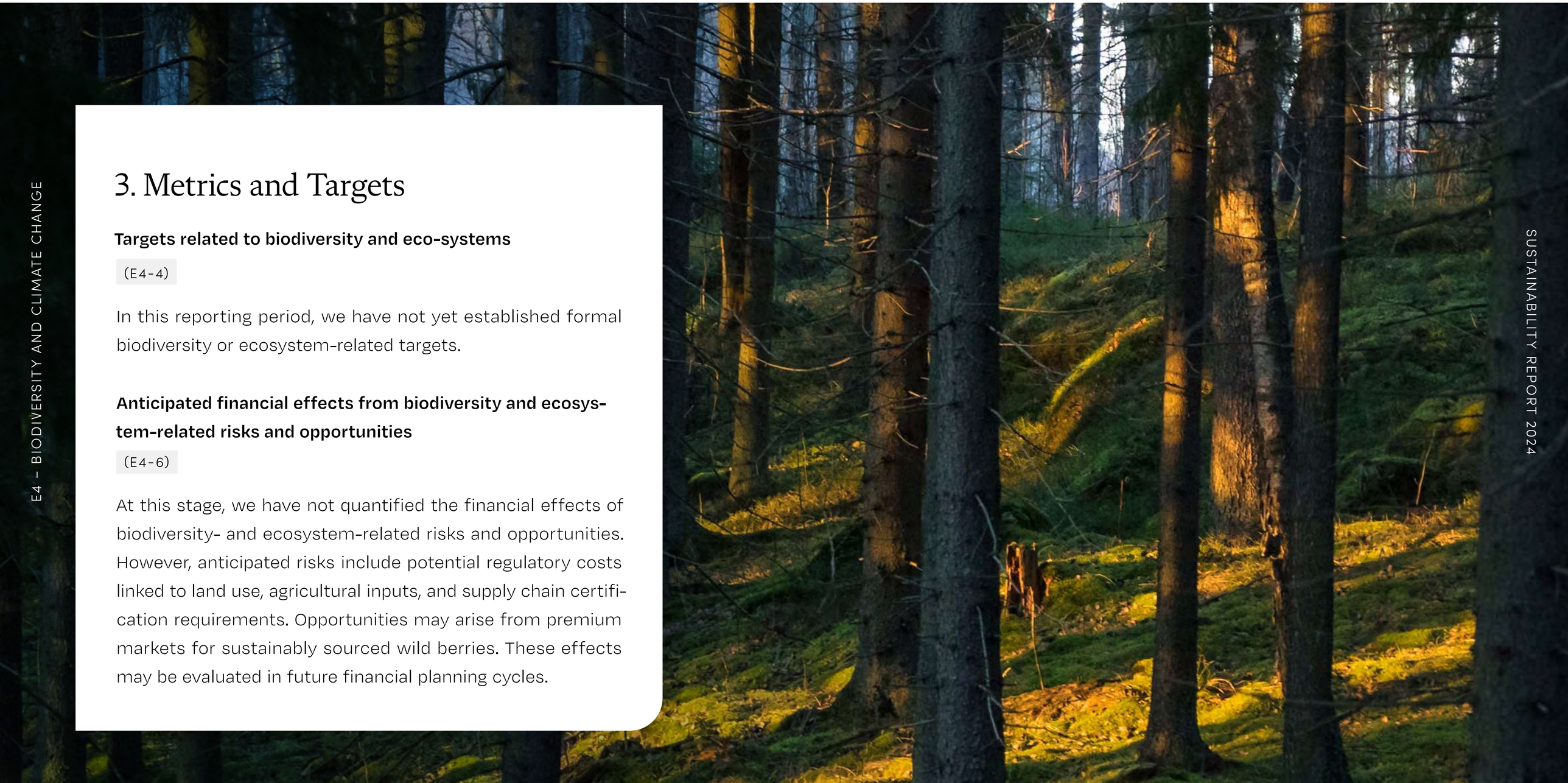
(E4-3)

To support our biodiversity and ecosystem policy objectives, we have undertaken a number of operational and supply chain-level actions. These include waste reduction, resource optimization, and product redesigns that indirectly reduce ecological pressure across the value chain.

In 2024, we ensured that 100% of production waste, including paper and film, was recycled and tracked through certified channels. We also transitioned to composting all organic waste, compliant with national standards. To further reduce Polarica's ecological footprint, we changed our inkjet printing processes to cut paper waste and optimized flap carton packaging to lower annual paper use and CO_2 emissions. Other site-level actions included filtered water dispensers to reduce plastic bottle waste and the installation of LED lighting in warehouses to improve energy efficiency.

While we have not yet implemented nature-based solutions in our own operations, we actively support low-impact practices upstream. A formal biodiversity program is still in development.

Polarica's internal ESG working group reviews biodiversity-related actions as part of its site performance oversight, and future plans include KPI development for habitat protection and soil quality.



3. Metrics and Targets

Targets related to biodiversity and eco-systems

(E4-4)

In this reporting period, we have not yet established formal biodiversity or ecosystem-related targets.

Anticipated financial effects from biodiversity and ecosystem-related risks and opportunities

(E4-6)

At this stage, we have not quantified the financial effects of biodiversity- and ecosystem-related risks and opportunities. However, anticipated risks include potential regulatory costs linked to land use, agricultural inputs, and supply chain certification requirements. Opportunities may arise from premium markets for sustainably sourced wild berries. These effects may be evaluated in future financial planning cycles.

S1
Own workforce

Overview of Actions and Measures Regarding Own Workforce

- Employee satisfaction surveys and grievance systems are used to guide workplace improvements and policy updates
- Seasonal staffing, fatigue risks, and fair compensation are integrated into HR and ESG governance
- All employees have contracts; permanent staff are protected by labor laws or collective agreements
- Company policies cover anti-bullying, non-discrimination, and equal pay; supplier compliance is also monitored
- Comprehensive benefits and compensation packages are provided across all operating countries

Key Metrics

- 100% of employees paid above living wage benchmark; full social protection across countries
- Collective bargaining covers 80–100% of staff in Sweden and Finland
- 100% H&S coverage and annual training implemented

Impacts, Risks and Opportunities on Own Workforce

	Positive/Negative	Opportunity/Risk
Secure Employment	**P:** All employees have employment contracts. **N:** Temporary agency workers may face poorer working conditions than permanent staff. Seasonality in frozen fruit production increases demand for temporary labor during summer, with reduced needs in other months.	**O:** Permanent contracts support workforce stability, satisfaction, and productivity. **R:** Reliance on seasonal and agency workers can lead to higher turnover, inconsistent skills, increased training and labor costs, and reputational risks related to working conditions.
Working time	**P:** Work in cold storage facilities requires regular breaks to protect employee health and avoid overwork. **N:** During summer peak season, employees may work overtime, increasing strain.	**O:** Efficient overtime management can reduce labor costs and help prevent employee burnout. **R:** Uncontrolled overtime during peak season can lead to burnout, lower productivity, higher turnover, and non-compliance risks, including potential fines and reputational damage.
Adequate wages	**P:** All employees receive wages above living wage; Performance bonuses, attendance bonuses, and a benefits system for employees. **N:** Temporary workers may earn less than permanent staff, potentially leading to inequalities	**O:** A competitive and equitable wage structure supports talent attraction, retention, and productivity, while enhancing the company's reputation and reducing the risk of labor disputes. **R:** Wage disparities between temporary and permanent staff can reduce morale, increase turnover, and harm reputation; Rising labor costs due to changes in minimum wage laws may also impact financial performance if not offset by productivity gains.
Health and Safety	**P:** Appropriate protective measures and regular training.	**R:** Failure to comply with evolving health and safety laws can lead to fines, legal issues, reputational damage, and reduced employee morale.

1. Strategy

Interests and Views of Stakeholders

(SBM-2)

We regularly consider employee feedback when deciding our internal practices and improvement efforts. This is evident in our efforts to strengthen employee representation, allowing for active participation in decision-making processes. We regularly conduct employee satisfaction surveys across all locations, gathering feedback on working conditions, organizational culture, and well-being.

By embedding these practices into HR processes and sustainability governance, we ensure inclusive dialogue and continuous improvement in workforce practices, contributing to higher productivity and better implementation of company initiatives.

Material impacts, risks and opportunities and their interaction with strategy and business model

(SBM-3)

We have implemented a structured process to identify and assess material impacts, risks, and opportunities related to our own workforce and social matters. This includes comprehensive mapping of employment conditions across Finland, Sweden, and Poland, with a focus on contract models, wages, housing, representation, and workplace well-being.

Findings highlighted several challenges relevant to workforce management, such as managing seasonal peaks, preventing employee burnout, ensuring health and safety compliance, and maintaining wage competitiveness. We have long-standing mechanisms in place, including employee satisfaction surveys, grievance channels, and structured HR processes. These tools provide ongoing insights that inform workplace policies, productivity strategies, and improvement of employment conditions.

Risks assessed include potential impacts from wage disparities, inadequate training, and ineffective feedback systems, all of which can affect morale, retention, and productivity. We have worked to mitigate these risks through employee well-being programs, and targeted training to enhance inclusivity, equity, and professional development.

These insights are embedded into our ESG governance and inform continuous improvement in HR policy, internal oversight, and employee engagement practices.

2. Impacts, Risks, and Opportunities Management

Policies related to own workforce

(S1-1)

Our approach to workforce management is grounded in our commitment to secure employment, fair treatment, and continuous improvement of working conditions across Polarica's Nordic and Polish operations. Direct employees are covered either by local labor law or, where applicable, collective agreements. We assume responsibility for salary payments, cost deductions, and compliance with labor and occupational safety standards.

We have implemented a company-wide People Survey to track employee well-being, satisfaction, and organizational culture. Insights from these surveys are used to improve workplace conditions and inform policy updates. We follow national labor laws and employment regulations across our operations.

Processes for engaging with own workforce and workers' representatives about impacts

(S1-2)

We regularly engage with our employees and their representatives to ensure that workforce-related concerns are heard and addressed. Employee surveys are conducted across all our locations and inform management about job satisfaction, health and safety, organizational culture, and overall well-being.

Workers are represented through formal mechanisms such as joint consultation bodies and worker committees. These mechanisms promote continuous dialogue, allowing employees to contribute to policy updates and operational decisions. Workforce feedback is also integrated into our DMA and ESG governance system.

Processes to remediate negative impacts and channels for own workforce to raise concerns

(S1-3)

Polarica has established multiple mechanisms for its workforce to raise concerns and report grievances, which form part of the company's broader commitment to ethical and responsible employment practices. Employees participate in anonymous satisfaction surveys, which offer a platform for raising concerns and identifying systemic issues in the workplace.

Findings from grievance mechanisms are regularly reviewed and integrated into workforce-related decision-making. Where issues are identified, we initiate corrective actions and assesses resolution effectiveness through follow-up monitoring. We are actively working to strengthen internal feedback loops and ensure that all concerns are addressed transparently and in a timely manner.

Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

(S1-4)

We take a proactive and structured approach to identifying and responding to both adverse and positive impacts on our own workforce. Insights from the Double Materiality Assessment (DMA), annual People Surveys, and internal HR reviews have guided us in strengthening Polarica's labor practices and embedding resilience in the company's workforce model.

To mitigate health and well-being risks during peak summer periods, when workloads are most intense, we have introduced staggered shifts, rotational breaks, and workload redistribution. Factory workflows have also been adjusted to improve ergonomics and operational efficiency. These changes aim to reduce fatigue, lower injury risk, and support stable productivity during high-demand periods.

We have implemented a country-specific benefits structure to promote wage equity and transparent remuneration in line with local requirements. In Poland, this includes above-statutory pay and performance-based bonuses tied to measurable KPIs. Across all sites, compensation is aligned with standardized job roles where applicable. To support employee development, we offer onboarding, annual safety training, and cross-functional learning opportunities.

Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

(S1-5)

We are developing formal, time-bound targets to better manage material workforce risks and opportunities identified in the Double Materiality Assessment. While some initiatives are already underway, we aim to enhance transparency and accountability by linking workforce improvements to measurable outcomes.

Current workforce KPIs include satisfaction scores from the annual People Survey, safety incident tracking, grievance response rates, and participation in training and development programs. These indicators are used to assess employee well-being, identify emerging risks, and monitor policy effectiveness.

To mitigate health and well-being risks during peak summer periods, we have introduced staggered shifts, rotational breaks, and workload redistribution.

3. Metrics and Targets

Characteristics of the undertaking's employees

(S1-6)

As of 2024, our workforce spans multiple sites across Finland, Sweden, and Poland and includes a range of employment types, functions, and tenure profiles. The characteristics of these employees can be found below.

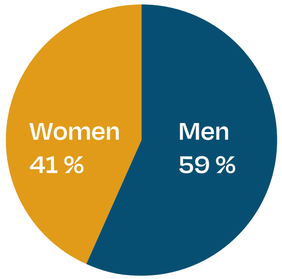
Characteristics of non-employee workers in the undertaking's own workforce

(S1-7)

Our non-employee workforce includes contractors involved in logistics and packaging. Until now, berry pickers have not been part of our own workforce but have been engaged through third-party arrangements.

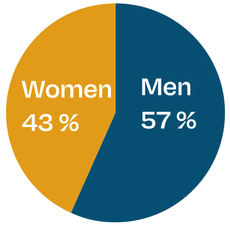
Insights from the Berry Pickers Survey and supplier-level assessments further inform how we support and safeguard non-employees. See ESRS S2 for more details.

Number of employees by gender



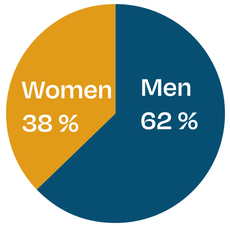
Total 164

Permanent employees



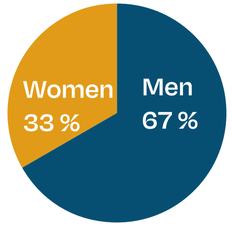
Total 137

Temporary employees



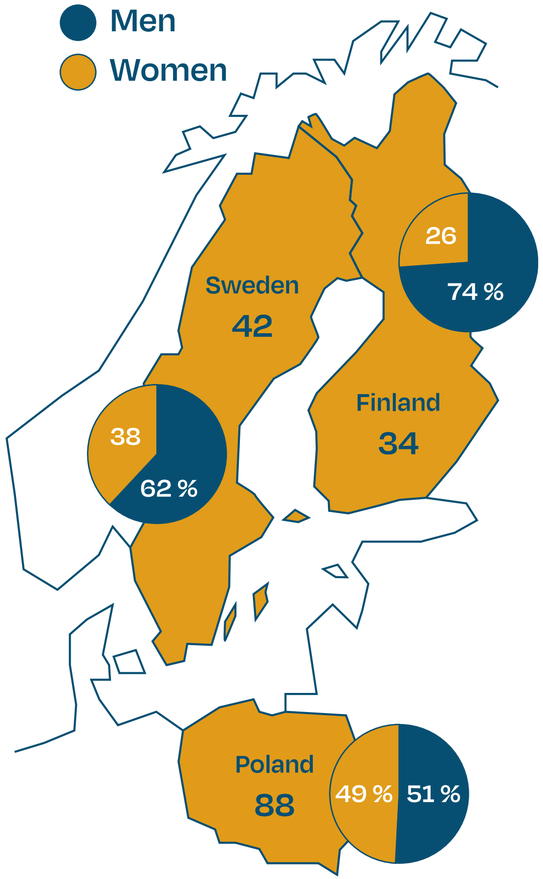
Total 21.5

Non-guaranteed hours employees



Total 6

Number of employees by country and gender



Collective bargaining coverage and social dialogue

(S1-8)

Collective bargaining practices differ across Polarica's locations. In Finland and Sweden, the presence of trade unions and social dialogue mechanisms is strong. Employee representatives play a prominent role in decision-making processes and are engaged in ongoing discussions related to workplace governance, sustainability, and employee well-being. This reflects a broader culture of collaboration between management and employees at both national and site levels.

In Poland, formal collective agreements are less common in companies of our size and sector. However, employees are protected through national labour laws as well as internal labour regulations, which have been developed in cooperation with employee representatives. These internal frameworks ensure that worker rights and interests are upheld, even in the absence of formalised collective agreements. Employee representatives are selected directly by the crews and are regularly consulted on matters such as compensation, health and safety, and working conditions.

Therefore, across all our locations, we support workplace representation and actively encourage employee participation in social dialogue.

Employees are protected through national labour laws as well as internal labour regulations.

Adequate Wages

(S1-10)

We have identified fair and adequate wages as a material issue in Polarica's operations. Wage disparities across different employment categories and geographies have been acknowledged as a challenge. In response, we ensure that all employees receive a wage above living wage. This action is part of a broader effort to meet decent work standards and ensure economic security for all members of the workforce.

Table 1: Adequate wages

Country	Percentage of Employees Paid Below Adequate Wage Benchmark (%)	Percentage of Non-Employees Paid Below Adequate Wage Benchmark (%)
Finland	0	0
Sweden	0	0
Poland	0	0
Overall Average	**0**	**0**

Social Protection

(S1-11)

We ensure statutory social protection coverage for our permanent employees across Sweden, Finland, and Poland, aligned with national regulations. To strengthen the level of healthcare and support the well-being of our employees, we have expanded collaboration with third-party partners to enhance protective measures and promote consistent standards across all sites. Internal surveys and HR data continue to inform adjustments to coverage and support services.

Health and safety metrics

(S1-14)

Work-related health risks are evaluated through internal audits and employee surveys. We ensure that appropriate protective measures are in place and employees are regularly trained on health and safety. While no major cases of work-related illnesses have been reported, ongoing monitoring mechanisms remain in place to ensure workplace health and safety standards are upheld.

Table 3: Employee coverage by social protection against loss of income

Country	Sickness	Unemployment	Employment Injury and Disability	Parental Leave	Retirement
Finland	Yes	Yes	Yes	Yes	Yes
Sweden	Yes	Yes	Yes	Yes	Yes
Poland	Yes	Yes	Yes	Yes	Yes

Table 4: Health and safety performance for employees and non-employees

Information	Employees	Non-employees
Percentage of workforce covered by the health and safety management system (%)	100	100
Fatalities resulting from work-related injuries	0	0
Fatalities resulting from work-related ill health	0	0
Number and rate of recordable work-related accidents	6	1
Number of cases of recordable work-related ill health (subject to legal restrictions)	0	0
Days lost due to work-related injuries, work-related ill health, and fatalities	469	15

Table 5: Sick leaves disclosure

Region	Sick Leaves Taken (hours)
Sweden	448
Finland	2 983,15
Poland	17 208
Total	**20 639,15**

S2
Workers in the value chain

Overview of Workers in the Value Chain

- Stakeholder insights (from HRIA and DMA) directly inform sourcing strategy and corrective actions
- Human Rights Policy and Supplier Code of Conduct guide labor rights compliance across the supply chain
- Seasonal berry pickers supported through on-site coordinators, multilingual guidebooks, and a QR-based whistleblower system
- Suppliers assessed through ESG questionnaires, SMETA audits, and regular engagement to ensure alignment on labor standards
- Corrective action plans address issues such as unsafe housing, unfair recruitment, and wage violations
- Transition to direct employment in Sweden and Finland strengthens contractual transparency and oversight

Impacts, Risks and Opportunities on Value Chain Workers

	Positive/Negative	Opportunity/Risk
Working time	**P:** Promotion of Compliance with working hour regulations **N:** High peak seasons during harvest - excessive hours in peak season	**O:** Encouraging compliance with working hour limits and rest periods can reduce fatigue and burnout, improve productivity, and lower accident rates, which enhances supply chain efficiency and workforce stability. **R:** Non-compliance with working time standards may result in legal and financial penalties, reputational damage, and supply chain disruptions if suppliers are found to be exploiting workers.
Adequate wages	**P:** Wages according to living Berry pickers in Sweden and Finland receive wages aligned with national minimums or trade union agreements. Piece-rate systems offer potential to exceed minimum pay. **N:** Difficulties in tracking working hours for berry pickers can complicate verifying whether living wage thresholds are consistently met.	**O:** Ensuring that all workers earn at least a living wage, through contractual terms and supplier audits, can strengthen worker satisfaction and productivity, while also supporting brand reputation among ethically conscious consumers. **R:** Paying fair wages may increase costs. Inadequate compliance monitoring could lead to reputational damage or legal consequences if suppliers breach wage agreements.
Social dialogue	**N:** Limited representation structures on farms and language/cultural barriers among berry pickers can reduce clarity in communication, hinder access to grievance channels, and weaken workplace cohesion.	**R:** Cultural or legal barriers to collective bargaining and freedom of association may obstruct social dialogue, risking non-compliance with labor standards and reputational or legal consequences.
Health and Safety	**P:** Requirements set for suppliers of work safety **N:** Agricultural workers may face unsafe conditions due to lack of protective measures, with berry pickers at risk from harsh weather and physical strain in uneven terrains.	**O:** Supporting suppliers to follow safety standards can reduce accidents, lower compensation costs, and improve productivity and employee satisfaction. **R:** Non-compliance due to poor oversight or cost-cutting can result in legal penalties, production delays, and reputational damage.
Training and skills development	**N:** Workers in low-skill or seasonal roles may have limited access to training. Berry picking's seasonal nature restricts long-term skills development.	**O:** Robust supplier training helps reduce errors and improves raw material quality, leading to better efficiency, fewer defects, and lower operational costs. **R:** Inconsistent training across suppliers can hurt standardization, damage the brand's reputation, and lead to customer dissatisfaction.
Adequate housing	**N:** Workers in agriculture, may be provided with overcrowded, unsafe, or unhygienic housing; Accommodation for berry pickers is typically used for a few weeks each year, which can result in poor maintenance and substandard living conditions; Accommodation for berry pickers is often provided in facilities like old schools or similar buildings, where large shared bedrooms are common. This setup can lead to lack of privacy.	**R:** Poor housing conditions provided for supplier's workers can damage our reputation.

1. Strategy

Interests and Views of Stakeholders

(SBM-2)

We actively consider the rights, interests, and concerns of value chain workers, particularly those engaged in the agricultural sourcing, harvesting, and processing stages across countries such as Poland, Sweden, Finland. These workers are materially impacted by our operations and are central to our social responsibility focus, especially regarding employment conditions, housing, occupational safety, social dialogue, and access to fair wages.

As part of our 2024–2025 Double Materiality Assessment and 2022 Human Rights Impact Assessment (HRIA), we gathered extensive input from stakeholders, including through field visits, supplier engagement meetings, and worker-level interviews. Insights from these engagements have been foundational in shaping our strategic focus areas under Polarica's Sustainability Program, particularly the pillars "Knowing Our Supply Chain" and "Empower People." As a result of these processes, further actions were taken to fill gaps in social protection, feedback mechanisms, and equity in access to training. We are working to address these in collaboration with suppliers and local partners.

Polarica maintains regular contact with high-risk sourcing regions through site audits, compliance visits, and stakeholder interviews. In 2024, our supplier visits in Egypt and Vietnam, as well as participation in berry picker recruitment and training meetings, informed updates to our due diligence procedures and corrective actions. These mechanisms serve not only to strengthen our procurement approach, but also to embed stakeholder views directly into Polarica's evolving responsible sourcing strategy, ensuring that the lived experiences of value chain workers are considered in decision-making processes.

Material impacts, risks and opportunities and their interaction with strategy and business model

(SBM-3)

Our strategic model relies on a global value chain workforce, particularly in agricultural production, harvesting, and processing in Poland, Sweden, Finland. These workers include both subcontracted and directly engaged laborers, whose contributions are indispensable to sustaining our operations. However, we also acknowledge that these roles can carry elevated risks related to fair wages, fatigue, lack of representation, and exposure to unsafe housing or labor practices.

Findings from our Human Rights Impact Assessment and Double Materiality Assessment have led to targeted responses. One example is our new arrangements for berry pickers in Finland and Sweden, transitioning to direct employment to enhance oversight, grievance management, and contractual transparency. The assessment also highlighted issues such as inconsistent access to training, potential inequities in compensation, and challenges in social dialogue in multilingual, multicultural environments, all of which are now being addressed through our updated onboarding and supplier training frameworks.

Our risk-based supplier classification guides Polar-

ica's audit and engagement intensity. We cooperate with suppliers who pass social audits and are registered on platforms such as SEDEX and Amfori BSCI, to help ensure alignment with international labor standards. In response to identified risks, we are also strengthening expectations around health and safety, inclusion, anti-discrimination, and housing for subcontracted and migrant workers across our supply chain. These actions reflect a clear link between identified risks and ongoing business model refinement, where stakeholder dignity and workforce wellbeing are seen as integral to supply chain resilience and long-term value creation.

We cooperate with suppliers who pass social audits.

2. Impacts, Risks, and Opportunities Management

Policies related to value chain workers

(S2-1)

We have adopted robust policies to manage material impacts on value chain workers, with a particular focus on human rights, labour protections, and responsible sourcing. These policies underpin our broader sustainability strategy and are embedded across supplier engagement and procurement processes. Two foundational documents are our Human Rights Policy and Supplier Code of Conduct; they are aligned with internationally recognized frameworks including the UN Guiding Principles on Business and Human Rights, ILO conventions, and OECD Guidelines for Multinational Enterprises. These policies apply across our operations and throughout our global value chain.

The Human Rights Policy provides the framework for identifying, assessing, and mitigating risks such as forced labour, discrimination, unsafe working conditions, and restrictions on freedom of association. The Supplier Code of Conduct articulates minimum standards for all suppliers, including obligations related to fair wages, legal contracts, ethical recruitment, and social protections. It explicitly prohibits exploitative practices such as recruitment fees, child labour, and excessive overtime. Special attention is given to the rights of subcontracted, migrant, and seasonal workers, who are identified as vulnerable groups in our risk mapping.

Supplier oversight is structured through a risk-based classification system, referencing international standards such as the BRC Global Standard for Food Safety, IFS Food Standard, FSSC 22000, and SEDEX, which is based on the ETI Base Code. Our supplier risk classification is based on Amfori BSCI's list of risk countries and applies to all suppliers. While all current suppliers from these countries have undergone SMETA audits, we also accept BSCI social audits as valid. We also draw on the OECD-FAO Guidance for Responsible Agricultural Supply Chains and align its approach with EFRAG

IG2. This integrated policy framework enables us to monitor compliance, address high-risk practices, and continuously strengthen social and human rights performance across sourcing geographies.

Processes for engaging with value chain workers about impacts

(S2-2)

We have developed a multi-layered approach to engaging with value chain workers, especially those most exposed to risk in agricultural production and harvesting roles. In Finland and Sweden, seasonal berry pickers are supported through dedicated on-site coordinators who serve as the primary communication channel with us. These coordinators facilitate day-to-day dialogue, provide access to support services, and help resolve workplace concerns. Workers receive a rights-focused guidebook outlining employment conditions, health and safety measures, and access to grievance channels. Our whistleblower system is accessible via QR code and allows for anonymous issue reporting and escalation directly to our staff.

For suppliers, engagement is initiated at the onboarding stage through a comprehensive ESG questionnaire assessing alignment with our labour and human rights expectations. This process continues through periodic assessments, on-site visits, and third-party social audits, including SMETA audits in high-risk regions. These audits include direct interviews with workers and evaluation of employment practices, particularly regarding recruitment, contract terms, living conditions, and social protections. We maintain regular dialogue with suppliers to clarify expectations and foster corrective action where gaps are identified.

This two-tiered engagement process ensures that value chain workers' experiences and concerns are captured systematically and that supplier performance is evaluated not only on technical criteria but also on social accountability. It also ensures that those at heightened risk, including foreign workers and those employed via subcontracting arrangements, have accessible channels for redress and active company-level support.

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

(S2-3)

When potential or confirmed breaches occur such as wage disparities, unsafe conditions, or contract violations, we work collaboratively with suppliers to define corrective action plans. These plans include timelines, assigned responsibilities, and follow-up procedures to ensure long-term compliance. In more severe or repeated cases, we may escalate the matter through external audits, third-party mediation, or termination of the business relationship.

The effectiveness of these channels is verified through audit reports and worker interviews. For value chain workers employed in our operations, such as seasonal berry pickers in Sweden and Finland, we sup-

plement supplier mechanisms with our own direct channels, including the QR code-based whistleblower system and physical access to our representatives. Guidebooks distributed to workers reinforce these rights and provide instructions for seeking help.

Our remediation approach is based on shared responsibility and is aimed not only at addressing immediate issues but also at reforming underlying systems that allow risks to persist. Supplier performance on grievance resolution and transparency is incorporated into future sourcing decisions and sustainability scoring. Our overall goal is to establish a culture of ethical responsiveness and ongoing improvement across Polarica's supplier network.

Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions

(S2-4)

Our approach to managing material risks and impacts on value chain workers is grounded in proactive due diligence, supplier collaboration, and continuous improvement. Material risks such as poor housing, inequitable wages, excessive overtime, and gaps in training or safety, are addressed through targeted interventions, including supplier audits, contractual requirements, and technical support. Our supplier approval system prioritizes high-risk categories for additional scrutiny, and third-party audits in regions like Peru, Turkey and Serbia form a key part of its monitoring strategy.

We work closely with suppliers to implement actions that go beyond basic compliance. This includes addressing structural inequities in pay, ensuring transparency in recruitment and onboarding, promoting inclusive training opportunities, and supporting freedom of association and collective bargaining. Initiatives such as the transition to direct employment for berry pickers, enhanced oversight of accommodation conditions, and clearer communication around health and safety are examples of responses designed to improve long-term resilience.

Effectiveness is evaluated through multiple tools including supplier reassessments, worker interviews, grievance trends, and social audit outcomes. We also seek to capture opportunities through these actions: improving supplier loyalty, increasing workforce stability, and strengthening market credibility by demonstrating ethical sourcing practices. The integration of DMA insights into sourcing policies ensures that responses are evidence-based and that value chain workers' rights remain central to our business strategy.

S4
Consumers and end-users

Overview of Consumer Engagement and Responsibilites

- Consumer health trends, trust, and transparency are key to Polarica's product strategy and innovation roadmap
- Certifications (e.g. BRC, IFS, FSSC 22000) and clear product labeling practices are central to ensuring food safety and ethical marketing
- Policies address product safety, consumer privacy (GDPR-compliant), and marketing transparency; future alignment planned with the EU Green Claims Directive
- Actions include direct consumer engagement via website / social media, retail feedback systems, and trade fairs
- An external partner was engaged to co-develop functional, health-driven new products

Impacts, Risks and Opportunities on Consumers

	Positive/Negative	Opportunity/Risk
Access to quality information	**N:** Inaccurate claims may mislead consumers	**R:** Misrepresentation can lead to legal issues, loss of trust, and reduced sales
Health and Safety	**P:** Food safety standards in place (BRC, IFS, HACCP). **N:** Non-compliance can affect product safety.	**O:** Global food standards boost safety, reputation, and market access. **R:** Incidents can result in recalls, fines, and reputational harm.
Access to products and services	**N:** Product availability issues	**R:** Supply chain disruptions may reduce consumer access and impact brand reputation
Responsible marketing practices	**N:** Misleading or unclear product information	**O:** Transparent marketing builds trust and strengthens reputation. **R:** Misleading claims risk legal action, consumer backlash, and revenue loss.

1. Strategy

Interests and Views of Customers and End-Users

(SBM-2)

We recognize that consumers and end-users are key stakeholders whose interests, views, and rights shape our strategy and business model. A consumer-centric approach is embedded in our long-term strategy under the overarching themes of "Commit to Sustainability," "Grow Globally – Act Locally," and "Empower People."

We engage with consumers through our focus on product quality, safety, and transparency. Consumers' increasing demand for healthy, natural, and functional berry- and fruit-based products directly influences our product innovation and market positioning. Product quality is safeguarded through internationally recognized food safety standards and certifications, including BRC, IFS, FSSC 22000, and HACCP. Transparency in product information and ethical sourcing is prioritized to build and maintain consumer trust.

Broader consumer expectations related to data privacy, non-discrimination, and marketing standards are acknowledged as material. We continue to enhance our monitoring mechanisms to mitigate risks such as inaccurate claims or non-compliant communications. Additionally, we engage in community-based initiatives such as donating fruits and berries to local children's homes and promoting healthy eating habits which reinforce our social responsibility commitments and alignment with consumer values.

Material impacts, risks and opportunities and their interaction with strategy and business model

(SBM-3)

Material impacts, risks, and opportunities associated with consumers and end-users are integral to shaping our strategy. As reflected in our vision to be a beacon of positive change in the berry industry, our business model is influenced by shifts in consumer behavior, health trends, and expectations around sustainability and transparency.

Opportunities arise from increasing demand for natural, health-promoting products. By focusing on product innovation, leveraging the natural benefits of berries and fruits, and ensuring transparent communication, we seek to meet evolving consumer needs and build long-term trust. The strategy "Inspire people with nature's treasures" aligns with this market opportunity.

Material risks include the potential for inaccurate product claims, ethical sourcing gaps, and risks related to data privacy and access to accurate product information. Failure to meet expectations in these areas could impact on reputation and market position. We address these risks by strengthening product information practices and sustainable supply chain oversight under the "Commit to Sustainability" theme. No systemic or widespread negative impacts have been identified to date, but monitoring continues, especially regarding communications toward vulnerable consumer groups.

2. Impacts, Risks, and Opportunities Management

Policies related to Customers and End-Users

(S4-1)

Our approach to managing impacts on consumers and end-users is guided by our commitments to product safety, consumer trust, privacy, and transparent communication. We apply strict food safety protocols aligned with internationally recognized standards, such as HACCP, BRC (Haparanda and Swidwin), IFS (Swidwin), and FSSC 22000 (Lappeenranta). BRC and IFS certifications are GFSI-recognized.

Our Code of Conduct further reinforces key principles, covering consumer focus, environmental responsibility, sustainability, ethics, product requirements, and clear product labeling. We operate under GDPR-compliant data privacy policies to safeguard consumer information and are committed to avoiding misleading or exaggerated claims.

Consumer rights, including accessibility, privacy, and protection of vulnerable groups, are integrated into product and marketing practices. We apply a precautionary approach to risk management and pay special attention to protecting vulnerable groups, such as children. We also intend to adopt the EU Green Claims Directive when implemented.

Compliance is monitored through a structured system of internal audits, regular reviews, and employee training. We engage actively with stakeholders and regularly update food safety systems to maintain industry-leading standards. While some non-compliances were identified during audits, they were addressed immediately as part of our continuous improvement process.

Processes for engaging with Customers and End-Users about impacts

(S4-2)

We engage with consumers and end-users through retail partnerships, regular customer meetings at trade fairs, and through our website and social media channels. Feedback and trends from these channels are actively monitored by the quality and commercial teams. A consumer feedback inbox on the website and social media platforms allows for direct comments and concerns.

Consumer feedback is primarily used to address quality and food safety issues, which are reviewed by the relevant teams. Broader trends and product development decisions are informed through dedicated market research and strategic partnerships. We also leverage external market studies to further strengthen our consumer-centric approach. Recently, we have initiated collaboration with an external partner focused on new product development aligned with consumer needs and health trends.

Processes to remediate negative impacts and channels for Customers and End-Users to raise concerns

(S4-3)

We provide multiple channels for consumers and end-users to raise concerns or complaints. Our Quality Assurance (QA) team collects and analyses consumer complaints across channels, including retail partners, direct customer service, and website feedback. Complaints are logged and analyzed to identify root causes, implement corrective actions, and prevent recurrence.

A cross-functional internal process ensures that relevant departments are involved in the remediation process. Additionally, retail partners provide regular insights and consumer feedback, which are incorporated into ongoing improvements.

Taking action on material impacts on Customers and End-Users, and approaches to managing material risks and pursuing material opportunities related to Customers and End-Users, and effectiveness of those actions

(S4-4)

We address material risks to consumers primarily through our food safety and quality management systems, underpinned by strict internal procedures and certified standards (BRC, FSSC 22000, HACCP, IFS). Regular audits and internal reviews ensure ongoing compliance and consumer safety.

In parallel, our product development strategy is informed by health trends and functional consumer needs. Our partnership with an external innovation partner supports the launch of new products designed around these insights. Packaging and communications are developed with a focus on clear, evidence-based information to maintain consumer trust and transparency.

Effectiveness is evaluated through trends in complaints, third-party audit outcomes, and direct consumer feedback. These insights help refine both product quality and communication strategies, ensuring we remain aligned with evolving expectations and good industry practices.

> Packaging and communications are developed with a focus on clear, evidence-based information.

3. Metrics and Targets

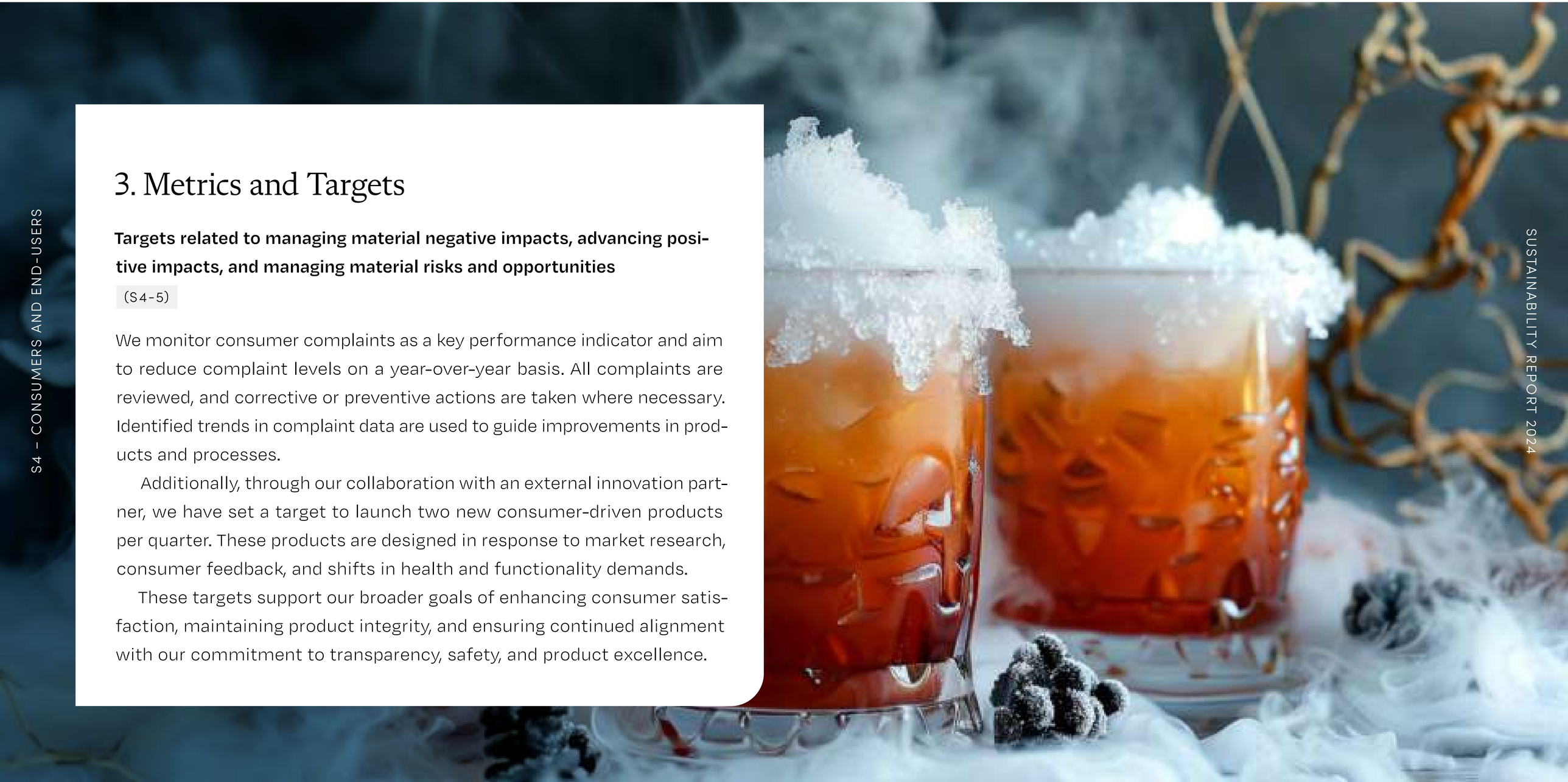
Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

(S4-5)

We monitor consumer complaints as a key performance indicator and aim to reduce complaint levels on a year-over-year basis. All complaints are reviewed, and corrective or preventive actions are taken where necessary. Identified trends in complaint data are used to guide improvements in products and processes.

Additionally, through our collaboration with an external innovation partner, we have set a target to launch two new consumer-driven products per quarter. These products are designed in response to market research, consumer feedback, and shifts in health and functionality demands.

These targets support our broader goals of enhancing consumer satisfaction, maintaining product integrity, and ensuring continued alignment with our commitment to transparency, safety, and product excellence.



G1
Governance

Overview of Governance Structures and Practices

- Polarica's governance approach is structured around Board-approved policies including the Code of Conduct, Anti-Corruption Policy, and Whistleblower Policy
- Supplier oversight is managed through Code of Conduct policy, risk classification, and monthly monitoring of payment terms
- Whistleblower protection is embedded in policy and reporting tools; 0 cases were reported during the period
- A legal case involving a former CEO is ongoing, but internal governance has since been strengthened

Metrics

- Zero confirmed corruption or bribery cases in the reporting period
- Average payment time after contractual/statutory due date: 1.94 days

Impacts, Risks and Opportunities on Business Conduct

	Positive/Negative	Opportunity/Risk
Corporate Culture	**P:** Code of conduct with company values communicated to all **N:** Potential non-compliance by employees and partners	**O:** Establishing a strong ethical culture which builds trust, attracts talent, and supports long-term partnership.; Inclusive decision-making improves innovation, problem-solving, and adaptability. **R:** Misalignment between company values and behavior can damage reputation, lower morale, and reduce retention; Ethical misconduct may result in fines, lawsuits, and loss of stakeholder confidence.
Management of relationships with suppliers including payment practices	**P:** No late payments and fair payment terms **N:** Not full supplier oversight about their all practices	**O:** Fair payment practices and ongoing engagement foster strong supplier relationships, leading to loyalty, cost savings, and resilience during resource shortages. **R:** Instability in high-risk regions can disrupt supply chains, raise costs, and delay operations; Limited oversight in weak governance areas may allow unethical practices to go unnoticed, risking reputational and regulatory consequences.
Prevention and detection including training	**P:** Anticorruption policy with strict rules. Zero tollerance for corruption. **N:** Exposure to Corrupt Practices: Operating in regions with weak governance may expose us to bribery risks, especially in procurement.	**R:** Sourcing from regions with weak governance increases exposure to corruption, which can lead to fines, lost contracts, and reputational harm, ultimately affecting financial performance.

1. Governance

The role of the administrative, supervisory and management bodies

(GOV-1)

The Board of Directors is responsible for approving our core and operative policies governing business conduct, including the Human Rights Policy, Anti-Corruption Policy, Environmental Policy, Equality and Diversity Policy, Whistleblower Policy, and the Code of Conduct. These frameworks define expected behavior, establish accountability mechanisms, and guide ethical decision-making across Polarica Berry Group.

The CEO and senior management ensure these policies are embedded into our daily operations. All employees, including management, receive training on the Code of Conduct and supporting policies to foster compliance, ethical awareness, and responsible conduct.

The Board brings relevant expertise to its oversight role. One member has 30 years of experience in the berry industry, the CEO brings 7 years of berry industry experience, 14 years in audit and business advisory, and 8 years in corporate business, and another member has 30 years of experience in other industries. This diverse background ensures informed oversight of business conduct and supports our commitment to accountability, ethical leadership, and continuous improvement.

> The CEO and senior management ensure that the policies are embedded into our daily operations.

2. Impact, Risk, and Opportunities Management

Description of the processes to identify and assess material impacts, risks and opportunities

(IRO-1)

As part of our Double Materiality Assessment (DMA), we identified and assessed actual and potential impacts, risks, and opportunities related to business conduct across its Nordic and Polish operations. This included reviewing operations, procurement, and partner interactions through internal workshops and stakeholder engagement. Key dimensions assessed included corporate culture, corruption and bribery, whistleblower protection, supplier relationships, and political engagement.

The assessment considered both the direct operations and the upstream value chain, particularly in contexts where procurement from high-risk jurisdictions may increase exposure to ethical and legal non-compliance.

Risks identified include exposure to corruption and bribery in regions with weak governance, as well as reputational and compliance risks linked to legacy issues, such as the ongoing legal case involving a former CEO. Additional risks include the potential ineffectiveness of internal procedures to investigate whistleblower reports, and limited supplier oversight that may obscure unethical conduct in sourcing and subcontracting.

Opportunities were noted in the existence and communication of a strong Code of Conduct, a functional whistleblower policy and reporting channel, and a strict anti-corruption policy that includes preventive training and zero-tolerance provisions. The presence of formalized payment policies supporting fair terms was also seen as a positive business conduct enabler.

The criteria used for assessment included location-specific governance standards, transaction types (e.g. procurement vs. internal operations), sector-specific corruption risk indicators, and the structure of supplier relationships (e.g. direct vs. indirect suppliers). Business conduct-related impacts were also evaluated based on severity, likelihood, and remendability, with scoring applied to determine materiality. This structured process informed the prioritization of governance-related actions in Polarica's ESG strategy and the inclusion of business conduct under corporate risk oversight mechanisms.

Business conduct policies and corporate culture

(G1-1)

At Polarica, our approach to business conduct and corporate culture is guided by a comprehensive framework of policies that reflect our values of integrity, responsibility, and sustainability. These principles are operationalized through the Code of Conduct, which applies to all entities and employees within Polarica Group and is formally approved by the Board of Directors.

The Code of Conduct sets clear standards for ethical conduct, transparency, respect, and accountability. It is supported by a suite of key policies, including the Anti-Corruption Policy, Human Rights Policy, Whistleblower Policy, Equality and Diversity Policy, and HR Policy.

To embed ethical culture across the organization, we provide regular training on ESG matters, which is delivered to both white-collar and blue-collar employees. This ensures a broad understanding of ethical responsibilities and sustainability goals. The training aims not only to ensure compliance but also to foster a unified and value-driven corporate culture.

We also maintain an internal whistleblower channel, accessible to both employees and external stakeholders. The channel allows for confidential reporting of suspected violations, including corruption, and ensures protection from retaliation. In this reporting period, 0 incidents were reported through the whistleblowing channel.

Management of relationships with suppliers

(G1-2)

We manage supplier relationships through a structured and transparent approach that promotes fairness,

responsibility, and long-term cooperation. Our Supplier Code of Conduct sets clear expectations for suppliers in areas such as human rights, labour practices, environmental protection, and business integrity. Compliance with this Code is a fundamental condition for doing business with Polarica.

Supplier management includes a detailed internal procedure covering selection, approval, and ongoing monitoring, using a risk-based classification system (High, Moderate, Low). Supplier engagement is supported by open dialogue and collaborative problem-solving. Regular communication helps ensure transparency and alignment with Polarica's ethical and sustainability commitments.

We monitor late payments regularly as part of our finance and accounting processes. These are reviewed monthly and include both incoming payments from customers and outgoing payments to suppliers. We are committed to responsible financial conduct and fair contractual terms, with procedures in place to ensure timely payments

Prevention and detection of corruption and bribery

(G1-3)

We have an Anti-Corruption Policy that outlines clear rules and expectations for all employees and entities within the group. The policy prohibits all forms of corruption, including bribery, facilitation payments, kickbacks, and conflicts of interest. It is based on international frameworks such as the UN Convention against Corruption and the OECD Convention on Combating Bribery. The policy is approved by the Board of Directors and applies across all organizational levels.

We conduct corruption risk analyses to identify potential vulnerabilities and inform risk mitigation. In suspected cases, each case is analyzed internally, with escalation to the Board as appropriate. Investigations are conducted under a structured governance model.

Training on anti-corruption, ESG, and ethical conduct is provided to both white- and blue-collar employees, ensuring staff are equipped to recognize and report inappropriate behavior. The Whistleblower Channel complements this system, offering a confidential reporting pathway and ensuring protection from retaliation.

We conduct corruption risk analyses to identify potential vulnerabilities and inform mitigation strategies.

3. Metrics and Targets

Incidents of corruption and bribery

(G1-4)

During the reporting period, we did not record any confirmed incidents of corruption or bribery involving Polarica's current employees or direct operations. We have established procedures to detect, investigate, and respond to potential misconduct, and these processes are reviewed periodically for effectiveness.

In line with our commitment to transparency, we have published updates on the company's website regarding an ongoing legal case involving a former CEO, which is currently being processed in the Finnish legal system. While this case pertains to previous management, we continue to strengthen internal controls and maintain heightened vigilance.

Political influence and lobbying activities

(G1-5)

We do not engage in lobbying activities or exert political influence through financial or in-kind contributions. We follow an anti-corruption policy that explicitly prohibits political involvement and adheres to strict neutrality in political matters. No representatives within the administrative or supervisory bodies have held positions in public administration within the last two years, and Polarica is not registered in any EU or national transparency registers related to lobbying.

Table 1: Lobbying expenses

Metric	Million Euros (M€)
Amount of internal and external lobbying expenses	0
Amount paid for membership to lobbying associations	0

Payment practices

(G1-6)

We enforce a fair payment policy toward our suppliers, especially small and medium-sized enterprises (SMEs). Our supplier policies emphasize timely payments and ethical conduct. Payment terms vary by supplier category, but no late payments or related disputes were identified in the reviewed period. Payment delays, if they occur, are promptly investigated – which are typically due to issues such as quality non-compliance. Our risk-based supplier classification and continuous engagement with partners indicate a commitment to maintaining fair and responsible commercial relationships.

Table 2: Payment practices and terms

Metric	Value	Comments
Average Time to Pay an Invoice (in days)	1.94	Average number of days taken to pay invoices from the date the contractual/ statutory payment term starts.

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