

# POLARIS

ANNUAL REPORT  
**2021**



**Environment, Social  
and Governance**

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# ESG

# Contents



• Polaris Infrastructure Inc.....	3
• Message from Jaime Guillén Chairman of the Board of Directors.....	4
• Letter from Marc Murnaghan Chief Executive Officer and Director .....	5
• Latin American Footprint .....	6
• Our Purpose .....	8
■ Supporting the United Nations Sustainable Development Goals .....	9
• Summary of Operations .....	10
• Our ESG Commitment .....	11
• Environmental and Social Due Diligence .....	12

## Environment



### Clean, Renewable Energy ..... 13

• Commentary from Jim Lawless Member of the Board of Directors .....	14
• Our Environmental Responsibility .....	15
■ Operational Controls and Monitoring .....	16
• Addressing Climate Change.....	17
■ Binary Plant Project, Nicaragua .....	18
■ Our contribution to emissions reductions .....	19
■ Sustainable Water Management .....	20
■ Carbon Credits .....	21
■ Safeguarding Biodiversity .....	23
■ Managing Waste .....	25
• Environmental Awareness .....	26

## Social

### Empowering Our People.....27



• Commentary from Marcela Paredes de Vásquez Member of the Board of Directors .....	28
• Enhancing Community Relations.....	29
■ Education .....	30
■ Testimonials .....	33
■ Community Infrastructure .....	34
■ Improvement to School Infrastructure .....	34
■ Agriculture.....	36
■ Health .....	38
• Occupational Health and Safety .....	39
• Empowering our people .....	41

## Governance

### Building a Responsible and Sustainable Business ..... 44



• Commentary from Margot Naudie Chair of the HR & ESG Committee.....	45
• Investing in Polaris is Profitable and a way to support ESG .....	46
• Corporate Governance.....	47
• LTIP- Compensation .....	48
• Risk Management .....	49
• Ethics Line .....	51
• Board of Directors .....	52
• About this report .....	56
• Reporting Framework .....	57
• Scope.....	57
• Data.....	57
• Disclosure .....	58
• Appendix A: Polaris ESG Key Performance Indicators .....	59
• Appendix B: Sustainability Accounting Standards Board (SASB).....	63
• Appendix C: Global Reporting Initiative Content Index .....	67





## Polaris Infrastructure Inc.

Polaris Infrastructure is a Canadian publicly traded company engaged in the operation, acquisition, and development of renewable energy projects in Latin America ("Polaris Infrastructure" or the "Company"). In Nicaragua, the Company currently operates a 72 MW geothermal facility, and in Peru, the Company currently operates three hydroelectric facilities with a total operating capacity of approximately 33 MW.

Our mission is to be a Latin America focused renewable power project developer and operator, while providing superior shareholder returns.

As a company, our commitment to responsible ESG management is embedded in our culture and is a key to how we create value for all our stakeholders.







# Message from Jaime Guillén

CHAIRMAN OF THE BOARD OF DIRECTORS

Ethos is defined as a set of beliefs, customs, or character. It is used to refer to the practices or values that distinguishes one person, organization, or society from others. At Polaris, Environmental, Social, and Governance (ESG) principles are a fundamental part of our business ethos, and our Board, management, and employees embody these principles – not just practice them.

We are proud of our achievements in this area and our commitment to these beliefs and values. In environmental, our mission and strategy are exclusively focused on renewable energy as it provides clean, reliable, and sustainable sources of energy to communities that depend on it for their well-being, economic development, and growth.

On the social aspects, we have always acknowledged and accepted our fiduciary responsibility to our employees, communities, and other stakeholders - in conjunction with our shareholders. This is not only morally correct, but it is something we believe in as a company and individuals.

Governance is a key pillar for Polaris as it sets the way the company is governed and managed. But it does not stop there, we focus on transparency, accountability, fairness, reporting and ensuring that we continually assess our progress and ways to improve our organization.

The outcome has been a better, stronger, and more financially sound company. Polaris has been recognized for its achievements on the environmental front, it has received awards for being one of the best places to work, it has had over a decade of uninterrupted operations due to the community engagement, and equally important, it has outperformed the TSX in terms of shareholder returns.

We are proud of these and other achievements, and we thank the Polaris Board, management, employees, and partners for what has been accomplished to date. However, this is a journey, and our mission continues with the ESG ethos at its core.



# Letter from Marc Murnaghan

CHIEF EXECUTIVE OFFICER AND DIRECTOR

This is our second Annual Company Report about our Environmental, Social and Governance Practices. We have seen a tremendous groundswell of activism in the Investment Community in the last couple of years and I have always held that Polaris has been well-positioned to respond to the evolving requirements associated with ESG practices and disclosure.

Polaris' emphasis on Latin America is founded on our belief that superior returns are possible given the underlying demand growth and the fact that renewable energy has become much more competitive with fossil fuel powered electricity.

To that end, our strategy also relies on our tremendous human capital in the region that is equally earnest when it comes to ensuring our plant down-times are as minimal as possible, that we adhere to our annual budgeting process through rigor in developing them and then to ensure we manage as efficiently to achieve the desired results. At the same time, our people have managed to continue to work safely given current global impediments such as covid-19, to explore further opportunities in the region and to continue to enhance our current business practices.

The evolution of our ESG Reporting has created a circular dynamic in the way we respond to the Environment, Social and Governance Practices. As we have developed this reporting over the course of the last two years, those involved have begun to develop new and interesting ideas related to this state of mind, which has fed on itself creating further opportunities to add to our ability to affect our world positively.

I congratulate all of our staff on a difficult year as the world-wide pandemic has persisted, yet we have continued to explore new jurisdictions as well as new opportunities to affect positively the places where we operate, and where we expect to operate in the near term.



# Latin American Footprint

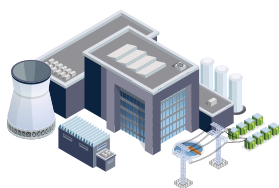
The Company currently operates in Peru and Nicaragua, which are nations with rapidly growing energy needs.

We operate a 72 MW capacity (net) geothermal electrical energy production facility located in northwest Nicaragua near the city of Leon (the “San Jacinto facility”) through our subsidiary Polaris Energy Nicaragua, S.A. (“PENSA”).





The Company also operates a Run-of-River (ROR)<sup>1</sup> hydro facility of 5 MW in Canchayllo, Peru (the “Canchayllo facility”). The Company’s two other Peruvian ROR projects, known as El Carmen (the “El Carmen facility”) and 8 de Agosto (the “8 de Agosto facility”), operate with a total aggregate capacity of approximately 28 MW.



**105 MW**  
Generating Capacity



**\$507 M**  
Total Assets<sup>2</sup>



**\$60 M**  
Revenue Generated



**3**  
Countries



**151**  
Employees



**310,760 CO<sub>2</sub>**  
per year of avoided  
emissions<sup>3</sup>

<sup>1</sup> Run-of-River (ROR) operating on the flow of the river without modification by upstream storage run-of-river power plant.

<sup>2</sup> Information as of December 31, 2021. Amounts are expressed in United States dollars.

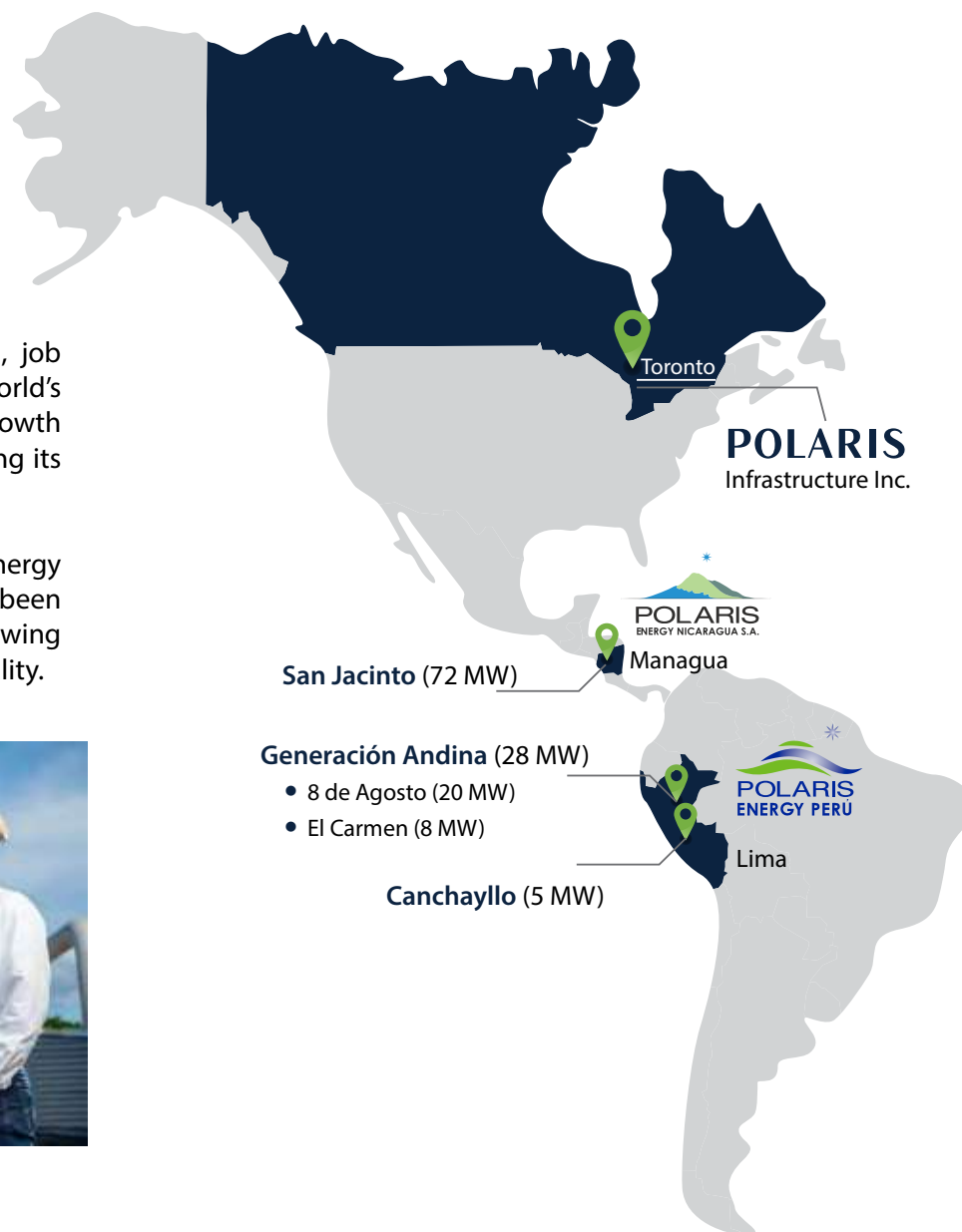
<sup>3</sup> The Company is actively engaged at various stages of the UNFCCC Clean Development Mechanism and Verification Standard.

# Our Purpose

Our goal is to continue to grow and diversify in the LATAM region through renewable energy projects with attractive return profiles.

The renewable energy sector is a powerful engine of growth, job creation and innovation; and Latin America hosts some of the world's most dynamic renewable energy markets. Also, the exponential growth of renewable energy in Latin America is key to the region meeting its goals for economic development and addressing climate change.

We firmly believe there is significant potential for renewable energy projects in multiple Latin American countries that have not been utilized. Furthermore, the emphasis on renewable energy is growing and provides attractive, long-term return profiles and CO<sub>2</sub> optionality.





## Supporting the United Nations Sustainable Development Goals

The United Nations (UN) Sustainable Development Goals (SDGs) provide a shared blueprint for governments, businesses and civil society organizations to address the most pressing environmental and social issues facing our world today.

We are committed to supporting these sustainable development challenges and have identified a series of goals which our Company supports. We are aware that no contribution is too small, in to achieve global goals and we are proud of the positive impacts that our Company makes to achieve these goals.

It is through our line of business that we make our greatest contribution, especially through SDG 7<sup>4</sup>, by increasing the share of renewable energy in the global energy mix.

Throughout this report, reference will be made to the SDGs to which our Company contributes.

# SUSTAINABLE DEVELOPMENT GOALS



<sup>4</sup> Sustainable Development Goal 7: Ensure access to affordable, reliable, sustainable, and modern energy for all.





# Summary of Operations<sup>5</sup>

Priority Topic	2021
Operations	
Project	Electricity Net Generation (MWh)
<b>Geothermal</b>	
San Jacinto Tizate	465,935
<b>Hydroelectric</b>	
Canchayllo	28,084
8 de Agosto	103,440
El Carmen	46,064
<b>Total</b>	<b>643,523</b>

<sup>5</sup> Please refer to the Company's Annual Management Discussion and Analysis (MD&A) for additional information.





# Our ESG Commitment

As a renewable energy company, we are aware of our role in creating a sustainable future for all. Therefore, we are dedicated to ensuring that our business operations are founded on a commitment to promoting a sustainable environment, looking for a balance between generating value for our shareholders, minimizing the environmental impact of our operations, empowering our employees, and making a positive contribution in the communities where we work.

It starts at the core of our business as we are dedicated to producing clean, reliable, and renewable energy. We are committed to protecting the environment, making responsible use of natural resources, and adequately managing its environmental impacts.

We are also driven to providing a fair, respectful, and healthy workplace that promotes high ethical standards. We promote

equal opportunities and an environment free from discrimination. Our code of conduct ensures that company operations are carried out with the highest ethical standards, maintaining maximum transparency with all our stakeholders. We continuously engage with the communities where we work, and our social investment is focused on sustainable principles that can strengthen a community and contribute to its economic development.



## Environmental

- Clean, renewable, energy;
- Environmental awareness;
- Responsible use of resources;
- Biodiversity;
- Proper waste disposal & recycling efforts.



## Social

- Respect for Human Rights;
- Community Relations;
- Safe working conditions for employees;
- Re-invest in local communities.



## Governance

- Competitive and fair pay practices;
- Diversity of opportunity at all levels of the organization;
- Transparency and openness to all stakeholders;
- Effective internal control processes.

# Environmental and Social Due Diligence

A firm specialized in conducting Social and Environmental Due Diligence (ESDD) processes was hired to assess the San Jacinto-Tizate Environmental and Social (E&S) program. Through this ESDD, it was determined that the Company has good management in terms of E&S. A series of findings and recommendations were identified to further improve the Company's management, due to recent updates in the different international standards.

The biggest positive impact shown on the ESDD are the millions of metric tons of carbon that the Company have displaced thanks to its operations with the San Jacinto-Tizate Geothermal Project. Also, the community development efforts were highlighted, due to the quality of the projects implemented and the attraction of additional resources to the area thanks to the strategic alliances created.

In the field visit, the community support that the Company enjoys was also noted. Based on:

- Conversations with local members.
- The absence of critical coverage by media and NGO's.
- A decade of uninterrupted operations.

We have developed and implemented an Environmental and Social Management System (ESMS) to assess, prevent and control environmental and social risks that can stem from our operations. A key feature is the idea of continual improvement – an ongoing process of reviewing, correcting, and improving the system. In order to be in full compliance with IFC Performance Standards we are continuously strengthening our ESMS. Therefore, we are working on updating and developing the following documents:

- Stakeholder Engagement Plan
- Biodiversity Management Plan and Reforestation Management Plan



Local school inauguration, remodeled by Polaris.

- Climate Risk assessment
- Human Rights Assessment

A Social and Environmental Action Plan (ESAP) was agreed upon, which will be carried out in 2022.





# Environment

*Clean,  
Renewable  
Energy*



# Commentary from Jim Lawless

MEMBER OF THE BOARD OF DIRECTORS

I am pleased and honored to have the opportunity to contribute to this report. There are two aspects to this; what the Company is doing to mitigate climate change globally, and what we are doing to mitigate the effects of climate change on our operations. Both are necessary to maintain the confidence of our investors and integrity of our investments.

By choosing to operate only in the sphere of Renewable Energy Projects, we are displacing fossil-fueled fired generation. This is reflected in the fact that we have successfully certified carbon credits which are being sold in the international market, our hydro Projects have zero carbon emissions from the Plants themselves, our geothermal Project does emit a small amount of natural carbon dioxide, but we are blessed with a low-gas resource meaning that the amounts are small even compared to other Geothermal Projects and far smaller per MW than fossil fuel generation.

It is both in our own financial interests and in our role as a good global citizens that we look to make our operations as efficient as possible. A notable step in that direction will be the forthcoming commissioning of a second stage Binary Power Plant at San Jacinto, utilizing the otherwise waste heat of the brine stream. This is the closest one can get to “something for nothing” as it will add about 15% additional generation with no extra wells, no additional emissions, and very little technical risk as it is making use of well-proven technology.

Having a large Geothermal asset is our best protection against these effects. Geothermal as an energy source is uniquely unaffected by climate change. It is perhaps not widely appreciated that Geothermal has the highest availability factor of ANY power source, even better than Nuclear and Gas. In my home country of New Zealand for example, such Geothermal Plants operate 24/7, with factors of over 97% commonly achieved production, contributing a 20% contribution to overall National Power Generation.



# Our Environmental Responsibility

As a renewable energy company, we are proud to contribute in a positive way to the environment. Similarly, we understand our role in mitigating the effects of climate change by displacing other carbon intensive energy sources.

Polaris Infrastructure manages its environmental impacts from all its operations by applying fundamental approaches that cover biodiversity, energy efficiency, environmental awareness, and climate change.



## Operational Controls and Monitoring

We have established a series of policies and procedures that ensure the Company has a positive environmental impact on our operating projects.

At our operating projects, we are aligned with international requirements, such as the IFC performance standards and ISO 14001 guidelines<sup>6</sup> (*without certification*). These standards are embedded in our daily operations and provide guidance to our Company on how to identify risks and impacts, to help avoid, reduce, mitigate, compensate, and/or manage these risks and impacts as a way of doing business in a sustainable manner<sup>7</sup>.

Our Environmental and Social Management System (ESMS) follow the guidelines from these standards, and is managed by a highly qualified staff, who guarantee its ongoing controls and compliance. We also take into account our stakeholders' interests and provide means for adequate engagement with them.

We comply with sustainability-related regulations, monitoring trends and changes in the law, and communicating evolving requirements to the various levels of the organization and all our subsidiaries.



<sup>6</sup> ISO 14001 sets out the criteria for an environmental management system. Polaris is not certified but does use the standards as a guide for better management.

<sup>7</sup> International Finance Corporation. Performance Standards on Environmental and Social Sustainability.



# Addressing Climate Change



Climate change is one of the most serious issues faced by our generation. According to the 2021 Intergovernmental Panel on Climate Change (IPCC) Report<sup>8</sup>, human-induced climate change is already causing extreme weather and climate conditions in every region across the world. The IPCC report also suggests that strong and sustained reductions in emissions of carbon dioxide (CO<sub>2</sub>) and other greenhouse gases (GHG) are needed to limit climate change effects.

Changes in how we produce and use energy can have significant impacts on human health and affect air and water quality and other measures of environmental quality. Energy technologies are changing rapidly, improving efficiency and environmental sustainability.

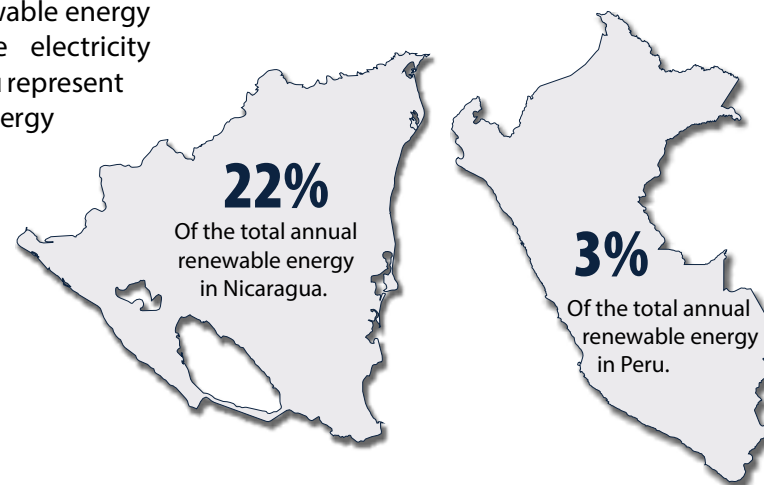
As a renewable energy company, with every MW we deliver to the electricity system, we are a catalyst to curb climate change, and we are firmly committed in doing everything in our power to help mitigate its effects.

Thus, at a country level, our geothermal facility in Nicaragua generates yearly 15% of the total electricity consumed by the nation; and represents 22% of the total renewable energy produced yearly. Similarly, the electricity generation from our plants in Peru represent 3% of the country's renewable energy production.

With this philosophy, we have continued to implement

emission reduction projects and making efficient use of our resources. Our management has continued to show its commitment to maintaining the highest environmental standards.

We are proud to play a significant role in decarbonizing the energy sector and of our contributions to SDG 13<sup>9</sup> specifically our contribution to reducing such emissions.



<sup>8</sup> Intergovernmental Panel on Climate Change. 2021.

<sup>9</sup> Sustainable Development Goal 13: Take urgent action to combat climate change and its impacts.

## Binary Plant Project, Nicaragua

This year we initiated a significant expansion at our Nicaragua facility, by entering into a definitive supply agreement for the construction of a 10 MW Binary Unit at San Jacinto with Ormat Systems Limited, a wholly owned subsidiary of Ormat Technologies Inc. (NYSE: ORA).

With this project, we are incorporating a bottoming cycle into our already existing single-flash geothermal plant, which will take advantage of the energy available as heat from geothermal water (brine) to produce additional clean electricity through an organic Rankine cycle (ORC) or binary plant.

The binary plant represents an attractive investment because the primary source of energy is already available. Furthermore, by generating more power with the same amount of geothermal resources, we will not only improve our overall plant efficiency, but we will continue to contribute to reducing GHG emissions, further assisting Nicaragua's transition to a greener energy matrix.

With this, we are proud to contribute directly to SDG7<sup>10</sup>, SDG12<sup>11</sup> and SDG13<sup>12</sup> by expanding through us the amount of renewable energy in

the local and global energy matrix and by reducing greenhouse gas emissions.

We understand every project requires the implementation of environmental and social action plans to further reduce, mitigate and compensate our impacts. Therefore, environmental, social risks and impacts were assessed according to our ESMS and following PS1<sup>13</sup>, PS3<sup>14</sup>, and PS6<sup>15</sup> guidelines. Most of the area where the project will be developed is already utilized by the Company and thus, the resulting impacts are low, and in addition, best efficiency systems and equipment are included as part of the project. Nevertheless, the Environmental and Social Impact Assessment (ESIA) from 2008 was modified in 2021, considering the new potential risks and impacts.

During 2021, we finalized the engineering and design phase of the project and began the logistics and acquisition process of major equipment. As important steps for the proper



Land contiguous to San Jacinto: planned location of the Binary Plant

development of this project, we carried out the following plans:

- Biodiversity Action Plan
- Flora and Fauna Study
- Fauna Resettlement plan
- Chance Finds Procedure<sup>16</sup>
- Stakeholder engagement for local population regarding the project
- Dissemination of the community Grievance mechanism

The plant is expected to be commissioned in late 2022.

<sup>10</sup> Sustainable Development Goal 7: Ensure access to affordable, reliable, sustainable and modern energy for all.

<sup>11</sup> Sustainable Development Goal 12: Ensure sustainable consumption and production patterns.

<sup>12</sup> Sustainable Development Goal 13: Take urgent action to combat climate change and its impacts.

<sup>13</sup> International Finance Corporation Performance Standard 1: Assessment and Management of Environmental and Social Risks and Impacts.

<sup>14</sup> International Finance Corporation Performance Standard 3: Resource Efficiency and Pollution Prevention.

<sup>15</sup> International Finance Corporation Performance Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources.

<sup>16</sup> Chance Find Procedure is a site-specific procedure detailing the steps to be followed if a previously unknown heritage resource is discovered.



## Our contribution to emissions reductions

We believe the single biggest contribution our Company makes is our reduction of GHG emissions. We are committed to minimizing our Scope 1 and 2 emissions and operational carbon intensity. We are proud that the energy we generate contributes to offsetting CO<sub>2</sub> emissions from other sources.

We work every year on projects to achieve and continuously improve PS3<sup>17</sup> objectives “to promote more sustainable use of resources, including energy and water” and “to reduce project-related GHG emissions”, in 2021 we have executed several projects that are consistent with our operations and environmental objectives. With this, we contribute directly to the fulfillment of SDG 7<sup>18</sup>.

In line with our renewable energy operations, in our Nicaragua facility we have prepared to reduce our Scope 2 emissions<sup>19</sup> by installing a grid-connected photovoltaic (PV) solar system with an installed capacity of 72 kWp<sup>20</sup> and 150 kWh of battery storage. It is estimated the system will generate 115 MWh of



clean energy per year, which corresponds to a 70% reduction in the electricity required by San Jacinto base camp from the national grid.

Given that approximately 50% of the total electric energy produced by Nicaragua comes from fossil fuels<sup>21</sup>, this project will contribute by lowering the Company’s carbon footprint by approximately 55 tons of CO<sub>2</sub> per year. The commissioning of the PV system was finalized in December 2021, with benefits beginning in 2022.



Likewise, following the PS3 guidelines, we have carried out a series of energy efficiency projects in Nicaragua. Among these projects:

- Replaced 8 Air Conditioning (A/C) units at our base camp. These A/C units are not used frequently, however, the Company decided to invest in obtaining air conditioning units with inverter systems in the event all base camp bedrooms are required to be used again in the future.

<sup>17</sup> International Finance Corporation. Performance Standard 3: Resource Efficiency and Pollution Prevention.

<sup>18</sup> Sustainable Development Goal 7: Ensure access to affordable, reliable, sustainable and modern energy for all.

<sup>19</sup> Scope 2 emissions are indirect emissions from the generation of purchased energy.

<sup>20</sup> Kilowatt Peak.

<sup>21</sup> Centro Nacional de Despacho de Carga. Nicaragua. / National Cargo Dispatch Center.



## Sustainable Water Management

Our operation in Peru depends on water for energy generation, consequently, water is a crucial environmental aspect for the Company. We are aware of the value on water sustainability. In this way, we have worked on a series of actions that all our operating projects are part of. Some of the actions we carried out are:

- We execute water monitoring programs that adhere to best practices and regulations to ensure a secure operation and a responsible water usage.
- We carry out an adequate management of liquid and solid waste, to protect water sources.
- Environmental education programs, focused on the correct use of water and river protection.
- In our San Jacinto project, we re-inject 100% of geothermal wastewater into the reservoir.

Furthermore, a new water distribution system at the base camp and plant was installed. The original water system at the base camp was installed in the 1990's and in the last number of years, it presented several issues due to damage and leakage in pipes and fittings.



Consequently, in 2021 we executed the work to replace the entire system to reduce water wastage and to better measure our said water consumption. With this project The Company has achieved in a period of two (02) months a saving of 10m<sup>3</sup>/ month. It is expected to have even better results and further savings throughout 2022.

Through this, we contribute to SDG 6<sup>22</sup>, by increasing water-use efficiency and ensure sustainable withdrawals.



<sup>22</sup> Sustainable Development Goal 6: Ensure availability and sustainable management of water and sanitation for all.





## Carbon Credits

As we start to emerge from the global pandemic, there is strong consensus on the need to strengthen our preparedness for future global crises, including those posed by climate change. As discussed at the Conference of the Parties N°26 (COP 26), cooperation is essential to address problems that transcend national borders.

Our Company is aware that the use of carbon credits contributes to the transition to a low carbon economy. Thus, concretely contributing to the achievement of the Sustainable Development Goals, in particular SDG13<sup>23</sup>.



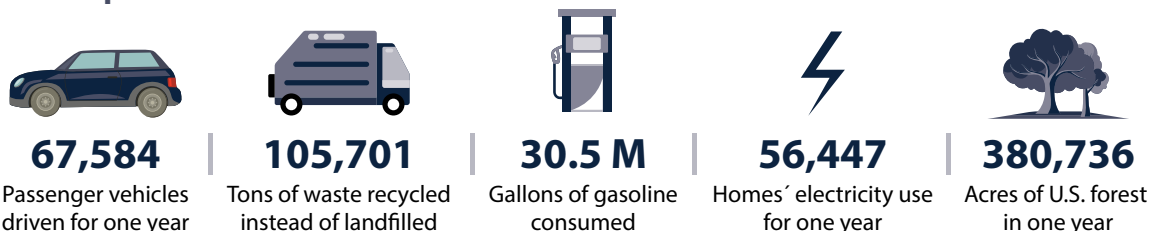
Consequently, the Company has entered into an agreement to sell two tranches of Certified Emission Reductions (CERs) generated in 2017 from San Jacinto for aggregate gross proceeds of approximately \$400,000. The sales are conditional upon receiving verification per the United Nations Convention on Climate Change (UNFCCC) protocols.

Considering our Projects in Nicaragua and Peru, Polaris Infrastructure contributes to the environment in reducing the carbon footprint an estimated calculation of 310,760 tCO<sub>2</sub>e per year. We are proud that the energy we generate contributes to offsetting CO<sub>2</sub> emissions from other sources, as an example:



**310,760<sup>24</sup>** tCO<sub>2</sub>e per year  
OF AVOIDED EMISSIONS

Is equivalent to:



<sup>23</sup> Sustainable Development Goal 13: Take urgent action to combat climate change and its impacts.

<sup>24</sup> Data correspond to estimated calculation of avoided emissions from Hydro and Geothermal operations. Quantity of emission reduction have been forecasted and are eligible to be registered with the UNFCCC and turned into CERs.





According to a report prepared by a consultant company dedicated to providing carbon management and compensation solutions, the Voluntary Carbon Market (VCM) is expected to grow significantly in the coming years since more companies are setting voluntary and net zero targets. In 2021 alone, 40% more offsets were issued, and 65% more offsets were retired in comparison to 2020. Additionally, it is expected that the price of VERs (Verified Emission Reductions) will continue rising in 2022. These are promising news for our Company considering it is in the process of finalizing the verification of CERs.

Company's reforested area in Nicaragua.



## Safeguarding Biodiversity

We have assumed a strong commitment to creating greater awareness of all our stakeholders regarding the importance of care for the environment

Current growth of a Company's reforested area in Nicaragua.

Polaris Infrastructure places special emphasis on protecting the biodiversity and habitats in which our operations are located. A very important aspect of our environmental work is through re-forestation. This has been done for many years and in 2021 we have continued to advance this program.

In both countries in which we operate, we re-forest our own areas and at the same time, in the case of Nicaragua, we also make donations of trees to the adjacent communities and to our employees so that trees can be planted in different community locations.



Re-forestation activities are carried out via our employees and the contracting of third parties to carry out these projects with a greater scope.



**7,244** Trees have been planted and donated in 2021.



We are proud to have contributed to fauna protection by creating wildlife crossings through our re-forested areas. In 2021, a fauna study performed in one of the Nicaraguan re-forested areas identified bird species indicative of conservation forests. It is noteworthy that before establishing the Company in Nicaragua, the re-forested areas were previously used for agricultural purposes. Since 2010, those areas acquired were re-forested and thus creating an important advancement in biodiversity protection.

In 2008, in an area of 8km<sup>2</sup>, twenty-three species were identified and now, in 2021, in a smaller area of 0.08 km<sup>2</sup> (8 Ha) fifty-three species were identified. Additionally, a bird species (*Ortalis vetula*) that is a conservation indicator species was found in 2021 in a reforested area; this is another important indicator of the conservation status we have reached in these surrounding areas.

We are proud of the results of our efforts and through this we are contributing to the fulfillment of the SDG 15<sup>25</sup> objectives.

In the case of our operating projects in Peru, we also began reforestation efforts in 2021. Therefore, we look



forward to seeing similar results in the coming years.

Polaris recognizes that protecting and conserving biodiversity and maintaining ecosystem services are fundamental to sustainable development, so we will strengthen our monitoring efforts to better achieve PS6<sup>26</sup> objectives "to protect and conserve biodiversity" working together with communities to create more value in the preservation of the flora and fauna.



<sup>25</sup> Sustainable Development Goal 15: Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.

<sup>26</sup> International Finance Corporation. Performance Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources.



## Managing Waste

Our Waste Management Plan aims to implement effective and necessary measures and procedures to respond to the storage, treatment, and final disposal for each of the types of waste generated in our operations.

When generated, we effectively manage the different types of waste; hazardous and non-hazardous. In the case of non-hazardous waste, we have a program focused on recycling. We have dedicated many man-hours to sensitize our employees through environmental education so that they carry out a correct waste classification.

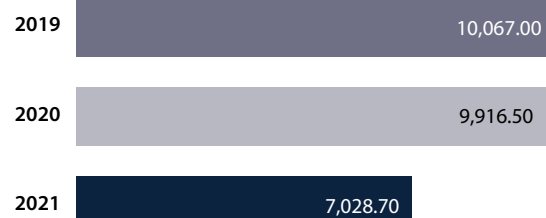
In our Nicaragua operations, all the recycling material is donated to the NGO, Los Pipitos<sup>27</sup>, focused on working with children with disabilities. With this donation, they manage to cover a portion of their operating costs.

Hazardous waste generated at the Power Plant due to maintenance, is treated, and disposed of by specialized companies properly approved by the Environmental Ministries in each of our operating projects.

Thanks to this program we contribute to the fulfillment of the objectives of SDG 12<sup>28</sup> by reducing waste generation through prevention, reduction, recycling, and reuse.



### Hazardous waste generated (Kg/Year)



**Note:** The hazardous waste generated decreased significantly in comparison to previous years. Our plant in San Jacinto, Nicaragua leads this change. Through our environmental awareness program and best practices implementation we could reduce the quantity of yarns and chemical containers used. Also, the installation of an oily water treatment system allowed us to reduce the amount of oily water generated. Finally, less contaminated soil was generated because we had fewer external contractors than 2020.

<sup>27</sup> Los Pipitos is a non-profit organization dedicated to supporting children with disabilities, founded in 1987. For more information: <https://lospipitos.org/>

<sup>28</sup> Sustainable Development Goal 12: Ensure sustainable consumption and production patterns.

# Environmental Awareness

We firmly believe that by helping to bring awareness to more people about the importance of the environment and its continued protection, we are contributing to a safer environment.

Polaris Infrastructure focuses on understanding the communities' needs from a social and environmental perspective; therefore, we dedicate significant effort to our environmental training programs to the communities that surround us. We promote environmental training to ensure a pro-active approach to environmental protection.

In Nicaragua, Polaris held the VI environmental fair with students from 6 education centers. A major emphasis was given to renewable energy to highlight the global importance of this type of energy to combat climate change.

We also work together with farmers located around San Jacinto and in the core Protected Area helping them implement agro-ecological techniques and good environmental practices to reduce the impacts of agro-chemical usage and forest fires. In 2021, the Company work together

with NGO's to collect empty agrochemicals bottles to reduce environmental impacts on soil and water in Nicaragua, this first year a total of **86 units** were collected, it is expected to gather more the coming years.

In Perú (Canchayllo Project), we participated together with the Municipal Government in a program to ensure the correct disposal of waste at the community level.

Additionally, at Polaris we look to ensure that our contractors and suppliers are aware, understand and apply our sustainability policy. That is why all contractors receive environmental and safety instruction with a total of 724 man hours per year.

With this program, we contribute to SGD13<sup>29</sup>, by Improving education, awareness-raising and human capacity on environmental aspects.

<sup>29</sup> Sustainable Development Goal 13: Take urgent action to combat climate change and its impacts.



Model of Sustainable city done by local community students.





# Social

## *Empowering Our People*





## Commentary from Marcela Paredes de Vásquez

MEMBER OF THE BOARD OF DIRECTORS

The primary responsibility of every human being, in my opinion, is to promote a collective well-being through our ethical conduct and our contribution to society and the environment. This individual responsibility also transfers to the business world, I believe.

At Polaris, we give strategic importance to people. As a result, we have created a culture of health, safety, respect for diversity, and inclusion, which has allowed us sustained recognition in Nicaragua and which we hope will also be recognized in all of our new prospective locations. Investing in human talent is in our DNA, and it allows us to attract and retain the best and most talented people.

We care about leaving a positive mark on the communities where we operate. Therefore, we always strive to transfer our best health practices to those people, especially during these difficult pandemic times. In addition, we contribute to their sustainable development by promoting the education of children in our local communities by giving them the tools so that they can successfully undertake agricultural projects amongst other socio-economic activities.

Together, all these actions generate an environment of well-being within the company that increases productivity and sustainability while strengthening our reputation as well as driving additional value to Polaris' investments.



# Enhancing Community Relations



The communities where Polaris is operating are characterized by lower levels of economic development. The opportunity for the company to make a positive impact, while also investing in these areas, is a fundamental driver of our commitment to sustainability.

Our Community Investment Program is focused on sustainable principles that can strengthen a community and contribute to the elimination of poverty.

Polaris Infrastructure's community investment priorities are in areas of education, social infrastructure, public health, and agriculture. Based on SDG No. 17<sup>30</sup>, we have encouraged

and promoted partnerships with locally based NGO's<sup>31</sup> who have valuable expertise that are critical to successful outcomes. Likewise, attracting additional resources to the communities with which we work.

As part of our work, we follow the guidance provided by ISO 26000<sup>32</sup>. Likewise, we have established mechanisms aligned with the IFC Performing Standards, including our Community Engagement Plan and Community Grievance Mechanism which are applied in all our operating projects.



<sup>30</sup> Sustainable Development Goal 17: Strengthen the means of implementation and revitalize the global partnership for sustainable development.

<sup>31</sup> A non-governmental organization (NGO) is a non-profit group that functions independently of any government.

<sup>32</sup> Guide on Social Responsibility. Non-certifiable ISO.



## Education

As a Company, we believe in the importance of having quality education, because it enables upward socioeconomic mobility and is a key to escaping poverty.

Our education program has a short-, medium- and long-term positive impact; because through it, we endeavor to contribute to the preparation of a skilled workforce in the future. Through this program, we make a direct contribution to SGD 4<sup>33</sup>.



<sup>33</sup> Sustainable Development Goal 4: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.





## Robotics project

To provide continuity to the Robotics Project started in 2019, Polaris Infrastructure, through our subsidiary in Nicaragua, implemented the expansion of this initiative at the main school in the nearby community.

With this expansion, the Company has integrated robotics into the school curriculum from elementary to high-school education in the main school. The Sara Maria Parrales School is now the only school that has

educational robotics in elementary and high school education, in the entire western sector of the country.

With robotics, we are expanding the knowledge and building academic and 21<sup>st</sup> century skills that will create active, collaborative, lifelong learners. The purpose of this project is to raise the educational performance indicators in STEAM subjects<sup>34</sup> and strengthen the teaching and learning

process in the elementary and high-school programs. This project applies the equipment and methodology of LEGO® Education.<sup>35</sup>

The students who participated in the Program were then able to apply their new skills in the regional Olympics, in which they ranked first place, which allowed them to compete at the national level. Such results for these young people open a tremendous window of opportunity for them.

<sup>34</sup> STEAM fields are the areas of science, technology, engineering, the arts, and mathematics.

<sup>35</sup> For more information visit: <https://education.lego.com/en-us/about-us>

## Equipping children for educational Success

We have also initiated support for the communities near our El Carmen, 8 de Agosto and Canchayllo facilities in Perú, with school equipment for children and have sponsored useful holiday workshops. With these workshops, we are promoting the academic reinforcement of students during their vacation months. This type of activity is very important in the context of the COVID-19 pandemic, given the fact that in Peruvian schools, children studied mostly remotely in 2021 due to associated mandated health restrictions.



## Celebration with Communities

On an annual basis we celebrate special events with the communities, thus allowing us to have a more personal and closer relationship with them. This year, we celebrated Christmas with students from the nearby schools in all our projects. Due to the restrictions on crowding of people due to COVID-19, we held micro-celebrations that allowed us to be together, with the community, in a safe and responsible way.





## Testimonials



**Emilce Arauz – 2<sup>nd</sup> grade teacher - Nicaragua**

"As a teacher I feel very happy and grateful because the robotics project means learning for the students and for us. Next year I will teach my classes including educational robotics, therefore, I can make the class more dynamic and fun."

"We have come a long way with education in the school, with all the technology that the Company has brought. Through this, the children have developed many skills, there is more school enrollment, as children from other communities come to study at our school because it is a reference in the field of educational technology."



**Cristobal García – 11<sup>th</sup> Grade student - Nicaragua**

"I really like robotics and this year I learned how to program. I have always liked mathematics and now I have learned to implement it in various things. I have felt drastic changes as I never imagined experiencing this kind of education. This year I am graduating from school, and I want to come back in my free time to help other students apply and use robotics as I did."





## Community Infrastructure

Infrastructure plays a key role in developing community life. There is a strong connection between the quality of infrastructure in communities and the well-being of its population. That is why on an annual basis we execute projects that can improve the quality of the infrastructure for the communities in which we work.

### Improvement to School Infrastructure

School infrastructure is essential, so that children of our benefited communities can have the necessary conditions to develop their potential.

In this manner, through our subsidiary in Nicaragua, we carried out a complete remodeling of a school near our Company location.

We are providing children and teachers a suitable space for school activities. The educational community and parents recognized the Company for carrying out this project with a plaque of appreciation. Likewise, Natan, a student at that school, wrote a poem addressed to the Company.





Natan reciting the poem he wrote for Polaris Infrastructure, to his classmates

## Poem to Polaris

Written by: Natan Alberto

Project beneficiary from El Ojochal community, Nicaragua.

Polaris, llegaste a mi comunidad  
y me extendiste tu mano,  
viendo mi necesidad.  
Me viste como un hermano.

Nos brindaste tu mano amiga  
Como un enviado de Dios.  
Polaris, Dios te bendiga.  
Ya no soy uno, somos dos.

Viste mi colegio  
Como una prioridad.  
Ahora se ve muy bonito,  
¡Por tu generosidad!

Techo, cielo raso y pintura,  
¡Para ver esta hermosura!  
Aquí los niños aprendemos,  
Y siempre te recordaremos.

Recuerden estas palabras  
De mi carta de inspiración.  
Gracias por haber venido  
A esta gran celebración.

Ya con esto me despido,  
Deseándote buena suerte.  
Y que siempre tengan en su mente  
A los niños inteligentes.

Polaris, you came to my community  
and you extended your hand to me,  
seeing my need.  
You saw me as a brother.

You gave us your helping hand  
Like an envoy from God.  
Polaris, God bless you.  
I am no longer one, we are two.

You saw my school  
As a priority.  
Now it looks very pretty,  
By your generosity!

Roof, ceiling and paint,  
To see this beauty!  
Here, we learn,  
And we will always remember you.

Remember these words  
From my inspiration letter.  
Thank you for coming  
To this great celebration.

With this, I say goodbye,  
Wishing you good luck.  
And always keep in mind  
Intelligent kids.



## Agriculture

The main economic activity in the countries we currently operate in is primarily agricultural. Our Company has made agriculture one of the main areas of our social investment program for several years. Similarly, we have placed special emphasis on this area given the contribution we can make to SDG 2<sup>36</sup>, by implementing resilient agricultural practices and incrementing the agricultural productivity and incomes of small-scale producers.



As a result of this program, we have witnessed local farmers' growth and development through technical training and donations of agricultural inputs.

Our agricultural investment goal for 2021 was to continue to improve the quality of life and contribute to the generation of additional income of the beneficiary families.

### Watermelon and Biodigesters

Our 2021 program in Nicaragua focused on watermelon cultivation and the start of a biodigester pilot project.

Through the establishment of a local NGO, American Nicaraguan Foundation (ANF)<sup>37</sup> we provided technical assistance, supply of inputs and seeds. We also funded the construction of five biogas systems, in which the goal was to support small farmers to take advantage of natural waste from livestock. Gas has been generated to be used by the beneficiaries in their domestic consumption, replacing the use of firewood; Similarly, organic fertilizer is extracted from this process to be used in crops. This, apart from having a social impact, has a positive effect on the environment by replacing the burning of firewood with gas, reducing CO<sub>2</sub> emissions by the community.



<sup>36</sup> Sustainable Development Goal 2: Zero Hunger.

<sup>37</sup> ANF is a not-for-profit relief and development organization that provides opportunity and tools to those affected by poverty in Nicaragua. ANF has been highly rated and received multiple non-profit awards, including Charity Navigator's 4-stars for 5 years in a row (2015-2019) and GuideStar's 2020 Platinum Seal of Transparency. For more information: <https://www.anfnicaragua.org/>





## Product Diversification

For our social impact project in Perú, we carried out an agricultural initiative to introduce other productive options, capable of coexisting with coffee (current main agricultural activity). For this, through an alliance with a local NGO, DETEC<sup>38</sup>, we have supported small producers in the diversification of their crops towards Beekeeping (honey) and other vegetables. Likewise, we have provided them with technical assistance and support in the commercialization process for coffee, honey, and vegetables.

Bees are essential both to pollinate the food we need to survive and pollinate many of the trees and flowers that provide habitats for wildlife. By promoting beekeeping, the Company is also contributing to SDG 2<sup>39</sup> by ensuring sustainable food production systems and implementing agricultural practices that help maintain ecosystems.



<sup>38</sup> DETEC has more than 30 years of experience and is focused on promoting economic development projects associated with the creation of value chains that protect and respect the environment. For more information: <http://detec.org.pe/>

<sup>39</sup> Sustainable Development Goal 2: Zero Hunger.

## Health

Ensuring healthy living and promoting wellbeing at all ages is essential to sustainable development. Therefore, our impact contributes to SDG 3<sup>40</sup> through an improvement in essential health services. Based on the above and given the global crisis that has been triggered by the COVID-19 pandemic, our contributions to the health sector continues to be a priority.



### Our contribution to the prevention of COVID-19 at the community level

COVID-19 continues to threaten people's well-being. Therefore, the Company made various donations to support local health posts, to have the necessary supplies to prevent and/or treat patients.

Donations made by the Company consisted of oxygen tanks, infrared thermometers, masks, medical gowns, oximeters, and alcohol.



<sup>40</sup> Sustainable Development Goal 3: Ensure healthy lives and promote well-being for all at all ages.



# Occupational Health and Safety



The safety culture of an organization is the product of values, attitudes, perceptions, competencies, and patterns of behavior of individuals and groups that determine commitment, as well as their style and ability regarding the organization's health and safety management<sup>41</sup>.

It is for this reason that we believe that a good safety culture does not depend solely on clear guidelines that guarantee a safe and healthy environment, but also on focusing most of our efforts in motivating employees in the development of an effective safety culture

At Polaris Infrastructure, we are committed to the notion that achieving

excellence in safety requires a significant emphasis on culture, which allows active participation and greater commitment by our employees.

The first stage is education, where employees have acquired the knowledge base through internal and external training, in addition to sharing the root cause analysis (RCA) of any incidents.

This first stage, which involves continuous application, allows workers to continue over time updating their knowledge on changes in international standards or internal OHS procedures.

Annually, our Company invests a significant number of man-hours in



<sup>41</sup> Bernhard Wilpert in his book "Safety Culture in Nuclear Power Operations". 2001, p. 18.

the different modalities of safety training and discussion of the RCAs of incidents that have occurred in recent years.

A second stage in which workers are encouraged to participate is in completing all processes of compliance and adherence to local legislation and international standards voluntarily adopted as a result of the HSO.

The third stage consists of teaching our staff to identify dangers and evaluate risks, as well as preventive actions, this stage being where we believe we are most impactful as an organization.

This effort is aligned with international standards on OHS matters such as ISO 45001<sup>42</sup>, and is based on adherence to the protection of workers, compliance with legal commitments, mainly in the promotion and implementation of a solid safety culture.

A strong training and development program can have numerous short- and long-term benefits, including increased employee engagement and retention rates, encouraging innovative thinking, mitigating risks, and giving our organization a competitive edge.

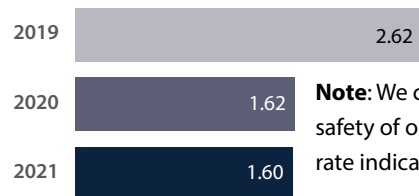
Polaris Infrastructure has developed a safety training model that increases safety and performance in the workplace. This training,



developed by our Company, reduces the gap between theory and practice, enabling new ways of learning to increase safety and performance.

We have demonstrated that effective and comprehensive safety training reduces the rate of accidents and increases the response of our workers to potentially dangerous situations.

#### OSHA Incident Rate<sup>43</sup>



**Note:** We continue to make significant efforts to guarantee the safety of our employees. This is observed in our OSHA incident rate indicator.

0 Fatalities in 2021

Health and safety is an integral part of our business operations

<sup>42</sup> The Company follow guidelines on ISO 45001. But its not certified.

<sup>43</sup> An OSHA Incident Rate is a measure of how often a recordable injury or illness occurs at your business over a specified period of time, typically one year.



# Empowering our people

## Great Place to work Certified

### Culture of integrity and commitment

Our subsidiary in Nicaragua was certified as a Great Place to Work<sup>®44</sup> for the fifth year in a row. At the Nicaraguan level, it is certified as the **third best** company to work for. At the Central American level, it obtained the position #34 in the category of 100 to 500 employees.

Obtaining this certification indicates that our Company has created a culture that our employees appreciate, since it is a certification based on the qualification and feedback that our employees give, anonymously.

Being a Great Place to Work<sup>®</sup> means being committed to transparency. For Polaris Infrastructure-, our organizational culture is based on the constant communication of objectives, which are always aligned with our

core values: Integrity, Commitment, Efficiency, Excellence, Respect and Sustainability.

The COVID-19 Global Pandemic put our organization, as well as many others around the world, to the test, but the vision and leadership of the management team and the commitment of all of our employees has allowed us to effectively mitigate the ongoing challenges.

In the future, we plan to migrate this initiative to our investments in Perú as well as any other jurisdictions we are actively looking to expand into.



<sup>44</sup> The Great Place to Work<sup>®</sup> Certification<sup>™</sup> is the most definitive “employer-of-choice” recognition that companies aspire to achieve. It is the only recognition based entirely on what employees report about their workplace experience – specifically, how consistently they experience a high-trust workplace.

## Healthy Employee Program

Polaris Infrastructure is focused on assisting its employees in successfully managing a proper work-life balance. Even in difficult times such as the ones we are currently experiencing worldwide with the COVID-19 pandemic, we continue to believe that our people are our most valuable resource and our priority is to continue supporting our staff in a comprehensive manner, with the goal of safeguarding their well-being.

Our Company has adopted the following strategies to support our people and teams:

- At San Jacinto, we provide medical care services, as well as care for all clinical cases related to COVID-19, with the intention of making an early diagnosis and timely treatment, this includes daily temperature checks for all of our workers and suppliers.
- We are constantly exploring measures to prevent and control the risk of COVID-19.
- Employees receive regular medical updates regarding COVID-19, chronic diseases, and promotion of healthy lifestyles.
- Promotion of Vaccination Days.
- At our Perú Facilities, a COVID-19 negative test is necessary for entering the plants.

Polaris Infrastructure firmly believes that a healthy lifestyle is one of the best tools to manage a balanced work-life. Thus, we continue daily promotion of our Healthy Worker



Program, which has the following objectives:

- Prevent Non-Communicable Chronic Diseases such as Diabetes, Hypertension, Heart Disease, Dyslipidemias, etc.
- Promote Healthy Lifestyles through a balanced diet and promotion of weekly physical activities.
- Promote the reduction of weight, which has shown to be especially problematic for individuals exposed to COVID-19.





## Diversity and Inclusion

Since the 2020 launch of the WINGman<sup>45</sup> Special Taskforce, we have continued the educational program with a view to strengthen the promotion of gender equity and equality.

In 2021, 107 man-hours of training were invested in the development of topics on unconscious prejudices and how it should be avoided in the work and personal environment. Other topics included how men should play a more active role in caring for the home to support working women, and how sexual harassment must be eradicated both inside and outside the workplace.

In addition, as part of the educational strategy, we have developed a “Comprehensive Female Leadership Program”, which is aimed at women within the Company to help them in their self-knowledge and enhance their internal resources to strengthen decision-making and their interrelation with the environment. The purpose is to assist our female staff to discover themselves, develop their confidence, assist them in transforming their talent and strengthening their self-leadership and empowerment capacities.

The increase in empowered women within our organization allows us to break through stereotypes that have been acquired since childhood, and with this we advance the development of female leaders, which has a positive impact on the promotion of a strategy towards gender equality and equity.

As a result of this program, our subsidiary in Nicaragua has increased the hiring of more women in the temporary roles of Major Maintenance of the Plant. In fact, from 2020 to 2021 nineteen women were hired for jobs in technical and administrative positions, unlike in previous years that saw only two to three women hired.

We plan to carry out a more robust program at the corporate level to reach all our subsidiaries in the future.



**30%**  
of our total  
workforce  
are women  
(indicator  
value: 29.6)



**20%**  
of our  
managerial  
team are  
women

<sup>45</sup> Created by Women in Geothermal (WING), the WINGman Special Taskforce was created to provide a platform that engages men in the conversation around gender equality and gives them the tools to act to make meaningful change. These toolkits provide an understanding of the effects of unconscious bias, provides insights into current thinking around diversity, and provides tools and advice on how to better support their female colleagues. For more information: <https://womeningeothermal.org/>



# Governance

*Building a  
Responsible  
and Sustainable  
Business*





# Commentary from Margot Naudie

CHAIR OF THE HR & ESG COMMITTEE

I am proud to be part of the Polaris team. The renewable energy that we produce is an important contributor to the electricity required for the countries and communities in which we operate. As the company grows, we will continue to focus on reliable energy sources that are part of the solution for global initiatives to reduce GHG emissions.

I am particularly proud of the work that we do in our communities, and the benefits of our operations to our shareholders, employees, and stakeholders. In addition to projects that are part of the solution for the world's environmental goals, and the contributions to our stakeholders, I am very proud of our delivery on corporate governance objectives.

In addition to updating many of our corporate policies to reflect current governance best practices, we have incorporated into executive compensation plans a number of performance metrics to encourage continued strong results on our ESG objectives.

Many thanks to our senior staff members, ESG team, and to all of our employees who have incorporated ESG into their daily activities. This is an important part of Polaris Infrastructure's corporate culture, from the Boardroom to the Toronto office, to our operations and to the communities in which we operate.

# Investing in Polaris is Profitable and a way to support ESG



Polaris Infrastructure continues to progress its ESG Strategy, something we are proud to say has been a pillar of our business for several years, certainly well before it became the latest Investment Community benchmark.

We are making changes that guarantee our continuous improvement in this regard and reinforce our status as a sustainable Company.

The return on \$100 investment in Polaris shares has been greater than the return on of the TSX <sup>46</sup> in general since 2016. This demonstrates that our strategy has been well received in the market.

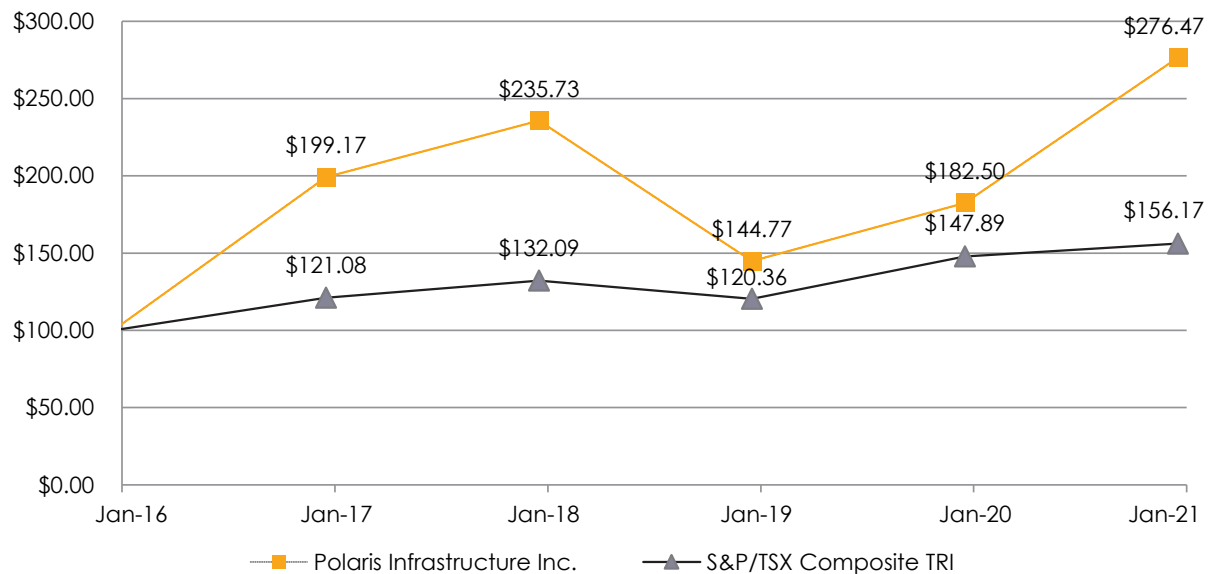


Chart demonstrates the out-performance of Polaris Infrastructures' stock compared to the S&P/TSX Composite Index.

<sup>46</sup> Toronto Stock Exchange.



# Corporate Governance



Corporate governance is the system of rules, practices, and processes by which a firm is directed and controlled. For Polaris Infrastructure, corporate governance involves balancing the interests of our many stakeholders, such as shareholders, senior management, executives, customers, suppliers, financiers, the government, and the community.

Since corporate governance also provides the framework for attaining the company's objectives, it encompasses practically every sphere of management, from action plans and internal controls to performance measurement and corporate disclosure.

- Corporate governance is the structure of rules, practices, and processes used to direct and manage our company.

- The Company's board of directors is the primary force influencing corporate governance. Their regular meetings, action plans and oversight set the stage for all operations and initiatives.
- Corporate governance entails the areas of environmental awareness, ethical behavior, corporate strategy, compensation, and risk management.
- The basic principles of corporate governance are accountability, transparency, fairness, and responsibility.

# LTIP- Compensation



In June 2021, at the Company Annual General Meeting, shareholders approved Polaris Infrastructure's revised Long Term Incentive Plan (LTIP), which will expire in June 2024. The Company undertook an exhaustive review of its legacy LTIP Program with the assistance of a top consulting firm and in conjunction with its legal advisors.

Further, top 3rd Party Advisory Groups endorsed the LTIP to their institutional investor client base. Additional enhancements were made to its Policy Manual, specifically related to:

- Position Description for the HR & ESG Committee
- Position Description for the Chair of the Audit Committee
- Code of Business Conduct & Ethics

## Benefits of an LTIP

Securities granted from an LTIP can be very beneficial to the Company:

- Enhances greater alignment between the Board, Senior Management, key employees, and shareholders.
- Provides greater upside in compensation packages to Board members and employees.
- A great component of key employee retention.
- Increases competitiveness of the Company in the marketplace – particularly for Polaris' core operating region of Latin America where these types of Programs are nascent.

- Provides a "non-cash" method of continuing to improve compensation.

When employed effectively, an LTIP is a key part of the compensation structure of any public company and a competitive advantage relative to private companies.



# Risk Management



The Company undertook an initial review of Cyber Infrastructure in 2019 and 2020, to Identify the main issues in the computer security systems and the information management of the locations of the Company.

The main processes of the different IT governance, management and information security frameworks that impact the operation of the technology area in Canada, Nicaragua and Peru have been analyzed; managing to establish a robust proposal for the improvement of computer security and information management.

The following IT related upgrades resulted:

- Procured and installed upgraded hardware for the Canadian Corporate head office.
- Configured Site to a more robust VPN.
- Upgraded firewall support in newest acquisition in Peru, establishing template for go-forward acquisitions.
- Elevated network connectivity for basecamps and other field sites.
- Installed bundle threat protection tool.
- Installed Cloud Anti-virus solution.

- Installed Phishing Attack AI based protection.
- Acquired and initiated Cybersecurity Awareness tool Organization-wide.

Initiated Phishing Simulation Campaigns Companywide to reinforce Awareness Training.

## Phase 2

The Company has recently completed a second campaign for 2021, designed to further stiffen Cyber Security as follows:

- Upgraded Policies to be implemented around:
  - Patch Management
  - Change/Configuration Management
  - Backup & Recovery
  - Cryptographic
  - Mobile Security
  - 3rd Party Cyber Risk Management
  - Logging & Monitoring
  - Risk Management
  - Threat & Vulnerability Management
- Creation of an Incident Response Plan & Playbook.
- Creation of a Hardening Standard for Servers/workstations.
- Validation of multi-factor implementation.
- Validation of Systematic Implementation of Password policies.
- Development of an Inventory of 3rd Party Providers.



- Complete Vendor Security assessments, including remediation action plans.
- Deliver further training & awareness to employees for mobility & portable media security.
- Establish web vulnerability management program.
- Conducted external penetration (PEN) testing – actively assessing necessary hardening.
- Establishing a security administration program.





# Ethics Line

In 2021, to highlight our commitment to carrying out our work based on the highest ethical standards and in line with business regulatory framework, Polaris Infrastructure launched the Ethics Line Channel aligned with the Code of Business Conduct and Ethics. This communication channel allows us to have a more transparent way of Communication, enabling employees and stakeholders to communicate aspects associated with the Code of Conduct or any of our corporate policies.

This mechanism is applicable to all our stakeholders who carry out activities for, or, on behalf of the Company. 97% of the Company's employees have been trained in the guidelines established for the use of the Ethics Line.

The Ethics Line channel is available online 24/7 at:  
<https://polaris.ethicsglobal.com/>



# Board of Directors

Polaris' Board of Directors are responsible for the stewardship of the Company, the evaluation of management and the supervision of the business and affairs of the Company. Our Board reflects a breadth of backgrounds and experience that is important for the effective governance and oversight of an international corporation in the renewable energy industry. Therefore, a key part of our effective governance is ensuring our Board has the right mix of background, expertise, and diversity of perspectives, to support the scope and complexity of our business.



## **Marc Murnaghan- Chief Executive Officer and Director**

Mr. Murnaghan led the Polaris Recapitalization Transaction in 2015 and became the CEO of the Company upon closing. He was a Partner with Harrington Global, an investment firm, and was previously Managing Director, Investment Banking, with Cormark Securities.

## **Jaime Guillen- Chairman of the Board**

Mr. Guillen is Managing Partner at Faros Infrastructure Partners LLC, an investment firm with offices in United Kingdom, United States and Mexico. He has worked for other major international firms, including as VP with Bechtel Financing Services, Managing Director for Bechtel Enterprises and CEO of Alterra Partners (a joint venture with Singapore Changi Airport).

## **James Lawless-Director**

From 1999 through 2010, Mr. Lawless was a Geothermal Practice Leader with Jacobs. From 1993 to 1999, he was an Earth Science Manager with Kingston Morrison Limited, and from 1985 to 1993, was a Senior Geologist for KRTA Limited.

## **Margot Naudie-Director**

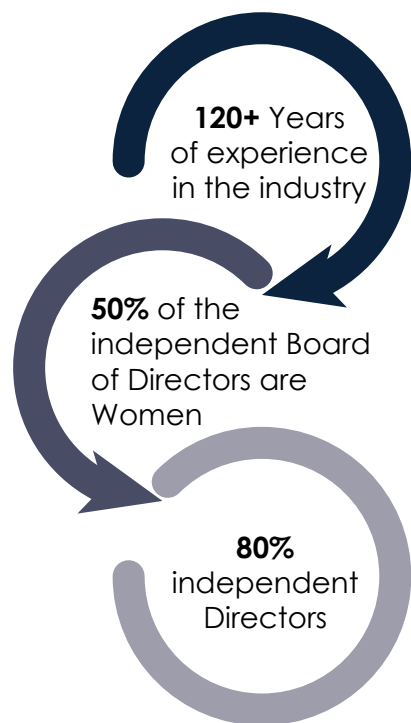
Ms. Naudie is the President of Elephant Capital Inc. as well as Co-Founder of Abaxx Technologies Inc. She is also a director of BTU Metals. Ms. Naudie has held senior roles at leading asset management firms include TD Asset Management, Marret Asset Management Inc. and CPP Investment Board.

## **Marcela Paredes de Vasquez-Director**

Ms. Paredes de Vásquez is currently a Titular Professor at the Technological University of Panama. She was the Ambassador of Panama to Chile, a post she held from September 2018 until July 2019. Prior to this, Ms. Paredes de Vásquez was the Minister of Education for Panama from 2014 through 2018, and held various positions, including President, at the Technological University of Panama from 1989 through 2013.



## Board composition at glance



### Diversity and representation of women

Our Company remains committed to diversity and inclusion at all levels in the workplace and on the Board. This includes a commitment to ensuring there are no systemic barriers or biases in our corporation's policies, procedures, and practices. We believe that diversity, including gender diversity, is an important consideration for any Board or senior management appointment. We are continually seeking ways to support diversity and inclusion at all levels of the Company.

On April 7, 2021, the Government of Canada published *Diversity of Boards of Directors and Senior Management of Federal Distributing*

*Corporations*<sup>47</sup>. This is the first report on the effect of the government's efforts to increase diversity on corporate boards and in senior management in Canada.

Of the 403 corporations that were part of the government's detailed review, 50 percent of the corporations had at least one woman on the board with women holding approximately 17 percent of the board seats.

Gender diversity and gender equity are another high-profile governance issue, with many institutional shareholders demanding better representation of women on corporate boards and in executive ranks, equal compensation, and career promotion access for women. Research from Morgan Stanley

<sup>47</sup> A distributing corporation is one that issues securities to the public, such as shares or bonds, and is subject to continuous disclosure rules under provincial or territorial securities law or under the laws of a jurisdiction outside Canada. Distributing corporations are often listed on stock exchanges.

shows that a better balance of men and women in the workplace can deliver returns with less volatility, making gender diversity profitable for companies and investors.

Canadian women held 22% of Review of Disclosure Regarding Women on Boards and in Executive Officer Positions<sup>48</sup>, as published on November 4, 2021. By way of comparison, Polaris Infrastructure's Board of Directors is 40% occupied by women.



Our Board of Directors composition remains as follows:

Name	Position	Gender	Status / independent	Nationality	Date of Last Appointment
Marc Murnaghan	Chief Executive Officer and Director	Male	Not Independent	Canada	13-May-15
Jaime Guillen	Chairman of the Board	Male	Independent	United Kingdom	13-May-15
James Lawless	Director	Male	Independent	New Zealand	07-Mar-11
Marcela Paredes de Vásquez	Director	Female	Independent	Panama	19-Jun-19
Margot Naudie	Director	Female	Independent	Canada	17-Jun-20

<sup>48</sup> This report outlines key findings from a recent review of public disclosure regarding women on boards and in executive officer positions. The review was completed primarily for the purposes of identifying key trends. For more information: [CSA Multilateral Staff Notice 58-313 Review of Disclosure Regarding Women on Boards and in Executive Officer Positions \(osc.ca\)](#).



The board of directors currently has two committees:

#### HUMAN RESOURCES & ESG COMMITTEE

All members of a Human Resources & ESG Committee are expected to be independent. The Board has delegated to the Human Resources & ESG Committee the following powers and duties:

- Discharge, and assist the Board in discharging, the responsibility of the Board relating to leadership, human resource planning and compensation.
- Set performance objectives for the CEO, which encourage the Corporation's long-term financial success and regularly measure the CEO's performance against these objectives.
- Recommend compensation for the CEO to the Board for approval, and determine compensation for certain senior officers in consultation with independent advisors; and
- Oversee a succession planning and development process, including review and approval of the succession plans for the senior officer positions

#### AUDIT COMMITTEE

The Audit Committee is charged with a mandate of assisting the Board in overseeing the financial reporting and disclosure of the Corporation. This oversight includes

- (a) reviewing the financial statements and the financial disclosure that is provided to the Shareholders and disseminated to the public,
- (b) reviewing the systems of internal controls to maintain integrity in the financial reporting of the Corporation, and
- (c) overseeing and monitoring the independence and performance of the Corporation's external auditors and reporting directly to the Board on the work of the external auditors.

#### The Board has the responsibility

- To verify that the Company operates, at all times, within applicable laws and regulations and to the highest ethical and moral standards.
- to approve and monitor compliance with significant policies and procedures by which the Company is operated, including its Code of Business Conduct and Ethics.
- to review and approve the annual budget, annual financing plans, any payment of dividends and any new financings.
- to review and approve quarterly financial reports and the annual report.
- to verify that the Company sets high environmental standards in its operations and follows environmental laws and legislation.
- to verify that the Company has in place appropriate programs and policies for the health and safety of its employees in the workplace.
- to verify that the Company has implemented adequate internal control and information systems which assist in the effective discharge of its responsibilities

# About this report





We are committed to providing transparent information of our global operations. We recognize that transparency and objective standards based disclosure is crucial in demonstrating our commitment to all of our stakeholders.

In preparing this report, we carefully considered feedback received from shareholders, the investment community, and other stakeholders. We also analyzed the information contained within various sustainability frameworks.



## Reporting Framework

Our report framework has been developed to suit the interests of a broad group of our stakeholders. It was prepared with reference to international ESG reporting frameworks, including the Global Reporting Initiative (GRI) and the SASB framework Sustainability Accounting Standards Board (SASB).

## Scope

This report captures the environmental, social and governance performance of subsidiaries owned or operated by Polaris infrastructure Inc as of December 31st, 2021. This report does not focus on our financial performance.

## Data

The data included in this report has been reviewed and approved by Polaris' Senior Management and Board of Directors ("Board"). The data collection methodologies are aligned with industry best practices and applicable regulations and standards. All monetary amounts are in U.S. dollars, except where otherwise noted.

For additional information, refer to:

2021 Annual FS and MD&A, for Polaris' financial performance, including general corporate information and current developments.

[polarisinfrastructure.com](https://polarisinfrastructure.com), for the above, including general corporate information and current developments.

[sedar.com](https://sedar.com), for all the above.

# Disclosure

*This report contains certain “forward-looking information” which may include, but is not limited to, statements with respect to future events or future performance, management’s expectations regarding the Company’s pro-forma financial profile, leveraging of available cash resources, the Company’s future access to similar deal opportunities throughout Latin America and the expected MWh/MW per year production total and by revenue stream. Such forward-looking information reflects management’s current beliefs and is based on information currently available to management. Often, but not always, forward-looking statements can be identified by the use of words such as “plans”, “expects”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “predicts”, “intends”, “targets”, “aims”, “anticipates” or “believes” or variations (including negative variations) of such words and phrases or may be identified by statements to the effect that certain actions “may”, “could”, “should”, “would”, “might” or “will” be taken, occur or be achieved. A number of known and unknown risks, uncertainties and other factors*

*may cause the actual results or performance to materially differ from any future results or performance expressed or implied by the forward-looking information. Such factors include, among others, general business, economic, competitive, political and social uncertainties; the actual results of current geothermal and hydro energy production, development and/or exploration activities and the accuracy of probability simulations prepared to predict prospective geothermal resources; changes in project parameters as plans continue to be refined; possible variations of production rates; failure of plant, equipment or processes to operate as anticipated; accidents, labor disputes and other risks of the geothermal and hydro power industries; political instability or insurrection or war; labor force availability and turnover; delays in obtaining governmental approvals or in the completion of development or construction activities, or in the commencement of operations; the ability of the Company to continue as a going concern and general economic conditions, as well as those factors discussed in the section entitled*

*“Risk Factors” in the Company’s most recently issued Annual Information Form. These factors should be considered carefully, and readers of this report should not place undue reliance on forward-looking information.*

*Although the forward-looking information contained in this report is based upon what management believes to be reasonable assumptions, there can be no assurance that such forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information. The information in this report, including such forward-looking information, is made as of the date of this report and, other than as required by applicable securities laws, Polaris Infrastructure assumes no obligation to update or revise such information to reflect new events or circumstances.*





## Appendix A: Polaris ESG Key Performance Indicators

The ESG Indicators listed in this appendix provide information over three years, starting with January 2019 and ending December 31<sup>st</sup>, 2021.

Priority Topic	2021	2020	2019
<b>Operations</b>			
<b>Electricity Net Generation (MWh)</b>			
Geothermal			
San Jacinto Tizate	465,935 <sup>49</sup>	511,702	532,987

<b>Hydroelectric</b>			
Canchayllo	28,084	33,832	30,234
8 de Agosto	103,440	93,289	1,848
El Carmen	46,064	24,070	5,865
Total	643,523	662,893	570,934

<sup>49</sup> For more information, check de Management Discussion and Analysis (MD&A) Report.

Priority Topic	2021	2020	2019
<b>Environment</b>			
<b>Greenhouse Gas (GHG) emissions</b>			
Greenhouse gas emissions (tCO <sub>2</sub> e)	16,275 <sup>50</sup>	16,275	16,275
<b>GhG Emissions Reductions (CER)<sup>51</sup></b>			
San Jacinto Tizate ton CO <sub>2</sub> /Year	194,607 <sup>52</sup>	215,321	224,955
Canchayllo ton CO <sub>2</sub> /Year	16,598 <sup>53</sup>	19,995	17,868
8 de Agosto ton CO <sub>2</sub> /Year	69,305 <sup>54</sup>	63,031	4,608
El carmen ton CO <sub>2</sub> /Year	30,250 <sup>55</sup>	15,807	3,852
Total GhG Emission Reductions	310,760	314,154	251,283

50 The emissions presented correspond to Geothermal generation (San Jacinto Tizate facility). It represents a partial value of Scope 1. According to the ISO 14064 Carbon Footprint, the direct emissions of Scope 1 are: the emissions associated with an activity or process generated in an organization or over which there is total control of the organization. These emissions include emissions from vehicles used by the organization, emissions generated by the combustion of fuels in equipment within the organization (pumps, compressors, electric generators, etc.). Therefore, the calculation does not include the emission from the combustion of fuels. This value was verified in the last Monitoring Report for San Jacinto Tizate CDM project according to the UNFCCC methodology.

51 Forecasted emission reductions that are eligible to undergo the verification and CER registration process.

52 Estimated annual CERs for "San Jacinto Tizate" project were calculated by multiplying the annual energy delivered to the grid and the baseline emission factor of 0.4526 t CO<sub>2</sub>e/MWh, and then subtracting the baseline GHG emissions from the project activity, 16,275 t CO<sub>2</sub>e (based on last Monitoring Report Form for San Jacinto Tizate CDM project, monitoring period: Jan 2018 - May 2019).

53 Estimated annual CERs for "Canchayllo" project were calculated by multiplying the annual energy delivered to the grid and the baseline emission factor of 0.591 t CO<sub>2</sub>e/MWh, (based on last Monitoring Report Form for Canchayllo CDM project).

54 Estimated annual CERs for "8 de Agosto" project for years 2019 and 2020 were directly taken from the last monitoring report form for 8 de Agosto CDM project (monitoring period: Jan 2016 -Dec 2020). Based on this methodology, CERs for year 2021 were calculated by multiplying the annual energy delivered to the grid and the baseline emission factor of 0.67 t CO<sub>2</sub>e/MWh.

55 Estimated annual CERs for "El Carmen" project were calculated by multiplying the annual energy delivered to the grid and the baseline emission factor of 0.6567 t CO<sub>2</sub>e/MWh, (based on Program of Activity Design Document Form for El Carmen Project, CDM-CPA-DD).



Priority Topic	2021	2020	2019
<b>Energy Management</b>			
Total energy consumed	45,819 <sup>56</sup>	47,067	46,439
Percentage renewable energy consumed	99.54%	99.52%	99.47%
Energy intensity <sup>57</sup>	0.066	0.066	0.074

<b>Water consumed in electricity generation</b>			
Water withdrawn (m <sup>3</sup> )	548,418,853 <sup>58</sup>	497,386,881	189,419,247
Water returned to source (in million m <sup>3</sup> )	548,404,118 <sup>59</sup>	497,372,543	189,394,537
<b>Waste Management</b>			
Total amount of hazardous <sup>60</sup> waste (Kg/Year)	7,029	9,917	10,067
Total amount of recycled waste (Kg/year)	1,406	3,016	1,165
Environmental education <sup>61</sup> (Hours / Year)	308 <sup>62</sup>	350	673

56 Calculation based on the internal and external energy consumption of our "San Jacinto Tizate", "Canchayllo", "8 de Agosto" and "El Carmen" facilities.

57 Total annual energy consumed (MWh) / Total annual energy generated (MWh).

58 Water metrics reported reflect its use for all our plant operations. This indicator measures the direct or indirect water consumption related to the operations of our "San Jacinto Tizate", "Canchayllo", "El Carmen" and "8 de Agosto" facilities.

59 99% of water is used by our Hydroelectric facilities, "Canchayllo", "El Carmen" and "8 de Agosto" located in Peru. The water is diverted from a flowing river and guided down a channel, which leads to a generating house. The water is released unaffected back into the stream.

60 Hazardous waste refers to: contaminated yarns, contaminated soil, used oil filters, used oil, aerosols, empty chemical containers, grease tubes, empty paint containers, thinners, etc.

61 Training and educational hours imparted to our employees and contractors to explore environmental issues, engage in problem solving, and take action to improve the environment.

62 Environmental education hours continue to be impacted by the global pandemic.

Priority Topic	2021	2020	2019
<b>Social</b>			
<b>Safety</b>			
OSHA Injury Rate <sup>63</sup>	1.60	1.62	2.62
Employee fatalities	0	0	0
Contractor fatalities	0	0	0

<b>Polaris Team<sup>64</sup></b>			
Number of Employees Permanent	115	120	122
Number of Employees Temporary	34	34	40
Total employees ( Permanent & Temporary)	149	154	162
<b>Number of employees by Gender (Permanent)</b>			
Male	81	82	85
Female	34	37	36
% of women (Permanent)	30%	31%	30%

<b>Governance</b>			
Board of Directors			
Percentage Independent directors	80%	80%	80%
Percentage Women on Polaris' Board of Directors	40%	40%	20%
Age			
Percentage of Directors under 50	20%	20%	20%
Percentage of Directors 50-60	60%	60%	40%
Percentage of Directors 60+	20%	20%	40%

63 Occupational Safety and Health Administration (OSHA) TRIR or Injure Rate: (Number of OSHA Recordable injuries and illnesses X 200,000) / Employee total hours worked = Total Case Incident Rate.

64 Calculations includes personnel from "San Jacinto Tizate", "Canchayllo", "8 de Agosto", "El Carmen" and "Toronto Headquarter" facilities.



# Appendix B: Sustainability Accounting Standards Board (SASB)

The Sustainability Accounting Standards Board's (SASB) approach establish industry-specific disclosure standards across environmental, social, and governance (ESG) topics that facilitate communication between companies and investors about financially material, decision-useful information.

The nature of our business directs us to consult the Infrastructure Sectors of Electric Utilities and Power Generators; Gas Utilities and Distributors; and Water Utilities and Services. The Electric Utilities & Power Generators industry is made up of companies that generate electricity; build, own, and operate transmission and distribution (T&D) lines; and

sell electricity. Utilities generate electricity from several different sources, commonly including coal, natural gas, nuclear energy, hydropower, solar, wind, and other renewable and fossil fuel energy sources.

The following tables contain those topics we have identified as key issues.

## Electric Utilities & Power Generators

Table1.Sustainability Disclosure Topics & Accounting Metrics

TOPIC	SASB ACCOUNTINGMETRIC	UNIT OF MEASURE	CODE	Disclosure Description and/or Location		
				2021	2020	2019
Greenhouse Gas Emissions & Energy Resource Planning	Gross global Scope 1 emissions.	Emissions (tCO <sub>2</sub> )/year	IF-EU-110a.1	16,275	16,275	16,275
	Green house gas (GHG) emissions associated with power deliveries.	N/A	IF-EU-110a.2	Not applicable. Polaris does not deliver power to retail customers		
	Discussion of long-term and short-term strategy, emissions reduction targets, and an analysis of performance.	N/A	IF-EU-110a.3	See discussion in the following section: Addressing Climate Change		

				Disclosure Description and/or Location		
TOPIC	SASB ACCOUNTINGMETRIC	UNIT OF MEASURE	CODE	2021	2020	2019
Air Quality	Air emissions of the following pollutants: (1) NOx(excludingN2O), (2) SOx, (3) particulate matter (PM10), (4) lead (Pb), and (5) mercury (Hg).	N/A	IF-EU-120a.1	The concentration of H2S (hydrogen sulfide) is measured in the two receivers near the Plant facilities in our (San Jacinto Tizate) Nicaraguan Location. These parameters are measured as emissions and include in Scope 1 calculations.		
Water Management	Total water withdrawn	Thousand cubic meters (m <sup>3</sup> )/ year	IF-EU-140a.1	548,418,853	497,386,881	189,419,247
	Number of incidents of non-compliance associated with water quantity and/or quality permits, standards, and regulations.	Number	IF-EU-140a.2	No significant incidents or non-compliances were registered during the reporting period		
	Description of water management risks and discussion of strategies and practices to mitigate those risks.	N/A	IF-EU-140a.3	See discussion in the following section: Sustainable Water Management		
Coal Ash Management	Amount of coal combustion residuals (CCR) generated; percentage recycled.	Metric tons(t), Percentage (%)	IF-EU-150a.1	Not applicable. Polaris does not use coal in its operations		
	Total number of coal combustion residual (CCR) impoundments, broken down by hazard potential classification and structural integrity assessment	Number	IF-EU-150a.2			



Table1. Sustainability Disclosure Topics &amp; Accounting Metrics

				Disclosure Description and/or Location		
TOPIC	SASB ACCOUNTINGMETRIC	UNIT OF MEASURE	CODE		2020	2019
Energy Affordability	Typical monthly electric bill for residential customers for (1)500kW hand (2)1,000kWh of electricity delivered per month.	Reporting currency	IF-EU-240a.2	Not applicable. Polaris does not sell energy to retail customers		
	Number of residential customer electric disconnections for non-payment, percentage reconnected within 30 days.	Number, Percentage (%)	IF-EU-240a.3			
	Discussion of impact of external factor son customer affordability of electricity, including the economic conditions of the service territory.	N/A	IF-EU-240a.4			
Workforce Health & Safety	Total recordable incident rate (TRIR)	OSHA Rate	IF-EU-320a.1	1.60	1.62	2.62
	Fatality rate	OSHA Rate	IF-EU-320a.1	0.00	0.00	0.00
End-Use Efficiency & Demand	Percentage of electric utility revenues from rate structures that (1) are decoupled and (2) contain a lost revenue adjustment mechanism (LRAM).	Percentage(%)	IF-EU-420a.1	Not Applicable. Polaris does not sell electricity to retail customers. Polaris does not sell electricity under rate base note. Polaris does not do distribution; it does not use smart grid technology.		
	Percentage of electric load served by smart grid technology.	Percentage(%) by megawatt hours(MWh)	IF-EU-420a.2			
	Customer electricity savings from efficiency measures, by market.	Megawatt hours(MWh)	IF-EU-420a.3			

				Disclosure Description and/or Location		
TOPIC	SASB ACCOUNTINGMETRIC	UNIT OF MEASURE	CODE		2020	2019
Nuclear Safety & Emergency Management	Total number of nuclear power units, broken down by U.S. Nuclear Regulatory Commission (NRC) Action Matrix Column.	Number	IF-EU-540a.1	Not applicable. Polaris does not have any nuclear asset		
	Description of efforts to manage nuclear safety and emergency preparedness.	N/A	IF-EU-540a.2			
Grid Resiliency	Number of incidents of non-compliance with physical and/or cybersecurity standards or regulations.	Number	IF-EU-550a.1	Not applicable.		
	(1) System Average Interruption Duration Index (SAIDI), (2) System Average Interruption Frequency Index (SAIFI), and (3) Customer Average Interruption Duration Index (CAIDI), inclusive of major event days.	Minutes, Number	IF-EU-550a.2			

# Appendix C: Global Reporting Initiative Content Index

The GRI Standards are the first global standards for sustainability reporting. They feature a modular, interrelated structure, and represent the global best practice for reporting on a range of economic, environmental, and social impacts.

While we are working toward meeting the GRI reporting protocols, for several indicators we currently only partially meet the recommended standard. For GRI metrics not listed, we currently do not track the data, consider the data confidential or the data is not material to our business. However, as we continue to assess our ESG data, we may

choose to include additional data in our GRI content index in future reports.

The following tables contain cross-references to content in our 2020 Sustainability Report and other Polaris's disclosures that align with parts of the GRI framework.

## Global Reporting Initiative Metrics – General Disclosures

GRI Standard	Disclosure Title	Disclosure Description and/or Location
<b>General Disclosures</b>		
<b>GRI 102: Organizational Profile</b>		
102-1	Name of the organizations	Polaris Infrastructure Inc.
102-2	Activities, brands, products and services	Polaris Infrastructure Inc & Latin American Footprint
102-3	Location of headquarters	7 St Thomas Street, Suite 606, Toronto, ON, M5S 2B7
102-4	Location of operations	Latin American Footprint
102-5	Ownership and legal form	Publicly held corporation; listed on the Toronto Stock Exchange: PIF
102-6	Markets served	Latin American Footprint



GRI Standard	Disclosure Title	Disclosure Description and/or Location
102-7	Scale of the organization	Financial Statement MD&A Report
102-8	Information on employees and other workers	Polaris Team - Scorecard Appendix
102-10	Significant changes to the organization and its supply chain	Financial Statement and MD&A Report
102-11	Precautionary Principle or approach	Financial Statement and MD&A Report
102-13	Membership of associations	Enhancing Community Relations
EU1	Installed capacity	Financial Statement and MD&A Report
EU2	Net energy output	
EU3	Number of residential, industrial, institutional and commercial customer accounts	
GRI 102: Strategy		
102-14	Statement from senior decision-maker	Letter from Marc Murnaghan
102-15	Key impacts, risks and opportunities	Our ESG Commitment and Commentary from Margot Naudie
GRI 102: Ethics & Integrity		
102-18	Governance structure	Corporate Governance and Board of Directors
102-19	Delegating authority	Letter from Marc Murnaghan and Commentary from Margot Naudie
102-20	Executive-level responsibility for economic, environmental and social topics	Letter from Marc Murnaghan and Commentary from Margot Naudie
102-21	Consulting stakeholders on economic, environmental and social topics	Proxy Statement
102-22	Composition of the highest governance body and its committees	Corporate Governance and Board of Directors

GRI Standard	Disclosure Title	Disclosure Description and/or Location
102-23	Chair of the highest governance body	Corporate Governance and Board of Directors
102-24	Nominating and selecting the highest governance body	Proxy Statement and Corporate Governance
102-25	Conflicts of interest	Corporate Governance
102-26	Role of highest governance body in setting purpose, values and strategy	Corporate Governance, Financial Statement and MD&A Report
102-27	Collective knowledge of highest governance body	Corporate Governance
102-28	Evaluating the highest governance body's performance	Corporate Governance
102-29	Identifying and managing economic, environmental and social impacts	Corporate Governance
102-30	Effectiveness of risk management processes	Financial Statement and MD&A Report, Corporate Governance
102-31	Review of economic, environmental and social topics	Financial Statement, MD&A Report, Proxy Statement, Annual Information Form.
102-32	Highest governance body's role in sustainability reporting	Corporate Governance and Commentary from Margot Naudie
102-33	Communicating critical concerns	Corporate Governance
102-34	Nature and total number of critical concerns	Corporate Governance, Proxy Statement, Annual Information Form

GRI Standard	Disclosure Title	Disclosure Description and/or Location
General Disclosures		
102-35	Remuneration policies	Proxy Statement, Corporate Governance
102-36	Process for determining remuneration	
102-37	Stakeholders’ involvement in remuneration	
102-38	Annual total compensation ratio	
GRI 102: Stakeholder Engagement		
102-40	List of stakeholder groups	Proxy Statement, Annual Information Form
102-41	Collective bargaining agreements	Proxy Statement, Annual Information Form
102-42	Identifying and selecting stakeholders	Proxy Statement, Annual Information Form
102-43	Approach to stakeholder engagement	Proxy Statement, Annual Information Form
102-44	Key topics and concerns raised	Proxy Statement, Annual Information Form
GRI 102: Reporting Practice		
102-45	Entities included in the consolidated financial statements	Financial Statement and MD&A Report
102-46	Defining report content and topic boundaries	Proxy Statement, Annual Information Form
102-47	List of material topics	
102-48	Restatements of information	This report contains no restatements of data for prior years.
102-49	Changes in reporting	Financial Statement and MD&A Report
102-50	Reporting period	Calendar year 2021, except where otherwise noted



GRI Standard	Disclosure Title	Disclosure Description and/or Location
102-51	Date of most recent report	March 2021
102-52	Reporting cycle	Annual
102-53	Contact point for questions regarding the report	Investors Relations: info@polarisinfrastructure.com Tel: +1 416 - 849 2587 www.polarisinfrastructure.com
102-54	Claims of reporting in accordance with the GRI Standards	Global Reporting Initiative Index
102-55	GRI content index	
102-56	External assurance	We did not seek external assurance for the entirety of the report.
<b>GRI 103: Management Approach</b>		
103-1	Explanation of the material topic and its boundary	Corporate Governance
103-2	The management approach and its components	
103-3	Evaluation of the management approach	



**POLARIS**