

UN Global Compact – Communication on Progress 2022

2022-03-04

To our stakeholders:

I am pleased to confirm that Polar Structure reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

In this annual Communication on Progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We also commit to share this information with our stakeholders using our primary channels of communication.

Sincerely yours,

Tobias Emanuelsson
CEO & Co-founder

Human rights

Assessment, policy and goals

During 2021 Polar Structure created and adopted a business partner code of conduct that all suppliers and their subcontractors must abide by. The policy sets out Polar Structure's values, including human rights, and provides the foundation upon which Polar Structure wants to make business together with its partners. Polar Structure has also developed and adopted an employee code of conduct that addresses several areas, among them the support of human rights according to the Universal Declaration of Human Rights.

Polar Structure has defined three prioritized sustainability areas. One of them – to build the most safe and modern community and workplace for a better tomorrow – includes the work to ensure human rights are respected throughout the value chain.

Implementation

All employees at Polar Structure are encouraged to report suspected irregularities, improper behaviour, or violations of the company's code of conducts. A whistleblower system, provided by an independent external third party called CRD Protection, has been implemented during 2021 and is available through Polar Structure's website. The whistleblower function is an important tool in drawing attention at an early stage and counteracting behaviour that is not compatible with Polar Structure's values. In the process of selecting a supplier, Polar Structured opted for a partner that in addition to providing the system also has the competence to assess and investigate incoming reports. The access to this service is believed to give the process even more rigour.

During 2022 Polar Structure will conduct training on all relevant policies and processes to ensure successful implementation of the same.

Measurement of outcomes.

Polar Structure has appointed a dedicated team that has an ongoing dialogue with the external third party providing the whistleblower system, and regularly reviews any situations that may arise. No reports of irregularities have been received via the whistleblower system as of March 4th 2022.

Labour

Assessment, policy and goals

Polar Structure supports the ILO Declaration on Fundamental principles and rights at work which is set out in the employee code of conduct. The policy outlines how Polar Structure work to uphold freedom of association and the right to collective bargaining. It also includes a section on zero tolerance against harassment and discrimination.

The business partner code of conduct, which all suppliers and their subcontractors must adhere to, explains that Polar Structure under no circumstance wants to cause, contribute to or be linked with any forced or child labour.

Implementation

All employees at Polar Structure have a health insurance and are entitled to a yearly wellness allowance. During the beginning of 2022 the company has also offered its employees chiropractor treatment.

The company will conduct a training on all its policies and related processes for all staff in the beginning of 2022.

Measurement of outcomes

Polar Structure has committed to aim for at least 40% of the underrepresented gender in the board and management of all operational companies that Polar Structure has founded. The company currently has 25% women on its board, and 33% in its management team. Polar Structure acknowledges the industry is dominated by men, and that efforts are needed to bring more women into the sector. Polar Structure also acknowledges the current gender balance is below the target, but will continue its efforts to meet the goal during 2022.

Environment

Assessment, policy and goals

Polar Structure has defined three long-term sustainability priorities during 2021, where the two first priorities – “Accelerate the green transition towards net-zero infra assets” and “Drive best-in-class resource efficient assets through leading connectivity and measurability” – both address the environment. The priorities will guide Polar Structure in the investment process. They will also set a direction and long-term ambition for the companies that Polar Structure is, or will be, a founder of. During 2022 Polar Structure plans to map out the journey towards net-zero for the two companies that account for most of the current CO₂ emissions, Nordic Rail estate and Nordic Distribution Center. The ambition is not only to map out the journey but also to develop concrete tools and blueprints to support the transition. Examples include a blueprint on material selections for greenfield depots to ensure alignment with the net-zero path, and a dashboard of sustainability metrics, measured through LoRaWAN or other technique, that measures the sustainability footprint of a connected train depot.

All our Polar Structure founded companies and portfolio companies are obliged to follow the business partner code of conduct, which sets out fundamental (mandatory) – and aspirational (voluntary) requirements for environmental performance within the following categories: impact on climate and air quality, impact on water resources, use of chemicals, waste, re-use, and recycling, and conservation of species and natural habitats.

Implementation

Polar Structure has started to measure its CO₂ footprint during 2021 and aims to do so on a quarterly basis going forward. Polar Structure has also supported two of its portfolio companies in starting to measure its footprint.

A pilot was carried out in Q3-Q4 to assess what was needed to build a train depot in alignment with the new EU taxonomy. A number of analysis were made including a climate risk and vulnerability assessment, an environmental impact assessment and a CO₂ footprint calculation. As part of the project, an EPD (Environmental Product Declaration) was requested for all purchased material. This resulted in that some suppliers could not respond to the RFP and were thus excluded from the tender, and in some cases more environmentally friendly products were selected.

In addition, another pilot for a train depot was conducted to understand what data points would be interesting to connect from a sustainability perspective.

Polar Structure requires quarterly sustainability reporting from its portfolio companies.

Measurement of outcomes

Polar Structure has made investments into several companies that offer products or services that accelerate the green transition. Examples include: Save by Solar that offers solutions for renewable energy through solar panels, ADS-TEC that offers battery storage solutions and ultra-fast charging systems and Orbital which is a company that offers showers that saves up to 90% water and 80% energy. Polar Structure has entered into joint ventures with the first two companies, and their products and services will thus be part of the Polar Structure

offering to its client, ultimately helping the client to reduce its environmental impact.

The pilot to build a train depot in alignment with the EU taxonomy resulted in several outcomes. Among them new knowledge and deeper understanding of where the greatest potential to cut CO₂ emissions is. A concrete result of the project was the decision to replace the steel construction of the train depot with CLT (cross laminated timber). By doing so the CO₂ footprint of the train depot was reduced by 25% during the construction (A1-A4).

Anti-corruption

Assessment, policy and goals

Our values and code of conducts promote responsible action. Zero tolerance applies to all forms of direct or indirect inappropriate payments, whether it is a direct bribe or other types of payment, gift, benefit, compensation, or other representation that could constitute an offense or that could affect or appear to affect the judgment.

Implementation

All employees are encouraged to report suspected irregularities, improper behaviour, or violations of the code of conduct. A whistleblower system has been implemented during 2021, which is provided by an independent external third party. The system makes anonymous dialogue possible and is an important tool, for both employees and business partners, in drawing attention at an early stage and counteracting behaviour that is not compatible with Polar Structure's values. No forms of reprisal against anyone expressing concern or opinions, reporting irregularities in good faith, or taking part in an investigation of a case are tolerated.

Measurement of outcomes

No detected breaches and no active legal cases as of March 4th 2022.