



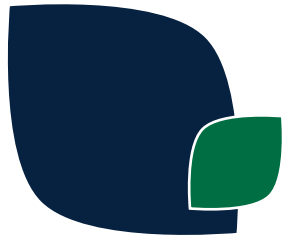
POLARIS
RENEWABLE ENERGY

Sustainability Report

2024

Renewable Energy.
Today, Tomorrow and for
Future Generations.™

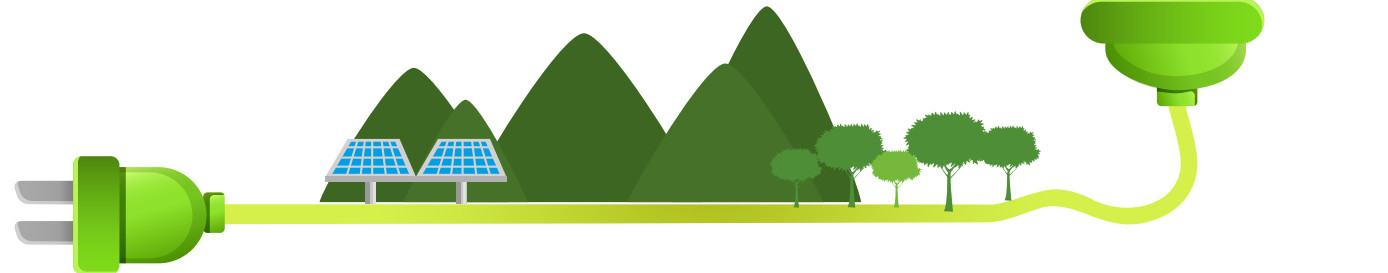




CONTENTS

- Locations and key portfolio information.....	4
- Value Driven Strategy: I-STAR	5
- Message from Marc Murnaghan, Chief Executive Officer	6
- Message from Marcela Paredes de Vásquez, Chair of the ESG & Human Resources Committee.....	7
- 2024 Highlights.....	8
Sustainability at Polaris.....	9
- Global compact membership.....	10
- Stakeholder Engagement Strategy	11
- Integrated Management System.....	13
Our practice	15
- Corporate Governance.....	16
- Ethics	20
- Employee Adherence to the Code.....	21
- Whistleblower Policy	23
- Human Rights	24
Our people	26
- Occupational Health and Safety.....	27
- Talent engagement and empowerment	31
- Diversity & Inclusion.....	35

Our Partners	38
- Sustainable Supply Chain	39
- Stakeholder Engagement	41
- Community Development.....	44
Our Planet.....	55
- Managing environmental risk	56
- Emission Avoidance / Reduction.....	57
- Climate Change Strategy	62
- Biodiversity.....	68
- Waste Management.....	71
- Environmental Education.....	74
About this Report	78
- Appendix A: Sustainability Accounting Standards Board (SASB)	82
- Appendix B: Global Reporting Initiative Metrics	87
- Appendix C: Polaris Environment, Social and Governance (ESG) scorecard.....	91
- Sustainability Priorities: Material Topics - Turning Ideas into Reality	96





Polaris Renewable Energy Inc. (“Polaris” or the “Company”) is a Canadian publicly traded company engaged in the acquisition, development, and operation of renewable energy projects in Latin America and the Caribbean. We are a high-performing and financially sound contributor in the energy transition.

Polaris manages a quality portfolio, with diverse technologies and in various jurisdictions. The Company’s operations are in 5 Latin American and the Caribbean countries and include a geothermal plant (82 MW), 4 run-of river hydroelectric plants (~39 MW), and 3 solar (photovoltaic) projects in operation (~35 MW). The Company is also in agreement to close on a transaction to enter into an Equity Capital Contribution Agreement with respect to an operating wind farm (26 MW) in Puerto Rico, totaling 6 operating jurisdictions.

As the Company continues to grow, we remain committed to our belief that long-term returns are bolstered by a healthy balance among all Company stakeholders’ including equity and debtholders, employees, customers, the Communities within which our business operates in, and the environment.






Our commitment to sustainability is rooted in our business strategy and our corporate values and we are committed to achieving the highest standards through the continuous improvement of our practices.



LOCATIONS AND KEY PORTFOLIO INFORMATION



POLARIS
RENEWABLE ENERGY
Toronto

-  Headquarters
-  Geothermal
-  Hydropower
-  Solar
-  Windpower

San Jacinto (82 MW)
Nicaragua

Vista Hermosa Solar Parts 1-2 (10 MW)
Panamá

San José de Minas (6 MW)
Ecuador

8 de Agosto (20MW)
Perú

Canchayllo (5 MW)
Perú

Punta Lima* (26 MW)
Puerto Rico

Canoa (25 MW)
Dominican Republic

El Carmen (8MW)
Perú

* The Company is in agreement to close on a transaction to enter into an Equity Capital Contribution Agreement with respect to an operating wind farm (26 MW) in Puerto Rico.



VALUE DRIVEN STRATEGY: I-STAR

Our values are the pillars and guiding light of everything we do. They allow us to continue growing in a sustainable way and in accordance with what we see as fundamental.

The Polaris star, a symbol we internally embrace, helps those who follow it determine their direction as it shines, to guide them towards a purposeful destination.



Integrity

- We adhere to the highest standards of ethical conduct and our actions are open and transparent.



Sustainability

- We strive to make a positive impact, through the generation of Renewable Energy, the preservation of the environment and the support of local communities.



Transformation

- We aim to interconnect profit with purpose. We play our part in the Energy transition.



Adaptability

- We adapt to maintain advantage and effectiveness in the ever-changing world.



Respect

- We acknowledge the worth and dignity of every being.



MESSAGE FROM MARC MURNAGHAN, CHIEF EXECUTIVE OFFICER

As we present our 2024 Sustainability Report, we reflect on the dynamic path we've undertaken as a Company, committed not only to renewable energy but also to the communities that are at the heart of our operations. In a world where the direction of the wind changes frequently, we remain steadfast in our purpose: to continue to focus on producing renewable energy and provide it to our customers at a competitive price.

Our commitment to sustainability extends beyond energy generation - it is about empowering our teams, enhancing the well-being of the communities around us, and contributing to a cleaner, healthier world. This is why we continue to focus on creating a positive and lasting impact - from delivering clean and reliable energy to local grids to improving quality of life through local initiatives. Our partnerships with communities are built on trust, collaboration, and mutual benefit, and we take great pride in the progress we've made together.

The challenges of today's energy landscape are ever evolving, but our commitment to renewable energy, continuous improvement, and sustainability remains unwavering. As we look to the future, we will continue to navigate these changes with the same determination and focus, ensuring that the benefits of our work reach far beyond power lines and contribute to the well-being of both people and the planet.

Finally, I want to express my gratitude to the teams across our Company who make it possible to achieve our sustainability goals. Their dedication, passion, and commitment are at the core of our culture, empowering us to drive positive change and create lasting impact. Together, we continue to build the foundation for a brighter and more sustainable future.



MESSAGE FROM MARCELA PAREDES DE VÁSQUEZ, CHAIR OF THE ESG & HUMAN RESOURCES COMMITTEE

As chair of Polaris' HR & ESG Committee, I am proud to highlight our commitment to continuous improvement in all aspects of sustainability. Over the past year, Polaris has made noteworthy progress in expanding the best practices across all operations throughout the region, focusing on operational excellence and driving measurable progress.

Polaris implemented programs that not only enhance operational performance but also enable it to achieve the Committee's sustainability objectives. A fundamental component of our strategy is the ongoing measurement of performance, which empowers us to develop actionable plans that ensure compliance with our sustainability commitments. This data-driven approach not only keeps us on track with our goals but also contributes to the broader success of the organization.

At Polaris, the four pillars of our sustainability strategy -Our Practice, Our People, Our Partners, and Our Planet - are central to how we create value. These pillars guide all efforts to benefit not only our stakeholders but also the environment and communities in which Polaris operates. Sustainability is at the core of our corporate culture, driving us to make meaningful contributions that foster environmental and social responsibility, while supporting the continued growth and success of the organization.

We are proud of the progress we have made, yet we remain focused on the journey ahead, continuously striving for excellence in everything we do.

2024 Highlights



764,756 MWh
Total Net Electricity
Generation



205
Employees



0
Fatalities



3,369
Hours of employee
training*



3,389
Hours of
Occupational Health
& Safety training



1,022
Hours of environmental
education



1,276
Hours of third-party
contractor training



50%
Female representation
among Directors



979 t CO₂
Scope 1 + 2 GHG
emissions



345,923 t CO₂
Per year of avoided
emissions



1,086
Trees planted in internal
areas, all operations



5,014
Trees donated to community
members, personnel or
organizations



1,989 kg
Of recyclable materials
generated and properly
disposed of

* Technical/leadership training, among others (hard/soft skills)





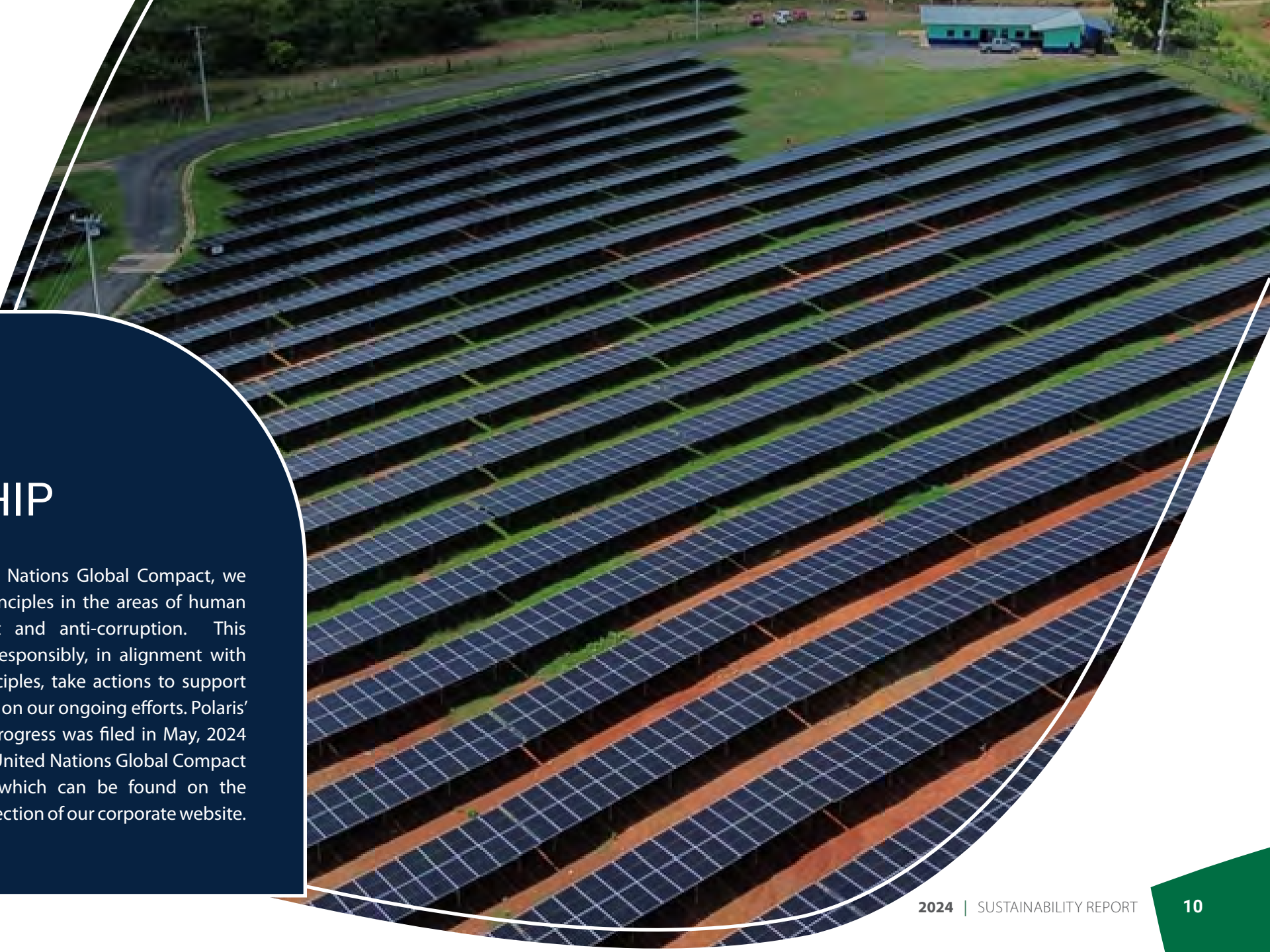
SUSTAINABILITY AT POLARIS

WE SUPPORT



GLOBAL COMPACT MEMBERSHIP

As signatories of the United Nations Global Compact, we are committed to the 10 principles in the areas of human rights, labour, environment and anti-corruption. This commitment is to operate responsibly, in alignment with universal sustainability principles, take actions to support society, and report annually on our ongoing efforts. Polaris' first communication on progress was filed in May, 2024 and is available on the United Nations Global Compact website, a link to which can be found on the Sustainability section of our corporate website.





STAKEHOLDER ENGAGEMENT STRATEGY

Our stakeholder engagement strategy is designed to foster transparent communication and collaborative relationships, ensuring that the voices of our stakeholders are heard and considered in our sustainability initiatives.

Stakeholder Identification and strategies

Over the years of the Company's ongoing operations, stakeholder groups have been formalized, which include:

- **Our People:** Internal stakeholders that include our employees and contractors working on our behalf.
- **Suppliers:** External stakeholders that are goods and service providers at all levels of the company.
- **Energy Sector:** State entities that regulate the national electricity sector, as well as private energy entities that influence the project.
- **Other National/Regional Authorities:** State entities that operate at national and regional levels and oversee the project's compliance.
- **Local Authorities:** Refers to the nearest Municipal Mayor's Office.

- **Community Organizations and Local Leaders:** Includes community-level leaders and, in some cases, potable water and sanitation committees.
- **Civil Society Organizations (NGOs):** NGOs that support the human and social development of the local population, if present in the surrounding areas.
- **Beneficiaries/Affected Parties:** Refers to those who may directly perceive the positive or negative impacts of the project.
- **Investors and Lenders:** Interested in the Company's financial performance and Risk Management.

As part of our day-to-day management, we have external stakeholder engagement plans for all our operations. The purpose of these documents is to provide Polaris with a guide on how to consider, communicate and care for its stakeholders within its operations.

Each project has gauging tools that include surveys and/or interviews with a range of people within the areas of influence as part of their methodologies. Additionally, public consultations were held prior to the approval of these tools.

Additionally, each plan details an analysis of the stakeholders, outlining the types of communication mechanisms, frequency, and relationship strategies for each one. Refer to the 'Our Partners' section for additional information.

For our internal stakeholders, the engagement is part of our Human Resources strategy which is outlined in the 'Our People' section.





On living our values: “By working together, we can develop innovative solutions promoting continuous improvement, aligned with our strategic goals with a transformative approach that integrates all aspects of sustainability by interconnecting the company’s profits with renewable energy generation, contributing to the well-being of the company, the community and the environment as a whole.”

Tamara Talavera, Regional Environmental Engineer and Transformation Ambassador Award Winner 2024

INTEGRATED MANAGEMENT SYSTEM

Polaris is committed to integrating robust environmental, safety and social practices into every aspect of our operations. To ensure that we improve operational efficiency while mitigating risks, in 2023¹, we began the implementation of a comprehensive Integrated (Environmental, Social and Health & Safety) Management System (IMS)². Our IMS is designed to align with the highest standards and framework, including ISO 14001 (Environmental Management Systems), ISO 45001 (Occupational Health and Safety) and Performance Standard 1 on Environmental and Social Sustainability of the International Finance Corporation (IFC).

The implementation continued into 2024, aiming to maintain and continuously improve the Company’s management of environmental aspects, workplace safety, and health, while also providing a standardized working method for our operations in the region. This implementation has highlighted both challenges and strengths, which we have successfully addressed and overcome as a team. The IMS working group was composed of a multidisciplinary team brought together to advance the various aspects of this IMS. The Key Features are as follows:

- 1. ISO 14001 & ISO 45001:** Our IMS is built on the foundation and guidance of ISO 14001 and ISO 45001 standards³, which guide us in managing and reducing our environmental impact while safeguarding the health and safety of our employees. We have developed and implemented the necessary policies, procedures, and controls to:
 - **ISO 14001:** Identify, assess, and manage environmental risks, ensuring compliance with environmental regulations and commitment to continual improvement.

¹ For more information, please refer to the 2023 Sustainability Report.

² The process has involved revisiting and updating the IMS for the operations in Nicaragua, as well as developing the system from scratch for the rest of the region.

³ Non-certified IMS.

- **ISO 45001:** Promote a safe and healthy workplace, mitigate occupational health and safety risks, and establish clear protocols for emergency preparedness and incident management.

2. Focus on Risk Management and Prevention: A core aspect of our IMS is risk management, which is a critical element for both environmental sustainability and Health & Safety aspects. Our risk management framework:

- **Identifies** potential environmental, social and safety risks related to our operations.
- **Assesses** the likelihood and severity of those risks, ensuring we understand their potential impact on our business and stakeholders.
- **Prioritizes** the implementation of preventive measures to minimize risks, ranging from pollution prevention, reducing the risk and incidence of workplace accidents, ensure safe working conditions, effective waste management and promoting employee health and safety.
- **Monitors** the effectiveness of these measures to ensure compliance and continuous improvement.

By focusing on preventive actions, we aim to proactively reduce the likelihood of incidents that could harm the environment or pose a risk to our workforce and surrounding communities.

3. Employee Engagement & Training: The success of our IMS depends on the active involvement of our employees and stakeholders. We provide regular training and workshops on environmental risk management, safety protocols, and social responsibility practices to ensure that everyone understands their role in achieving our sustainability goals. Furthermore, we encourage active feedback and participation, allowing employees to propose improvements and innovations that enhance our overall risk management efforts.

4. Internal Audits: To verify the effectiveness of our system and ensure compliance with ISO 14001 and ISO 45001, a team of internal auditors, composed of staff members from various departments within the company, has been trained. Internal audits were carried out on the operations in Nicaragua, Panama, and Ecuador. The operations in the Dominican Republic and Peru will be audited in Q1 of 2025 for the 2024 implementation process.

5. Continuous Improvement: We are committed to a culture of continuous improvement in our environmental, safety, health and social practices. The continuous cycle of planning, execution, monitoring, and improvement allows us to stay ahead of risks, ensure well-being of our workplace, and identify new opportunities for environmental protection and social responsibility. By consistently reviewing and enhancing our safety protocols, we aim to reduce workplace hazards, protect the health of our employees, and create a safer working environment for all. The revisions are done annually or when there is a substantial change within the operations.

Audits of these systems not only ensure compliance with environmental and safety regulations but also uncover opportunities for improvement. They are crucial for identifying risks, optimizing processes, and promoting a culture of environmental and safety responsibility among employees. In line with the rollout plan, audits at our subsidiaries were successfully conducted, adhering to the established audit schedule and achieving the set objectives.

For more information about our Health & Safety practices, please refer to the 'Our People' section. Additionally, for more information about our Environmental practices, please refer to the 'Our Planet' section.



OUR PRACTICE

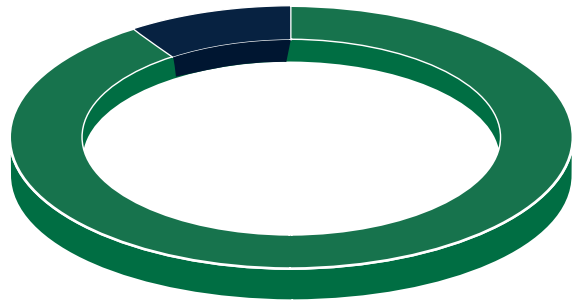
In line with our value of integrity in all that we do, Polaris Renewable Energy is committed to high standards of corporate governance, ethics, transparency practices and human rights. Our practices support our commitment to continuous improvement, as we prioritize, periodically monitor and review such topics and principles. This ensures we effectively manage our business and protect our employees and stakeholders in the communities in which we operate.

CORPORATE GOVERNANCE

The Board and its committees

Polaris' active and diverse board of directors is comprised of 6 experienced senior executives with a wealth of leadership expertise in business operations, law, organizational administration, sustainability, as well as relevant industry technical knowledge in the jurisdictions in which the Company operates.

Board Independence



Gender Diversity



Board visit to San Jacinto in 2024. Left to Right: Jaime Guillen (chair of the board and Audit Committee), Marcela Paredes (HR& ESG Committee chair), Marc Murnaghan (CEO and director), Catherine Fagnan (director), Jim Lawless (director) and Adarsh Mehta (director).

Management meets at least on a quarterly basis to report and discuss on the above matters. For HR & ESG matters, an internal taskforce composed of technical experts reports to the board at least quarterly on specific topics aligned to the board’s workplan for the year.

Committee	Chair	Members	Independence	Oversight Responsibility
Audit	Jaime G.	<ul style="list-style-type: none"> • Catherine F. • Adarsh M. • Marcela P. 	100%	<ul style="list-style-type: none"> • Risk management. • Accounting and financial reporting governance. • Internal controls. • Audit process and compliance.
HR & ESG	Marcela P.	<ul style="list-style-type: none"> • Catherine F. • Jim L. 	100%	<ul style="list-style-type: none"> • Board membership & governance. • Compensation and HR strategy. • Health & Safety. • Environmental matters. • Information and cybersecurity.

Compensation Governance

The HR & ESG Committee is responsible for establishing policies and procedures designed to identify and mitigate risks associated with the Company’s compensation policies and practices. The Company mitigates executive compensation risk through such corporate governance oversight and policies, as well as the design of executive compensation. To this end, the HR & ESG Committee:

- Annually reviews the Corporation’s compensation program to ensure that it does not encourage excessive or inappropriate risk-taking.
- Established a peer group against which to benchmark executive compensation decisions.
- Adopted a policy that prohibits executive officers from purchasing financial instruments designed to hedge or offset a decrease in the market value of shares.

- Engages external consultants to assist with the evaluation of director and executive compensation.

Based on the mandate of the HR & ESG Committee, the remuneration to management includes both quantitative and qualitative KPIs and measures including financial, operational and Sustainability goals. Sustainability metrics are embedded in the Executive Scorecard as one of the primary ways the Company focuses on



sustainability by creating an explicit link to compensation. Annually, the Company has Health, Safety and Sustainability objectives that drive improvement in key areas evaluated by both quantitative and qualitative targets. Such objectives account for a portion of the variable “at risk” performance-based compensation paid to executives including among other things, incident/accident rates; government and community relations (development and implementation of strategy); employee relations, employee retention, training, and corporate sustainability management.

Percentage of stock and DSUs directors and executives own is: 3.23% at December 31, 2024

For an additional overview of corporate governance practices, including the board’s Equity Ownership and meeting attendance, Anti-hedging, Compensation and other policies please refer to the most current Management Information Circular available on our website and SEDAR+ at www.sedarplus.ca.



Information security & cybersecurity

The Company is dependent on various information technologies to conduct its business, monitor the production of its generation facilities, the remote monitoring and controlling of its assets, communicating with regulatory agencies, energy markets and customers, financial management and human resource systems, amongst others. The Company mitigates Information Security & Cybersecurity risks by including third-party information security risk by selecting established and proven technology with reliable partners, working with external consultants to perform external assessments and implementing recommendations from assessments such as maturity analysis and penetration testing.

The Company has begun to align its practices to the National Institute of Standards and Technology's Cybersecurity Framework. We continue to introduce policies and carry out training campaigns to ensure Information

Security and Cybersecurity form part of our day-to-day work. In addition to frequent simulated phishing campaigns, the Company's information security program includes a variety of relevant topics such as remote access security, ransomware/malware, etc. Polaris also creates awareness through campaigns communication via the internal bulletin, announcement boards, etc.

In the past three years, the Company has not experienced an information security breach and recognizes the need to continuously monitor and improve, reflecting the everchanging environment. The HR & ESG Committee in its oversight over the Corporation's Information Security & Cybersecurity practices, receives quarterly updates on information security matters.



Setting the tone from the top:

Annually, the Board and Senior Officers sign a Code of Ethics Commitment

ETHICS

Polaris ethical culture, within which we wish to carry out our day-to-day operations, stems directly from our I-STAR values, specifically Integrity. Polaris' ethical culture is upheld through our policies and procedures, training and awareness campaigns while supporting open channels of communication and reporting. They ensure compliance with laws and regulations, give guidance for decision-making, and streamline internal processes.

On Living our values: "I faithfully believe that a professional is not made by a title, the professional is formed day by day with the experience acquired in the field without leaving aside the ethical principles, which differentiates us from the crowd."

*Darwin Silva, O&M Supervisor and Integrity Ambassador Award Winner
2024*

Our Code of Business Conduct and Ethics

Polaris' Code of Business Conduct and Ethics (the "Code"; available online at polarisrei.com) emphasizes our commitment to conducting ourselves in accordance with our core values, vision, purpose, and the highest ethical standards in every aspect of our business and affairs. We recognize that our staff create the identity that drives us forward, this is why we are committed to providing a fair, respectful, and supportive workplace that promotes high level ethical standards. Polaris believes that it is a

shared responsibility of every individual, regardless of position title or work location, to actively participate in building Polaris' winning mindset and innovative business practices. We accomplish this by creating a workplace built on our core values and ethical standards. Polaris will not tolerate any wrongdoing, unethical behavior, or impropriety and will immediately take the appropriate disciplinary action to correct or remediate any such transgressions.

The Code, as approved, reviewed and monitored by the Board, is applicable to all directors, officers, employees and contractors of Polaris.



Employee Adherence to the Code

Employees are required annually to sign off on their acceptance and compliance with the Code. Additionally, as part of its annual re-training program, the Company conducts online training relating to its Code of Business Conduct and Ethics including specific modules on Navigating the Work Environment, Handling Company Resources and Managing Company Relationships.

In addition to the Code, the Company's Corporate Manual (available online at polarisrei.com) also addresses other aspects of ethical business practices including Insider Trading, Diversity among others.

Employees trained on the code
annually: 100%

Employee sign off on the code
annually: 100%



ANTI-CORRUPTION AND TRANSPARENCY

Polaris is committed to being in full compliance with all applicable anti-bribery and anticorruption statutes in the those jurisdictions in which it operates, including but not limited to Canada. Polaris has no tolerance for any instances of bribery or corruption in any of its interactions with public officials and any such activities are strictly prohibited in any form. This prohibition also covers direct acts of bribery such as offering, approving, accepting, or otherwise authorizing a bribe or indirectly doing so through a third party. Gaining any unfairly obtained business advantage is also strictly prohibited.

To this end, Polaris has a global Anti-Bribery and Corruption Policy (the “ABC Policy”)⁴. This ABC Policy applies to all of Polaris, its subsidiaries, employees, Board and any third party that performs services on behalf of Polaris or acts on behalf of Polaris. Annually, both the Board and Senior Officers sign off their acceptance and acknowledgement of this policy.

In addition to the requirements set out in the ABC Policy, Polaris further requires that enhanced Integrity Due Diligence procedures be conducted on select higher risk Third Parties in accordance with Polaris’ Working with Third Parties and Integrity Due Diligence Protocol. Similarly, these enhanced Integrity Due Diligence procedures may also be required for prospective or current employees if they are former public officials.

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⁴ Available online at www.polarisrei.com



WHISTLEBLOWER POLICY

Polaris maintains a whistleblower helpline “Polaris Ethics Helpline”, a channel of communication to report concerns arising from items outlined in the Code of Conduct and any of the corporate policies on a confidential or anonymous basis.

The Polaris Ethics Helpline can be accessed by calling any of the toll-free external phone numbers listed online at Polaris.ethicsglobal.com and filing online.



HUMAN RIGHTS

Our approach to human rights is aligned with the United Nation’s Guiding Principles on Human Rights, Business enterprises should respect human rights. This means that they should avoid infringing on the human rights of others and should address adverse human rights impacts with which they are involved. The responsibility of business enterprises to respect human rights refers to internationally recognized human rights - understood, at a minimum, as those expressed in the International Bill of Human Rights and the principles concerning fundamental rights set out in the International Labour Organization’s Declaration on Fundamental Principles and Rights at Work.

To this end, our Human Rights Statement of Commitment⁵, as approved by the Board, includes our practices with regards to:

- Employee rights and fair labour practices
- Freedom of association and collective bargaining
- Harassment free workplace
- Safe and healthy workplace
- Modern slavery and child labour
- Diversity and inclusion
- Community and stakeholder engagement
- Remedy

In 2024, employees were provided an online course covering Human Rights including a deeper dive training on modern slavery and child labour. We confirm that we have not received any complaints related to human rights contraventions, both internally or externally.

⁵ Available online at www.polarisrei.com

Indigenous People

Latin America and the Caribbean, the location of all our operations, hosts a rich variety of people of indigenous descent or mixed indigenous descent and they constitute the majority or a significant part of the population. Although we currently do not have any operations with indigenous representation, it is the Company's view that our commitment to the human rights of indigenous people is implicit in the human rights of all the communities in which we operate. Should any of our new projects have operations in which there is indigenous presence, the Company will implement appropriate measures.





OUR PEOPLE

We believe that Our People are our greatest source of power. That is why we are committed to creating a supportive, inclusive, and empowering work environment. We strive to engage, inspire, and empower our employees to contribute their best to the Company's sustainability goals, while also fostering personal growth and well-being.

At Polaris, empowering talent is not just about fostering growth within our organization, but also about contributing to the sustainable development of the communities we serve. By engaging our employees, providing them with development opportunities, and ensuring a diverse, equitable, and safe work environment, we are building a resilient workforce that is ready to face the challenges of tomorrow, while driving our long-term sustainability goals.

OCCUPATIONAL HEALTH AND SAFETY

Strengthening Our Work Safety Culture

As part of our corporate sustainability strategy, occupational safety remains our top priority. We are committed to ensuring that every worker returns home in the same condition—or better—than when they arrived. Our experience has shown that a preventive approach is the most effective way to achieve this. To fully integrate this approach across the company, we are fostering a culture where safety is paramount. With our experience, we have validated that a preventive approach works best to achieve this goal. However, in order to implement and integrate this approach across the entire company, it is important that we foster a culture where occupational safety is the number one priority.

In 2023, we relaunched the near-miss program at our Nicaragua subsidiary, expanding it to the rest of our operations in 2024. This program not only promotes reporting of near misses but also unsafe conditions and acts for thorough investigation and correction. We've held several launch sessions to engage employees

in strengthening the program and maintaining open communication about reported issues.

Our awareness campaigns, including videos and contests, reinforce the importance of safety. Employee participation in training programs and events like Occupational Safety and Health Day highlights our shared commitment to well-being. While progress continues, we are dedicated to continuously improving our safety practices. In 2024, our OSHA incident rate was 2.28, down from 2.34 in 2023.



2.28
OSHA INCIDENT
RATE



"Since the implementation of the near-miss programs and unsafe condition reports, I've noticed a significant change in how we handle safety. Before, actions were only taken after an accident occurred, but now we are more focused on prevention and not waiting for something to go wrong. Nowadays, safety feels like a team effort. We are more aware of what's happening around us and know that we can report without fear of being criticized. This has resulted in fewer incidents and has made the workplace safer for everyone".

Alberto González, Vista Hermosa I&II employee, Panama.

Risk Control Measures

In addition to our preventive approach, we actively implement measures to minimize risks, including:

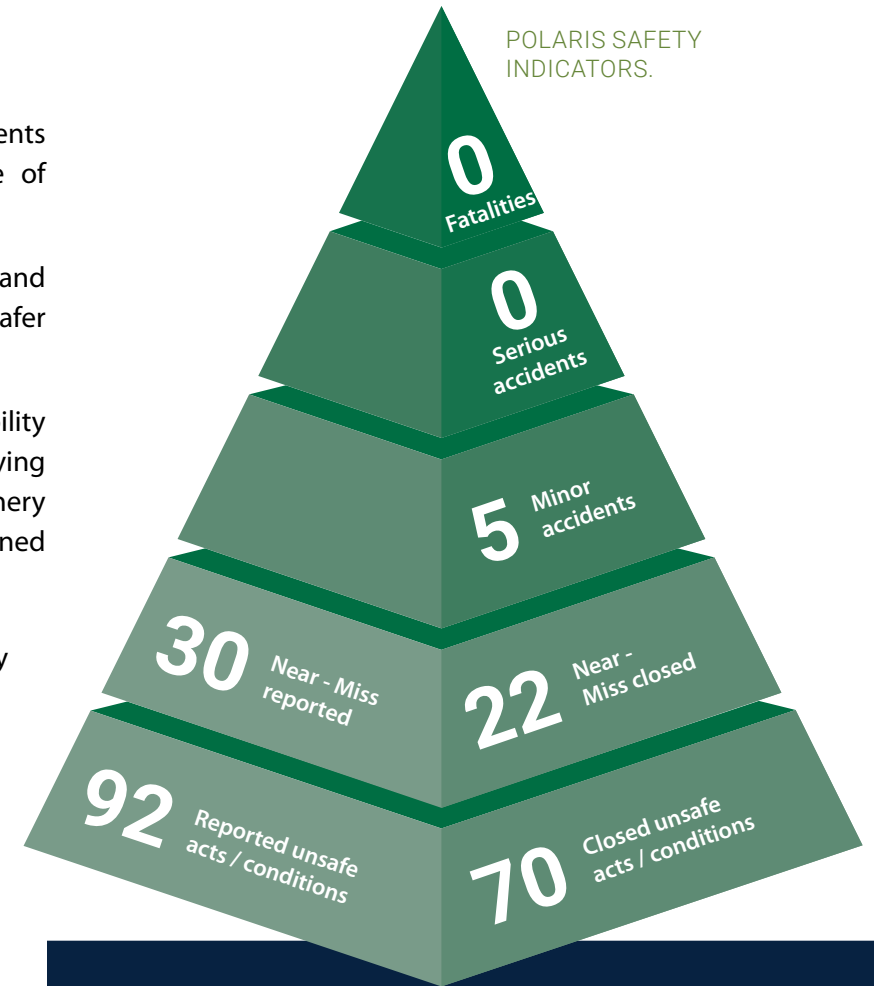
- Providing personal protective equipment (PPE) tailored to each worker's activity and risk level.
- Conducting safety education talks to reinforce technical knowledge and raise awareness.
- Using the HIRA⁶ methodology to develop risk and hazard identification matrices for every activity, ensuring consistent safety procedures. In 2024, we made significant progress on the HIRA matrices for projects in Panama, Ecuador, and the Dominican Republic, with projects in Peru and Nicaragua continuing to be evaluated and improved upon in 2025.
- Supervisors play a key role in preparing documentation such as permits, Safe Work Analyses (SWAs), and checklists to ensure safety before any activity begins.

- Employees are encouraged to report incidents and unsafe conditions, fostering a culture of responsibility and timely corrective actions.
- Regular inspections of key areas help identify and address potential risks, contributing to a safer work environment.

Our Integrated Management System and Sustainability Statement guide our safety culture, proactively identifying and mitigating risks related to electricity, machinery operation, working at heights, lifting operations, confined spaces, and occupational health.

Through these efforts, we aim to ensure the safety and well-being of all employees while continuously striving for excellence in safety management.

POLARIS SAFETY INDICATORS.



* **Note:** The near-miss and unsafe acts/conditions reports that are still pending are being evaluated and are part of a plan for their closure. Additionally, they do not represent critical aspects in ensuring the safety of personnel.

⁶ HIRA stands for Hazard Identification, Risk Assessment, and Control. It's a widely used methodology in occupational health and safety to systematically identify hazards, assess the risks associated with them, and define the appropriate control measures to mitigate those risks. The HIRA matrix is a tool that visually represents this process, making it easier to understand and communicate the results.

Training in Occupational Health and Safety

As highlighted in previous annual sustainability reports, we view education in occupational health and safety as essential. It not only raises awareness on these critical topics but also enhances the technical knowledge of both our employees and contractors.

Nicaragua	Panamá	Ecuador	Perú	Dominican Republic	
1,834	301	58	557	196	2,946
94	40	128	142	39	443

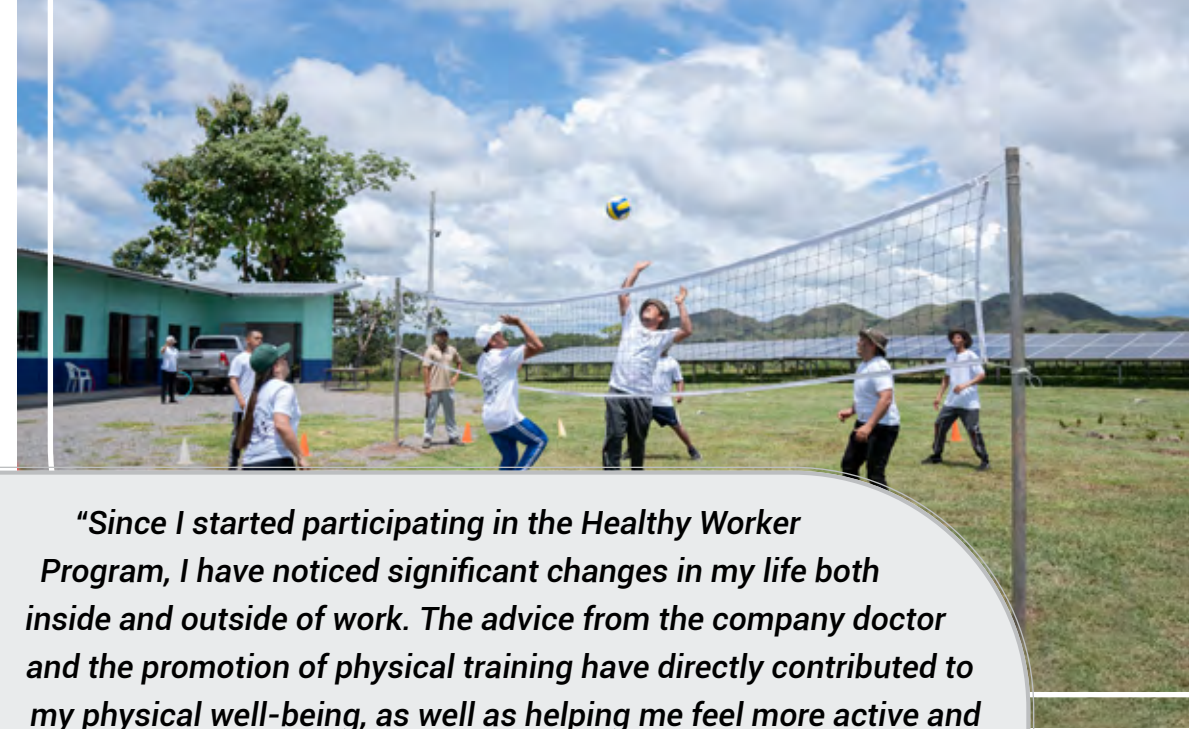


Healthy Worker Program in the Region

Since its launch at our Nicaragua subsidiary, the Healthy Worker Program has been instrumental in encouraging employees to prioritize their physical health⁷. Following its success, we recognized during our 2022 materiality analysis that expanding the program across all operations would greatly benefit both our team and Polaris as a whole.

This year, we enhanced health-related training and extended the program's activities company-wide, incorporating sports, active breaks, and a stronger emphasis on promoting healthier lifestyles. A key highlight has been the Sports Day events held at each subsidiary, which foster team cohesion while promoting physical well-being in a fun, engaging way.

⁷ For more information about this program, please refer to previous Sustainability Reports.



“Since I started participating in the Healthy Worker Program, I have noticed significant changes in my life both inside and outside of work. The advice from the company doctor and the promotion of physical training have directly contributed to my physical well-being, as well as helping me feel more active and energetic both at work and at home. Thanks to this program, I have been able to significantly improve my body weight and considerably lower my blood pressure. Additionally, the continuing medical education sessions have provided me with tools to discern and improve my eating habits. This program has not only improved my physical well-being, but it has also increased my productivity and my overall quality of life. I am truly grateful to be part of a company that prioritizes the health of its employees.”

**German Cuevas, Electrical & Instrumentation Supervisor.
Nicaragua**



Well-being and mental health

Mental health training is a cornerstone of our strategy to ensure employees have the resources to thrive. For this year's World Mental Health Day, with the theme "Mental Health in the Workplace," we hosted a session titled "Mental Health is for Everyone." Employees from various locations participated, where we discussed the importance of mental health, its impact on both individuals and teams, and worked to challenge common misconceptions about mental health.



Worker Representation in Health & Safety matters

The Joint Hygiene and Safety Committee, along with Safety Supervisors, plays a critical role in managing workplace safety and health. We have implemented these roles across all operations. At our Geothermal Power Plant in Nicaragua, a Joint Hygiene and Safety Committee, composed of both worker and management representatives, oversees working conditions, safety improvements, training, accident investigations, and regular inspections.

In other operations, Safety Supervisors ensure compliance with safety regulations, fulfilling similar responsibilities to the Joint Committee. Both bodies serve as vital channels for representing worker interests, ensuring transparency, and fostering open communication regarding health and safety concerns.



TALENT ENGAGEMENT AND EMPOWERMENT

Attracting, retaining and developing talent

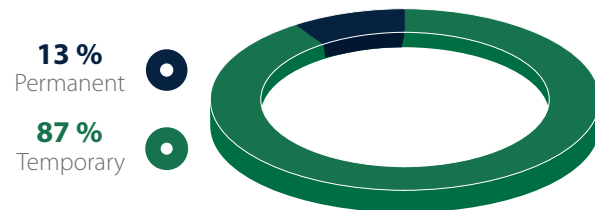
At Polaris, we recognize that our employees are the cornerstone of our success and sustainability. We cultivate a culture of trust, collaboration, and respect, where each individual feels valued, heard, and motivated to contribute their best. Our professional development programs and open communication channels ensure that every employee has the tools and support to grow and help achieve our shared goals, fostering innovation and organizational resilience.

Diverse Talent and Employment Opportunities

We are committed to creating inclusive employment opportunities that support both professional and personal growth for individuals from diverse backgrounds. In the past year, we created over 125 new temporary roles and 18 permanent positions, with our Dominican Republic operations accounting for 83% of hires—98% of whom were from local communities.



Employees Hired - Annual



Young Talent Internship Program

Our Youth Talent Internship Program in Nicaragua provides university and technical students with practical experience in a dynamic environment. In 2024, more than 35 students participated, with 11% transitioning to full-time roles. We remain dedicated to promoting industry’s best practices, inclusion, and growth, offering diverse young talent the opportunity to thrive at Polaris. Through our Onboarding Program, we invested 649.5 training hours for new employees and interns.

Internship - Nicaragua

Gender	2024	2023
M	57 %	74 %
F	43 %	26 %
	100 %	100 %

Talent retention and recognition

We deeply value our employees’ contributions, which are vital to our ongoing success. In the past year, we implemented strategies to strengthen retention, including training, recognition programs, health and wellness initiatives, and volunteering opportunities. These efforts helped achieve a 90% retention rate, ensuring the continuity of our key talent. By 2025, we plan to continue investing in professional development to strengthen our employees’ connection to our mission and values.

Key recognition initiatives include:

- I-STAR Ambassador Award: Recognizes employees who exemplify our core values, with five outstanding individuals selected by the Polaris Board of Directors.
- Polaris Day: Celebrated the company’s 9th

anniversary⁸ under the theme “Polaris DNA is our shared essence.” The event promoted teamwork and engaged employees through sports, integration games, and trivia, with over 98% participation across six jurisdictions.

- Special Celebrations: We celebrated significant moments like Mother’s Day, Father’s Day, and birthdays, expressing appreciation through personalized gifts and events.
- Seniority Recognition Program: Acknowledges employees’ loyalty at key milestones (5-year increments), fostering a sense of pride and belonging.
- Volunteer Program: Employees contributed over 308 hours to reforestation, educational mentoring, and community support, reflecting our commitment to sustainable development and fostering a sense of purpose among staff.

Activities (Nicaragua)	Women	Males	Total	Total
Science Fair	11	11	22	132 (3h)
Reforestation	18	48	66	132 (2h)
Remodeling of the El Ojochal school	1	1	2	16 (8h)
Vocational meeting	5	9	14	28 (2h)
			Total volunteer hours	308

⁸ Since the Company changed its corporate name to Polaris as part of a recapitalization transaction.

On Living our values:
“Adaptability has been key to achieving significant results in my administrative accounting role. My ability to face changes, learn new tools and adjust processes has contributed to the operational efficiency of the company. The certainty of this contribution comes not only from my conviction of having delivered my best in a committed way, but also from the feedback received from Polaris leaders.”

Estefanie Sandoval, Accounting Administrative Assistant and Adaptability Ambassador Award Winner 2024

Performance evaluation

In 2024, we successfully implemented performance evaluations across all levels, with 90% of employees evaluated. This process aligns with our strategic objectives, providing valuable feedback on individual contributions and helping identify areas for improvement.

Talent training and development

We are committed to continuous learning, empowering employees to face future challenges. In 2024, we invested 7,781 work hours in training, with 21% of employees participating in specialized development initiatives.

Key training highlights include:

- **Leadership Development:** Our Leadership Program focuses on building leadership skills and preparing a strong succession pipeline. In 2024, 30 operational leaders participated in a 720-hour training session, strengthening competencies in leadership, adaptability, and problem-solving.
- **Sustainability Training:** Focuses on aligning employees' daily activities with our corporate responsibility commitments.



- **Technical Skills Development:** Specialized training in renewable energy, environmental compliance, and digital transformation, ensuring our teams are prepared for future challenges.
- **Technology Training:** In response to cybersecurity priorities, we invested in advanced threat detection systems and provided digital skills training, totaling approximately 33 hours in 2024.

- **Women's Leadership Program:** Aimed at empowering women in the workplace, 22 female employees participated in leadership workshops, contributing approximately 4.5 hours of training per participant.

Through these initiatives, we continue to foster a workplace that values development, diversity, and collaboration, ensuring that our team is equipped for success.



DIVERSITY & INCLUSION

At Polaris, we are committed to diversity and equal opportunities, fostering a workforce made up of professionals from diverse backgrounds, academic disciplines, cultures, ages, and genders. This diversity enriches our perspectives and drives both innovation and business success.

On Living our values: "Respect is more than simple courtesy; it is the foundation of a healthy and successful work environment. By practicing humility and respect, we not only improve our working relationships, but also contribute to a fairer and more equitable organizational culture. In short, respect is the key to success in building a strong and united work team."

Lester Hernandez, Nicaragua O&M Supervisor and Respect Ambassador Award Winner 2024

Diversity and inclusion are core pillars of our organizational culture. We believe that a team diverse in gender, race, culture, and skills enhances creativity and strengthens our ability to achieve business goals. Over the past year, we have implemented initiatives such as awareness programs and inclusive recruitment strategies, which have helped increase our female representation by 2% compared to 2023.

Currently, women make up 27% of our workforce, and 42% of our team represents the communities in which we operate, underscoring our commitment to equity and inclusion. Notably, 33% of our leadership positions are held by women. In 2024, we saw a 16% increase in female student participation in our internship program in Nicaragua.

We are dedicated to maintaining a diverse and inclusive workforce where all employees -regardless of background or identity- are empowered to thrive.

Distribution of our resources

Currently, our work team is made up as follows:

Classification by gender and location

Location	Men participation	Women participation	%
Canada	56 %	44 %	100 %
Nicaragua	66 %	34 %	100 %
Panama	70 %	30 %	100 %
Ecuador	88 %	12 %	100 %
Peru	90 %	10 %	100 %
Dominican Republic	79 %	21 %	100 %
	73 %	27 %	100 %

Distribution of our people by type of employment relationship and location

Location	Contract Status		Total
	Permanent	Temporary	
Canada	9		9
Panama	17	1	18
Nicaragua	105	5	110
Ecuador	10		10
Peru	41		41
Dominican Republic	14	3	17
Total general	196	9	205

Age distribution and organizational hierarchy

Current Age	Permanent employees					Total
	Executive	Managerial	Supervisor	Professional	Operative	
Less than 25				4	4	8
26 - 34		1	13	6	39	59
35 - 44	2	1	10	15	34	62
45 - 54	3	2	13	4	23	45
Above 55	4		2	3	13	22
	9	4	38	32	113	196

Distribution by generational group and organizational hierarchy

Generation	Permanent employees					
	Executive	Managerial	Supervisor	Professional	Operative	Total
Centennials	0	0	1	5	15	21
Millennials	2	2	22	20	62	108
Generation X	5	2	14	7	36	64
Baby Boomers	2	0	1	0	0	3
Total general	9	4	38	32	113	196

Workforce breakdown: Gender.

Share of women in all management positions, including junior, middle and top management (as % of total management positions)

	2024	2023
Women in all management position	27%	25%

Share of women in junior management positions, i.e. first level of management (as % of total junior management positions)

	2024	2023
Women in junior management positions	34%	34%

Share of women in top management positions, i.e. maximum two levels away from the CEO or comparable positions (as % of total top management positions)

	2024	2023
Women in top management positions	31%	27%

Share of women in STEM-related positions (as % of total STEM positions)

	2024	2023
Women in STEM-related positions	17%	18%



OUR PARTNERS

We are committed to our partners and believe that the values we uphold should be shared by those we collaborate with. Our focus is on building a sustainable supply chain, fostering positive stakeholder engagement, and promoting community development. Through these efforts, we are confident that our business operations, in partnership with our employees, are having a meaningful and positive impact.



SUSTAINABLE SUPPLY CHAIN

Bill S-211

In compliance with Canada's Bill S-211, the Company has statements and policies in place that emphasize our commitment to human rights and abiding by local and international legislation, but also recognizing there is always room for continuous improvement. Our policies, Third-Party Manual, Human Rights Statement of Commitment, and everyday practices serve as a strong foundation as we look to implementing more anti-forced labour and anti-child labour measures in the years to come. Polaris recognizes and is strongly committed to removing the risk of forced labour and child labour in our operations and supply chains. To this end, the Company has included human rights and modern slavery training. Readers are encouraged to refer to the Ethics component of Our Practice section for additional policies also applicable to our procurement practices.

Contractor Sustainability Program

It is essential that Polaris contractors apply sustainability principles to the projects they implement within the company's facilities, as this not only helps minimize risks for both the company and the contractors but also contributes to protecting the environment and the safety of all involved. Our strategy focuses on a preventive approach to reduce any potential environmental impact and/or harm to the health and safety of workers and surrounding communities.

Before starting their services, it is essential that any contractor, subcontractor, or team member involved in the project ensures compliance with safety standards. This requires strict adherence to established policies and the implementation of specific procedures designed to safeguard workplace safety. This commitment to safety is crucial for the success of the project and the protection of all parties involved.

Below are some of the sustainability commitments that contractors must fulfill to access our facilities:

- Undergo safety and environmental inductions,
- Provide personal protective equipment to all personnel according to the risks identified for the activities to be carried out,

9 Please refer to the 2023 Sustainability Report for more information.

- Ensure social security registration,
- Demonstrate the capabilities of personnel operating heavy equipment,
- Conduct occupational medical exams (for contracts over 1 month),
- Guarantee the operational condition of the equipment to be used,
- Have spill kits available, and
- Prohibit the hiring of minors,
- Among others.

In 2024, we made significant progress with the training of our contractors, totaling 1,276 hours of sustainability-focused education. We also continued our commitment to our sustainability policy by ensuring the signing of the Code of Conduct for contractors and suppliers, launched in 2023⁹, which remains a key pillar in our operations. While a minor contractor accident was reported across all operations in 2024, it has provided us with valuable insights, allowing us to further strengthen our safety measures and continue fostering a culture of continuous improvement.





STAKEHOLDER ENGAGEMENT

Our stakeholder engagement strategy is designed to foster transparent communication and collaborative relationships, ensuring that the voices of our stakeholders are heard and considered in our sustainability initiatives.

Our stakeholder engagement plans for external stakeholders detail an analysis of the stakeholders, outlining the types of communication mechanisms, frequency, and relationship strategies for each one:

- Keep informed
- Take into account / strategic allies
- Work closely/clear commitments

Some of the communication tools include emails, phone calls, printed correspondence, written agreements, WhatsApp messaging, discussions, workshops, meetings, outreach/campaigns, and grievance mechanisms, among others.

Having a good stakeholder engagement plan is crucial to our sustainability strategy, as it helps us identify the interests and concerns of stakeholders, allowing us to address potential conflicts before they arise and find collaborative solutions. It helps us build relationships based on trust and credibility, enables us to make informed decisions, mitigates potential risks, and improves our practices overall.

Grievance Mechanism

Polaris has established external grievance mechanisms at the local level in all its jurisdictions. The purpose of this mechanism is to outline how complaints, claims, inquiries, and/or suggestions received externally about the Company should be received, managed, addressed, and responded to. This procedure applies to external complaints or claims made by individuals, communities, and/or organizations that feel affected by the project's activities.



Received Grievances ¹⁰	Closed Grievances
11	8

These mechanisms have facilitated open communication between the Company and its stakeholders, allowing them to voice their concerns and ensuring that their perspectives are heard.

In addition to these mechanisms, the Company has an Ethics Line (Whistleblower channel), where anyone, whether internal or external to the company, can file a complaint. This ethics line is communicated to all parties and has straightforward channels for reporting. The Company also has a Communication Portal (<https://polarisrei.com/portal/>) on its website for brief questions, suggestions or comments from each of the different jurisdiction in which we operate.

¹⁰ The grievances that are currently open are undergoing their evaluation and due diligence processes to ensure a timely response.





Hiring local labour

We know that a positive impact of our operations is the stimulation of the local economy. This is why it is very important for the Company to prioritize the hiring of local labour for our operations.¹¹

We focus on hiring local labour in positions for which talent is available, but we also encourage our contractors to adopt this practice, thereby extending the positive impact for local stakeholders.

	Nicaragua	Perú	Ecuador	Panamá	Dominican Republic	Total
Amount of persons hired through contractors	57	27	8	9	9	110
Amount of women hired through contractors	3	1	2	0	0	6
Amount of men hired through contractors	54	26	6	9	9	104
Contractors from surrounding communities	15	7	6	0	5	33

¹¹ For more information on this matter, please refer to the section: Talent engagement and empowerment.



COMMUNITY DEVELOPMENT

To contribute to the development of communities while operating our business is a very important aspect of why we do what we do. Since the very beginning with our Operation in Nicaragua and as we have entered into new jurisdictions, community development has always played an essential role.

“Since the arrival of Polaris to our community, we have seen a significant change thanks to their commitment to social management. The company has not only shown responsibility but also a genuine interest in the well-being of the students and the development of our school.

Projects such as the renovation of bathrooms, the provision of a water fountain, and the organization of an environmental science fair have made a big difference in the quality of life and the learning environment for our students. These actions have had a positive impact on our educational community, strengthening the school's infrastructure and promoting environmental awareness among the youth”.

- *Elizabeth López, Eric del Valle School's Principal, near Vista Hermosa I&II Solar Park.*

As stated in the Sustainability Statement of Commitment¹², we are committed to contributing to the neighboring communities of the projects we operate in, prioritizing those activities and projects of sustainable development and social investment that mean substantive changes in the quality of life and well-being of the entire community. We will strive to foster the local economy by maximizing local employment and procurement opportunities.

From the moment we first arrive we work under a “Good Neighbour” philosophy. This means we want to see improvements in the short-, medium-, and long-term for the local residents. To this end, we have community development plans in each jurisdiction, which are based on the main community needs, with allocated budgets for these purposes. All of the above has allowed us to build a culture of collaboration with the communities around us.

We consider it essential to involve the community as the main driver of its own development. All matters of community interest are discussed with the communities. The expectations that may arise from each community generally translate into a specific project approach, if it’s necessary, sustainable, and beneficial for most or all



the community. Projects are discussed and included in the proposal for the Company’s annual budget cycle. Approved projects are communicated at the beginning of each year and/or before the execution of these projects begins.

For 2024, the Company has outlined a plan for community contributions and/or social investment, which consists of continuing to cover the areas of work that are: Education, Community Infrastructure, Agriculture, Sports and Health. Below are the main achievements in each area of work.

12 Available online at polarisrei.com

Education

Our contribution to education focuses on providing tools for students to access a higher quality education, with more dignity and greater access to educational technologies. Often, the greatest impact is achieved through simple contributions that get straight to the point, contributing in the short-, medium-, and long-term. In this line of work, we continue to collaborate on themes similar to those of previous years, as we have seen the positive impact that these actions can achieve.

In Peru, we continue with the productive vacation program in the communities surrounding the Canchayllo Hydroelectric Power Plant. This program helps children make the most of their vacations with courses and workshops of interest that promote their learning as well as their overall development. Additionally, we continue with the scholarship program, which consists of awarding an annual scholarship to the top graduating student from the local school to support their university studies.

This year, in Canchayllo, we also carried out a project to upgrade the local school computer lab. The need identified was that students did not have appropriate working equipment for their classes. Given this situation,



graduating students lacked the basic and necessary tools and knowledge to succeed in a technological and globalized world. As a result of the project, they now have this important skill. This project, which is currently benefiting 90 students, involved the donation of 18 computers and the enhancement of the classroom, including electrical systems and general aesthetic improvements.

Additionally, at the beginning of the year, Polaris donated school kits to all students in the area, including those near the Canchayllo Hydroelectric Power Plant, as well as the El Carmen and 8 de Agosto Hydroelectric Power Plants. Similarly, in the latter case, the Company pays for monthly internet service to ensure that schools have access to this service, allowing them to use technology as a tool in their educational processes.

In the communities surrounding the San Jacinto-Tizate Geothermal Power Plant in Nicaragua, we have continued to promote educational robotics among students. To facilitate this, we donated laptops so that students could more easily engage in programming. The students participated in the national robotics Olympics, and although they did not receive any top awards this year, it is very important to highlight their unique participation as they were the only public school in the country to be part of this event. These experiences open their minds and expose them to the skills necessary for an advanced world. The Company's ongoing contributions cover the internet costs for the schools.

The annual vocational fair allows senior-year students to receive targeted presentations about the careers they are interested in pursuing. Students visit the power plant to better understand the processes and see how the different careers can be applied in a work environment. This year's event was another success with high student participation, and our employees joined in to contribute their time voluntarily to this event.

Additionally, in Panama, on behalf of our CEO and Board of Directors, during their visit to the Solar Park, a donation of materials for the preschool classroom was made, which consisted mainly of educational games to facilitate the learning processes appropriate for that age.



Catherine Fagnan, Board Director is gifted artwork by San Jacinto Community Students.



Community Infrastructure

Infrastructure in a community plays a fundamental role in enabling dignified development, where basic rights are guaranteed. That is why this has always been an important focus of our social investment strategy. We see the impact directly reflected in the improvement and/or construction of a space that, after many years, will continue to bear fruit for the development of that specific community.

This year, in the case of the communities surrounding the Vista Hermosa I and II Solar Parks in Panama, we identified

a profound need for a complete renovation of the local school bathrooms. The outdated conditions were neither dignified nor safe for students or teachers. This project, which we worked on in coordination with the school and the Ministry of Education, benefited more than 200 students and teachers; and involved a complete overhaul of space, addressing both hygienic-sanitary aspects and aesthetics. Today, students have a dignified space to meet their needs.

The project was inaugurated by our CEO and included the participation of members of our Board of Directors.

"As Polaris, we are aware that the best way to foster the potential of a community is by contributing to the education of children. In this sense, educational infrastructure plays a fundamental role in providing children with the necessary conditions for their development.

When we began collaborating with this school, we recognized the great need to improve the bathrooms used by all the children and teachers.

We are very happy to see this project come to reality, as we know the significant impact that providing children with access to a dignified and safe space can have."

Marc Murnaghan, Chief Executive Officer.

Additionally, we donated a waste collection station that was installed in the community in coordination with the local municipality, aimed at promoting proper waste sorting among residents, including recycling aspects, resulting in a cleaner community.

Similarly, near our San José de Minas Hydroelectric Power Plant in Ecuador, we carried out a renovation of the preschool classroom at the local school. The project included flooring replacement and ceiling painting, benefiting up to 30 students.

Additionally, at our San Jacinto-Tizate Geothermal Power Plant, we renovated two local schools, where Polaris donated all the materials, and the community voluntarily provided the labor. In this way, we worked hand in hand for their own development. We also donated additional meters for potable water and sanitation systems¹³, so that local potable water committees have the necessary equipment to measure water consumption for each customer and ensure the sustainability of the system.



The Company also donated a waste collection station to the sports fields that had been previously donated.

In Peru, we have partnered closely with municipalities to provide fuel contributions, enabling the operation of machinery to maintain key access roads and enhance road safety for local communities.



¹³ The water and sanitation project was inaugurated in 2015 and it was funded by Polaris, the Interamerican Development Bank (IDB), The Development Bank of Austria (OEEB) and the NGO Catholic Relief Services (CRS).



Agriculture

In the communities where we operate, agriculture generally plays a very important role in the local economy and is a key driver of our contributions. As a renewable energy company, it is very important for us to support small producers in gaining knowledge to apply sustainable agricultural practices. Over the years, this has meant establishing partnerships with specialized entities in this field and supporting these groups of producers to improve and strengthen their practices. This not only results in economic improvements but also enhances how they can respect and promote environmentally friendly practices through their methods.

“Since 2022, I have been a beneficiary of the coffee and beekeeping project. Before becoming a beneficiary, I cultivated coffee, but the yields were low due to poor agricultural practices, such as incorrect fertilization methods and inadequate pest and disease control. I also faced significant losses during harvest and post-harvest, particularly in rainy seasons.

Thanks to the continuous support and guidance from the project, which has provided valuable knowledge on proper pruning, fertilization, harvesting, post-harvest techniques, and the provision of a suitable dryer, my coffee production has greatly improved both in quantity and quality, which in turn has increased my family's income.

Additionally, before becoming a beneficiary, I had no knowledge of beekeeping or honey production. However, after receiving the necessary equipment and specialized training, I am now a honey producer. My honey is quickly sold due to its high quality and natural properties.”

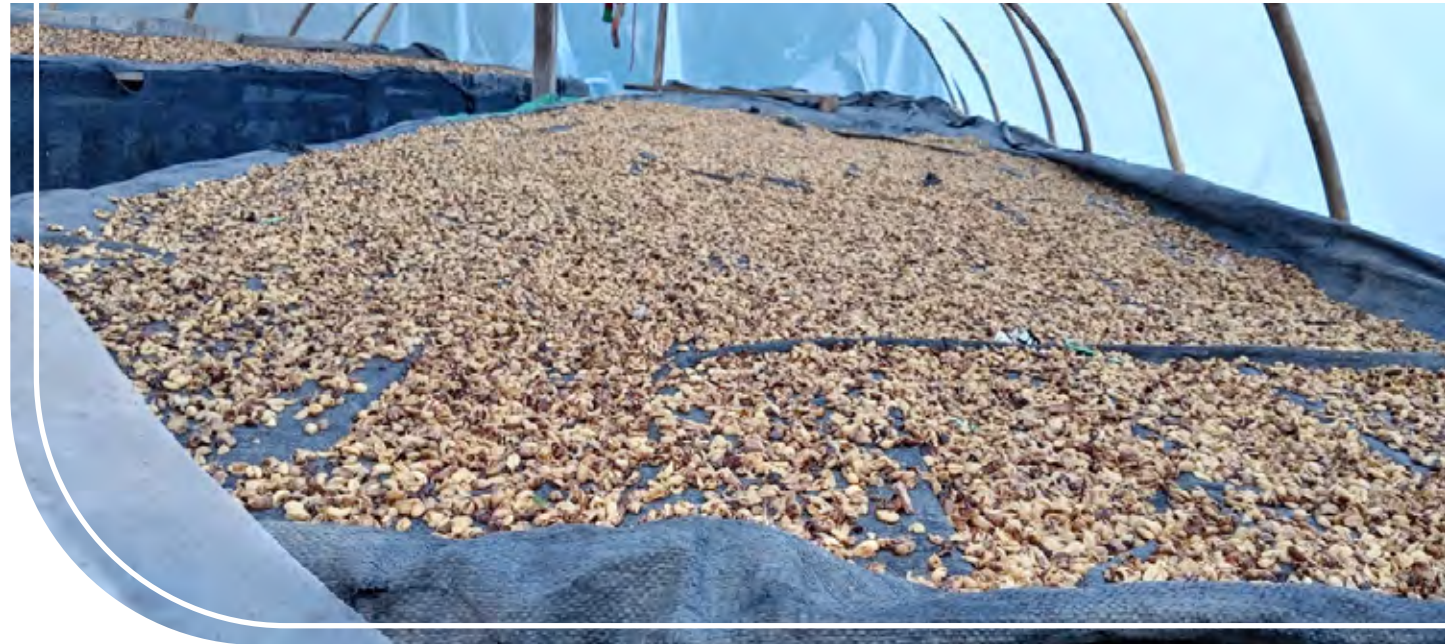
- Meicy Hurtado. Beneficiary of the Beekeeping and Coffee Project. Monzón, Peru.

We have worked on agricultural projects in Nicaragua and Peru¹⁴ for several years, and in 2024 we continued with this line of work.

In the case of Nicaragua, our focus in recent years has been on watermelon production. This year, we established a new partnership with a consulting firm specializing in environmental and agronomic practices. This creates perfect synergy for our vision of empowering producers in sustainable agriculture. With this year's project focus, 30 producers benefited, prioritizing those who are not first-degree relatives to ensure the project's reach was expanded.

The main outcomes were that the beneficiaries received technical training to manage their crops sustainably and in an environmentally friendly manner; the implementation of agroforestry systems was encouraged; and a manual on sustainable agriculture was created to systematize the project.

In parallel, this year we initiated a pilot project to promote beekeeping practices in the area. In the last years, we have noticed an increase in forest fires in the region, and



when our emergency brigades arrive to provide support, they often find that the fires were caused by artisanal beekeeping practices. This, along with the economic impact of strengthening another sector, motivated us to start the pilot beekeeping project. Through a partnership with a specialized consulting firm, we conducted a technical diagnostic assessment, situational analysis,

and feasibility study to promote sustainable beekeeping activities in the communities we influence. As part of the pilot, we worked with four beekeepers from three communities and identified additional potential beneficiaries for the expansion of the project in the coming years.

.....
¹⁴ For more information, you can consult our previous Sustainability Reports.

Similarly, in Peru, in the communities near the El Carmen and 8 de Agosto Hydroelectric Plants, in 2024, we managed to reach a total of 50 beneficiaries, and along with this, work groups were organized, including two management committees: the Coffee Producers Committee and the Beekeepers Committee, both led by women.

The coffee project, which benefits 50 producers, involved providing technical assistance and the necessary inputs for planting, processing, and marketing the product. Field schools were established, with the purpose of transferring technologies and agroecological practices, incorporating the concept of nature-based solutions and circular economy.

As for the beekeeping project, which works with 30 beekeepers, it provided technical assistance in bee breeding. Additionally, in 2024, the construction of a honey collection center was completed. This facility serves 30 beekeepers during each annual campaign for the collection of organic honey, with the purpose of weighing, packaging and labelling.

Beekeeping projects, beyond their socio-economic benefits, have significant positive environmental impacts, especially in promoting biodiversity. The hives play a crucial role in ecosystem conservation, as bees pollinate a diverse array of plants, many of which are essential for maintaining ecological balance. Sustainable beekeeping practices also contribute to soil health and support the regeneration of native plant species, thereby strengthening local biodiversity and enhancing the resilience of ecosystems to natural disasters. In this way, beekeeping not only aids in the survival of bee populations but also plays a vital role in environmental conservation.

Sports

Another important area of action in our social management is the promotion of sports. This is especially important because it helps us integrate communities through healthy recreation, teamwork, and collaboration.

This year, we made significant contributions in this area in our subsidiaries in the Dominican Republic, Nicaragua, and Peru.





In the case of the Dominican Republic, in the community near our Canoa Solar Park, we identified a major need at the local school: they had no sports equipment to promote physical activity among students, which made it difficult to offer physical education classes. The Company donated balls, hula hoops, chess sets, cones, and other materials, which greatly helped the school integrate this important subject into their daily activities for the children's development. Additionally, the company co-sponsored a softball league, which saw significant community participation.

In Nicaragua, we continued our donations of sports equipment to various community-based leagues that have been established locally.

In Peru, the Polaris Cup, which began in 2023 near the El Carmen and 8 de Agosto Hydroelectric Plants, continued in 2024, promoting sports and healthy recreation across several communities. Both male and female groups participated, and the event helped boost the local economy, as the games attracted large community attendance, encouraging the sale of local goods. Furthermore, the Cup had a social purpose: each

team competed for a community improvement project, which was eventually carried out by the winning teams. Additionally, a small school league was created to encourage sports among younger children.

In the case of the communities near the Canchayllo Hydroelectric Plant, a micro-Polaris Cup was launched in 2024, with the same goal of promoting sports and healthy recreation within the community.

"On behalf of the Canoa Softball League and the entire community, we want to thank Polaris for their great support in making the 1st Canoa Softball Tournament 2024 possible. Without a doubt, we have made an unprecedented mark in the sporting history of our community. Thank you for your immense support and willingness to contribute to the development of our community."

- **Vicente Montero, Community Leader, Canoa, Dominican Republic.**

Health

In the case of our contribution to health, we believe that no contribution is too small, as they directly impact on the well-being of the entire population. In Nicaragua and Peru, we continue to support disease prevention campaigns by providing supplies and assisting with logistical details, respectively.

Other Activities

As in previous years, we continue to hold Christmas celebrations with the children in the communities near most of our subsidiaries. This brings us closer to these communities and helps us bring moments of joy to the children. In some cases, we donate bags of candy, in others we provide toys, and in some instances, we organize celebration events to make it a day of community-employee integration.





OUR PLANET

Over the years, Polaris has demonstrated its commitment to environmental stewardship across all aspects of our operations. We invest directly in renewable energy projects and prioritize sustainability, with a focus on pollution prevention, waste reduction, and the protection of natural resources and habitats in the communities in which we operate. We also actively support environmental education, conservation efforts, and work to enhance biodiversity in the areas and waterways we manage. In addressing key environmental challenges, we take a proactive approach by collaborating with local communities as well as with environmental and governmental stakeholders.



MANAGING ENVIRONMENTAL RISK

To ensure safe and sustainable operations, we have a specialized team dedicated to identifying, mitigating, and managing environmental risks. Through our Integrated Management System, we safeguard the environmental integrity of our operations by implementing procedures, plans, and programs aimed at achieving our goal of zero annual environmental incidents. This approach helps us meet our established environmental objectives and targets, always with a focus on continuous improvement and operational excellence. As part of our commitment to the environment, we aim to diligently comply with all applicable environmental laws, regulations, and permits in the region.

In the process of acquiring new projects, we conduct Due Diligence that includes a sustainability assessment. During this process, potential environmental risks are identified and communicated and are thoroughly considered in the decision-making process.

Additionally, for the construction of projects in existing or new operations, environmental risks are assessed with the support of the sustainability team to ensure these risks are properly managed. This process follows the impact hierarchy matrix: **Avoid, Reduce, Mitigate, and Compensate.**

Our highly trained team consistently conducts environmental inspections and audits across our operations to ensure compliance with the requirements established in our integrated management system, as well as our sustainability policy. These inspections and audits not only ensure regulatory compliance but also encourage the identification and communication of risks, the detection of improvement opportunities, and the implementation of best practices, all aimed at ensuring safe environmental conditions.

EMISSION AVOIDANCE / REDUCTION

At Polaris, addressing climate change is a core part of our mission to generate renewable energy across all operations and future acquisitions. Through our efforts, we actively support third-party decarbonization goals by producing clean energy, helping reduce CO₂ emissions by approximately 345,923 tons to date¹⁵.

Resource efficiency is a key focus of our strategy. While we have not yet implemented a formal emissions reduction strategy, we have introduced several initiatives over the years that address energy consumption, fuel use, and waste management, all contributing to a reduced carbon footprint. Currently, 99% of the energy used in our operations is sourced from self-generated renewable energy, with the remaining 1% purchased from the national grid in the countries where we operate.

Since 2022, we have measured our carbon footprint according to the ISO 14064 standard¹⁶, expanding the scope of emissions measurement in 2023 and 2024 to include all facilities for scope 1 and scope 2. Additionally partial scope 3 measurement were carried out in Nicaragua, Ecuador and Peru¹⁷.

In Nicaragua, where we have implemented energy efficiency initiatives since 2015, we have achieved a 63% reduction in energy consumption from the national grid, a 33% reduction in fuel consumption, and a 38% decrease in hazardous waste generation, resulting in an overall 43%¹⁸ reduction in emissions. However, in 2024, energy consumption increased due to weather conditions and disturbances in the national power grid.

¹⁵ The estimated emissions reduction is based on the methodologies of the Clean Development Mechanism - CDM (San Jacinto U3 and U4 and 8 de Agosto) and CERCARBONO (Binary at San Jacinto, El Carmen and Canoa), none of which are currently certified.

¹⁶ ISO 14064 – Greenhouse Gases is a series of international standards developed by the International Organization for Standardization (ISO) that provides guidelines for organizations to quantify and report their greenhouse gas emissions and removals.

¹⁷ Scope 3 for Peru and Ecuador only considers fuel consumption from personnel commuting.

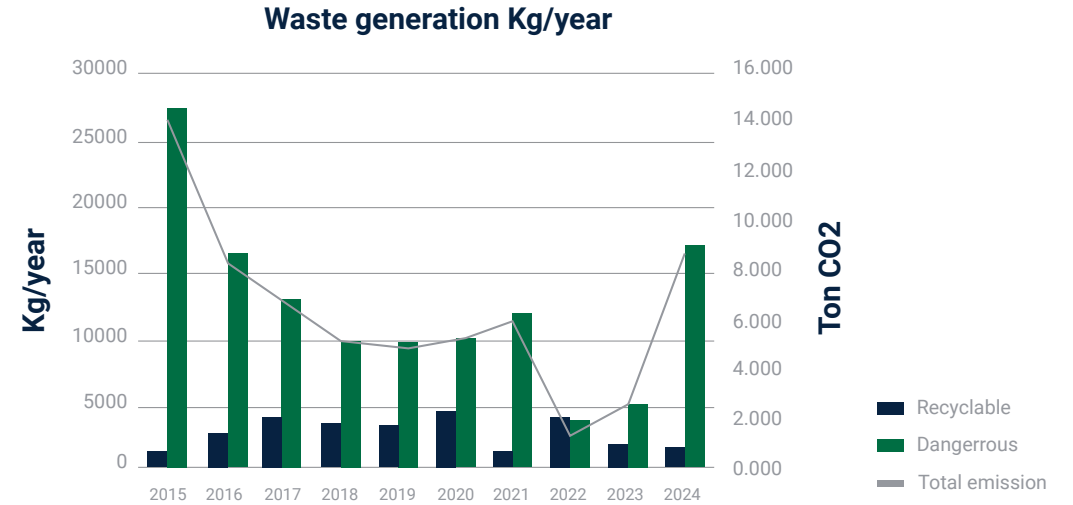
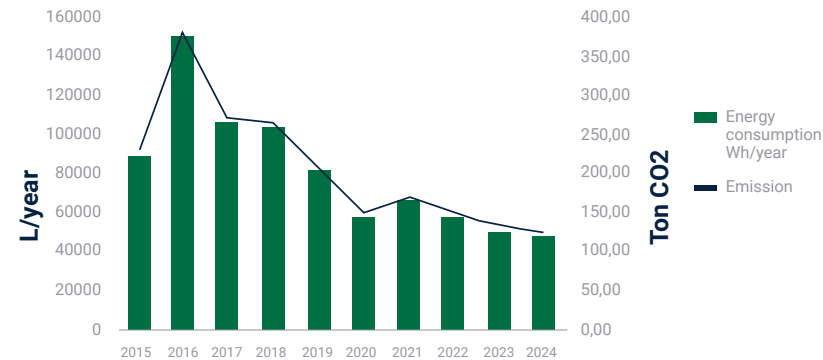
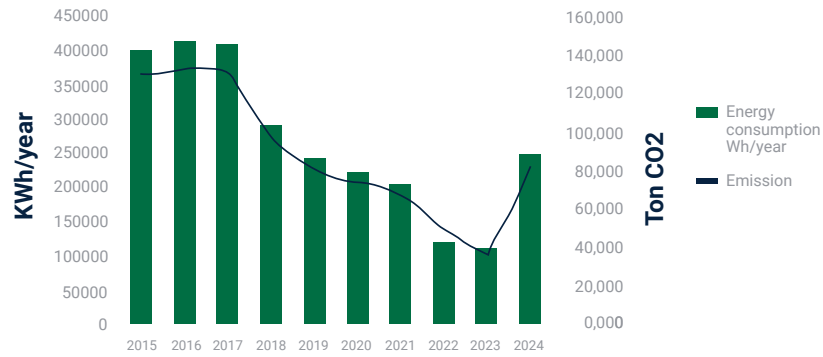
¹⁸ The estimation of carbon footprint from 2015 to 2021 was made using the ISO 14064 methodology, applying the emission factors from the 2023 calculation.



In 2023, emissions from grid energy consumption in Nicaragua totaled 37.07 tCO₂, and in 2024, this increased to 81.56 tCO₂. Across all operations, emissions from grid energy consumption amounted to 78.36 tCO₂ in 2023 and 284.66 tCO₂ in 2024.

The increase in hazardous waste in 2024 is attributed to the disposal of electronic waste²⁰, driven by the replacement of older equipment with more efficient models.

The charts below demonstrate the significant decarbonization results achieved in Nicaragua from 2015 to the present for, Scope 1¹⁹ and 2 emissions.



¹⁹ The data presented in the charts reflect only a partial Scope 1 (fuel consumption and fugitive emissions), considering only fuel consumption, which accounts for 43% (including fugitives emissions) of Scope 1.

²⁰ For more information on waste management, please refer to the Waste Management section.

For 2024, the carbon footprint, including scope 3, resulted in 1162.6 tCO₂ (excluding biogenic emissions)²¹, with the breakdown between Scope 1 and Scope 2 emissions as follows:

Country	Scope 1	Scope 2	Scope 3	Scope 1 + 2
Nicaragua	637.34	81.56	124.62	718.90
Panamá	7.84	2.15	Not measured	9.99
Ecuador	1.96	1.48	23.90 ²²	3.43
Perú	12.29	0.49	34.98 ²³	12.77
Dominican Republic	35.01	193.93	Not measured	228.93
Canada	0	5.07	Not measured	5.07
Total	694.44	284.66	183.50	979.09

The emission intensity across all our operations is 0.0281 tCO₂ / MWh²⁴.



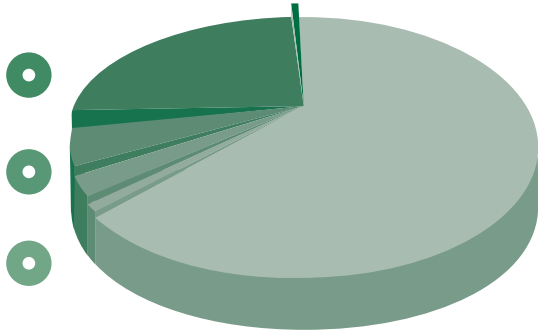
²¹ Biogenic CO₂ refers to carbon in wood, paper, grass trimmings, and other biofuels that was originally removed from the atmosphere by photosynthesis and, under natural conditions, would eventually cycle back.
²² Partial scope 3, only includes employees transportation.
²³ Partial scope 3, only includes employees transportation.
²⁴ The emission intensity in Nicaragua includes Scope 3 emissions.

Emissions by country

19,69%
Dominican Republic

4,11%
Perú

2,35%
Ecuador

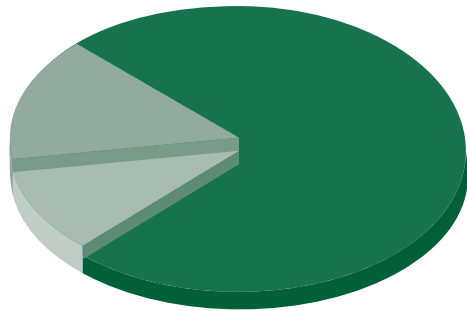


0,86%
Panamá

72,55%
Nicaragua

0,44%
Canada

Emissions by scope



59,73%
Scope 1

15,78%
Scope 2

24,48%
Scope 3

Moreover, since 2022, reducing emissions has been a key material issue in our Sustainability Strategy. We set a target to offset our Scope 1 and 2 emissions by 2024, compensating for our 2023 carbon footprint. We are pleased to report that we have met this goal by offsetting 696 tons of CO₂.





Our ongoing commitment to combat climate change and use resources efficiently is demonstrated by the following energy efficiency projects implemented in 2024:

Nicaragua

We optimized the geothermal power generation process by regulating steam flow used for non-condensable gas extraction. This change led to a reduction of 6.8 tons of steam per hour, equivalent to an additional 19 MWh per day and improved energy efficiency without additional costs.

Dominican Republic

The Canoa PV plant underwent a repowering project, replacing old solar panels with next-generation modules.

Polaris remains dedicated to reducing emissions, increasing energy efficiency, and supporting global efforts to combat climate change. We will continue to enhance our sustainability initiatives, leveraging new technologies and best practices to minimize environmental impact and drive long-term operational sustainability.

CLIMATE CHANGE STRATEGY

As a renewable energy company, Polaris is deeply aware of the impact that climate change can have on our operations, particularly as we depend on natural resources such as solar irradiance, water availability, and steam. To ensure that our operations remain resilient, we have undertaken a detailed approach to climate risk management, with an emphasis on both mitigation and adaptation strategies.

In 2023, we conducted a comprehensive Climate Change Risk and Vulnerability Assessment (CCRA) for our operations in Nicaragua.

The outcomes of this assessment helped us understand the challenges posed by these climate phenomena and highlighted the importance of implementing both short- and long-term strategies to ensure the continued efficiency of our operations.

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²⁵ For more information, please refer to the Our Practice section.

²⁶ For more information, please refer to the Our Planet section, Emissions Avoidance.

²⁷ For more information, please refer to the 2022 Sustainability Report.



We have a Human Resources and ESG Committee focused on fostering a sustainable environment²⁵. Its commitment also extends to climate management, with a particular focus on advancing renewable energy generation and contributing to the energy transition in the countries where we operate.

Our main climate change strategy revolves around continuing investments in renewable energy, especially in Latin America, and maintaining a focus on carbon footprint management²⁶ across all our operations.

Polaris has included climate change mitigation as an element of our strategic objectives. Our carbon neutrality goal for Scope 1 and 2 emissions has been set, and as part of our Materiality Analysis conducted in 2022²⁷, we aim to offset these emissions by promoting clean energy technologies and adopting best practices in decarbonization.

Through the Climate Change Risk Assessment in Nicaragua, we identified opportunities²⁸ related to the climate that could benefit our operations, such as:

1. Legal and regulatory frameworks that favor sustainable and clean energy production.
2. Integration of carbon capture technologies and active participation in the carbon market.

3. Adoption of new technologies to diversify energy generation.
4. Reduction in operational costs via efficiency improvements.
5. Lower exposure to fossil fuel price increases.

In response to the identified physical climate risks, we have formulated specific adaptation measures:

Risk Type	Description	Risk Magnitude	Possible Impact	Adaptation Measures
Extremely High Temperature	Decreased efficiency of equipment and potential health risks for staff.	Medium	Reduced efficiency, higher risk of wildfires, increased water needs for reforestation.	Continue preventive maintenance; monitor temperatures; promote water efficiency across all facilities.
Water Scarcity / El Niño	Reduced precipitation, groundwater levels, and risk of drought.	Medium	Loss of biodiversity, reduced water availability.	Monitor groundwater levels; promote water reuse and recycling; continue reforestation programs.
Cyclones / Hurricanes	Risk of infrastructure damage and flooding.	Medium	Damaged infrastructure, potential for energy generation halt.	Maintain drainage systems, monitor emergency wells, and ensure efficient evacuation of excess water.
La Niña Phenomena	Increased rainfall leading to overflow of emergency wells and damage to access roads.	Medium	Landslides, erosion, and damage to access roads.	Maintain drainage systems, monitor weather conditions, and ensure effective management of excess precipitation.

²⁸ Climate opportunities represent positive external factors that can benefit our operations, while the threats and weaknesses associated with climate risks can be mitigated by the growing global demand for renewable energy.

We are continuously measuring our carbon footprint²⁹ (Scopes 1, 2, and partial Scope 3), and have made great strides in reducing environmental impact through energy efficiency, fuel consumption reductions, and waste management initiatives.

In Nicaragua, the implementation of various adaptation measures such as water recycling, reforestation, and energy efficiency improvements has already helped reduce our environmental impact. We will continue to refine our climate risk management strategies to ensure our operations are resilient to future climate challenges.

Polaris is committed to both mitigating climate change and adapting to its impacts. We have made significant progress in understanding and managing climate-related risks and opportunities. Through our sustained commitment to renewable energy and resource efficiency, we are not only mitigating our carbon footprint, but also contributing to a cleaner, more sustainable energy future for the jurisdictions where we operate.



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²⁹ For more information, please refer to the Our Planet, Emission Avoidance section.

WATER MANAGEMENT

At Polaris, we understand that water is not only essential for life but also plays a central role in supporting human health, food security, ecosystems, and economic development. As the United Nations emphasizes, *“Water is critical not only for health, but also for reducing poverty, ensuring food security, peace, human rights, ecosystems, and education”*³⁰. This understanding drives our commitment to water conservation and protection, which aligns with SDG 6³¹ and underpins our operational approach.

Our operations, particularly our hydroelectric plants, heavily rely on water, and we take every measure to ensure our activities do not harm local water resources. In 2024, we continued to monitor water quality across our sites, with specific attention to the environmental impact of our run-of-river hydroelectric plants. These plants

provide significant environmental benefits, including protecting river biodiversity through ecological flow regulation, and ensuring that 100% of the extracted water is returned to the river after use. During periods of high water, our intake systems help clear debris, reducing the risk of downstream flooding. We also conduct regular cleanups of solid waste in the intake areas, further minimizing pollution.

In alignment with SDG 6.6³², we continue to conduct hydrobiological monitoring to minimize impacts on local aquatic fauna. In Nicaragua, we monitor the water quality of local wells to ensure that our geothermal water injection does not affect community water supplies. Our monitoring results so far confirm that our operations have not adversely impacted on local water quality.

At our solar parks, we monitor the quality of nearby surface water to ensure we comply with national environmental standards. We also follow Waste Management Plans and operate wastewater treatment systems to protect water quality. These efforts contribute directly to SDG 6.3³³ by reducing the impact of waste on water bodies. In 2024, we were proud to achieve our goal of **zero water-related environmental incidents**, fully complying with our environmental water management permits.

Based on the latest World Resources Institute report, none of our operations are located in regions currently experiencing significant water stress³⁴. This highlights the relatively low water risk in the areas where we operate, allowing us to prioritize sustainable water use in alignment with our broader climate strategy and sustainability goals.

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³⁰ United Nations, Sustainable Development Goal 6: Clean water and Sanitation.

³¹ United Nations, Sustainable Development Goal 6: Clean water and Sanitation.

³² Protect and restore water-related ecosystems, including mountains, forests, wetlands, rivers, aquifers and lakes.

³³ Improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally.

³⁴ World Institute Resource: Aqueduct, Water Risk Atlas https://www.wri.org/applications/aqueduct/water-risk-atlas/#/?advanced=false&basemap=hydro&indicator=dr_cat&lat=4.9771254993583325&lng=-61.804672479629524&mapMode=view&month=1&opacity=0.5&ponderation=DEF&predefined=false&projection=absolute&scenario=optimistic&scope=baseline&timeScale=annual&year=baseline&zoom=4

As part of our ongoing commitment to sustainable water management, we began measuring our water footprint in Nicaragua in 2024, using the ISO 14046³⁵ methodology. The key objectives of this initiative include:

- Evaluating the company's water footprint at its Nicaragua facilities for 2024 according to ISO 14046 and using AWARE methodology³⁶.
- Quantifying and assessing the potential environmental impacts related to water use throughout the production process lifecycle.
- Designing an awareness and training program to develop specific water footprint-related skills.
- Identifying opportunities to reduce environmental impacts associated with water use.

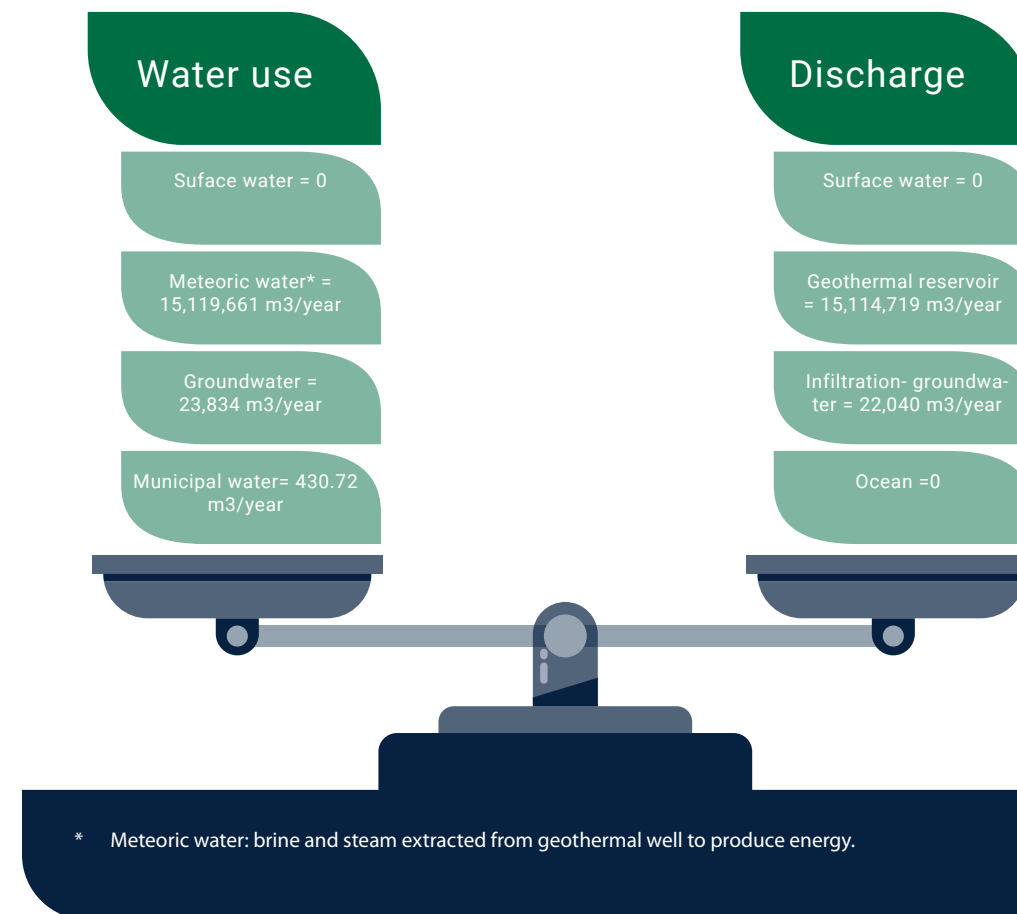
Our target is to measure the water footprint of all our operations by 2027. With the successful launch of water footprint measurement in Nicaragua, we are making significant progress toward this goal. This initiative will enable us to identify critical areas of water consumption, evaluate potential risks, and implement strategies to reduce water use and enhance resilience in all our operations.

Polaris is fully committed to water stewardship, prioritizing the efficient use of water and the protection of local water resources across all our operations. By monitoring water quality, reducing waste-related impacts, and measuring our water footprint, we are actively contributing to the achievement of SDG 6 and advancing sustainable water management practices. Through these efforts, we ensure that water remains a vital resource for both our operations and the communities in which we operate.

³⁵ Water footprint - ISO 14046:2014.

³⁶ For more information about this methodology please refer to <https://wulca-waterica.org>

San Jacinto operation



The water footprint of our operations in Nicaragua is categorized into two processes:
1. Energy generation (geothermal fluid) **2. Administrative activities** across our facilities.
 The water balance for administrative processes, it is 0.01%, meaning 99.9% of the water is returned to the system. Using the AWARE methodology and the global water footprint

equivalent per gross MWh generated in 2024, the water footprint for Polaris' Nicaragua facilities is 0.007 m³e/MWh.

In addition to monitoring the water footprint in Nicaragua, we track water usage across various processes in all the operations listed in the table below.

Country	Water used for electricity generation process	Water withdrawal	Water consumption ³⁷	Water returned to source	m ³ /MWh produced
Nicaragua ³⁸	15,119,661	23,834	4,767	15,136,523	0.04 ³⁹
Panamá	0	1,900	380	1,520	0.08
Ecuador	46,423,519	187.51	37	46,423,669	0.1
Perú	564,110,959	2.82	0.6	564,110,961	0.0001
Dominican Republic	0	147 ⁴⁰	29	118	0.002

In 2024, the total water withdrawal (administrative usage) across all our operations amounted to 23,834 m³/year. The total water consumption for the year was 4.767 m³.

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37 Water use in hydroelectric generation process is not considered as consumption because 100% of water returned to the rivers. Also 80% of the total water withdrawal is returned to source.

38 For geothermal power generation, steam and brine are used for electricity production. However, they are not considered fresh water, which is why they are not classified as consumed water.

39 Does not include geothermal water use for energy generation.

40 The water consumed at the Canoa solar park is not sourced from nearby wells or water bodies. The reported water consumption comes from two sources: 1) the purchase of bottled purified water for human consumption, and 2) the purchase of water delivered by tankers for administrative use.

BIODIVERSITY

Biodiversity loss threatens ecosystem services, jeopardizing food security and public health. It involves not only the global extinction of species but also the local decline or disappearance of species in specific habitats, which leads to a significant reduction in biological diversity.

At Polaris, biodiversity conservation is a priority and a key material issue in our Sustainability Strategy. Our primary goal is to implement Biodiversity Management Plans across all operations, aligning with SDG 15⁴¹ and particularly Target 15.8⁴², to protect endemic, endangered, and native species, supporting their recovery and reproduction.

Our biodiversity monitoring efforts across operations have shown positive impacts on ecosystem health in the areas where we work. The following findings from our Monitoring of bird population illustrate (graph Monitoring of bird population) the effectiveness of our initiatives in improving environmental quality. Birds, as vital indicators of ecosystem health and respond quickly to environmental changes.

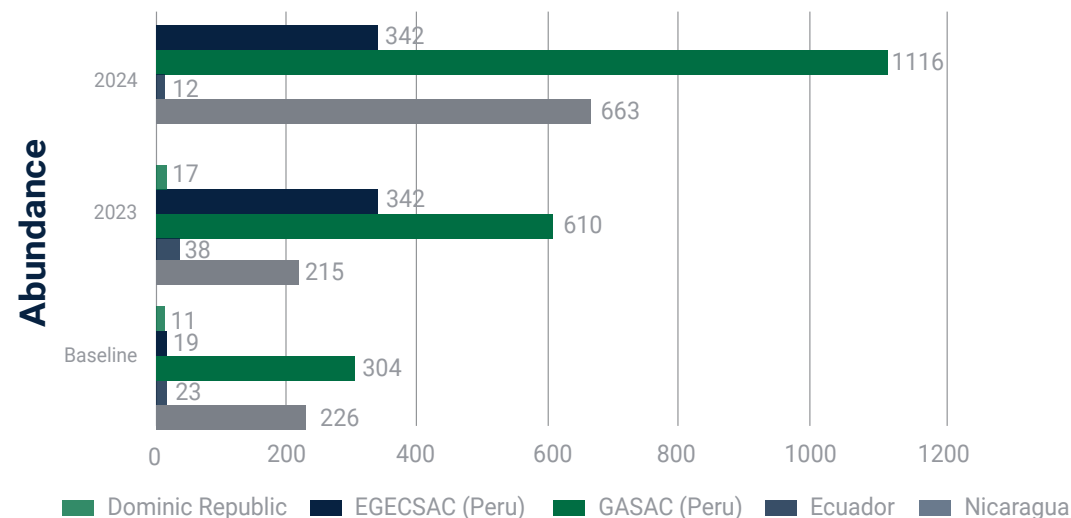
Thanks to more than a to over a decade of reforestation at our Nicaragua operations, we have documented the presence of the Margay⁴³ (*Leopardus wiedii*), a “Threatened”

⁴¹ Sustainable Development Goal 15. Life on Land.

⁴² Introduce measures to prevent the introduction and significantly reduce the impact of invasive alien species on land and water ecosystems, and control or eradicate the priority species.

⁴³ The Margay is a species of carnivorous mammal in the Felidae family, widely distributed across the Americas, from Mexico to South America, with populations in Uruguay, northern Argentina, and southern Brazil.

Monitoring of bird population



species according to the IUCN (2014). This species is closely associated with forest environments and less tolerant of human settlements, making its presence in our project areas a strong indicator of improved ecosystem health and the success of our reforestation efforts.

Regarding protected areas, two of our operations are situated within protected zones:

- San Jacinto, Nicaragua (buffer area)
- Canchayllo, Peru

Our environmental management plans for these areas have been approved by the relevant government institutions, and we collaborate with them on reforestation projects that ensure native species are reforested. These initiatives align with the conservation goals for each area.

Our biodiversity efforts extend beyond protected areas. Some of our key actions include:

- Environmental training on biodiversity protection, both internally and externally.
- Prohibition of waste burning on site.
- Restrictions on tree cutting without proper authorization and resource replacement plans.
- Prohibition of animal hunting.
- Relocation of wildlife found in internal operation areas.
- Replacement of forest resources affected by construction.
- Rescue and relocation of wildlife before the start of new projects.
- Community-based reforestation and species proliferation initiatives⁴⁴.

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⁴⁴ For more information, see the section Our Partners, Community Development.



I have been able to observe many positive changes that have resulted from the efforts made by the company over the years, not only in the internal areas but also in the surroundings. I have seen species that hadn't been seen in a long time, such as deer, as well as more common species like rabbits, foxes, iguanas, and land iguanas.

I have also noticed a greater abundance of birds, one example being the 'red-crested parrot' and the 'orange-fronted parakeet,' which we commonly call 'catano,' species that were rarely seen a couple of years ago. I believe that through the reforestation efforts and the signage installed about biodiversity conservation, people have become more aware of the importance of protecting these species.

- Hernán Poveda, reforestation crew leader. San Jacinto, Nicaragua



POLARIS RENEWABLE ENERGY INC.

**1218 TREES PLANTED
IN LATIN AMERICA**



This certificate acknowledges the impact of One Tree Planted's distinguished donors whose contributions have been and continue to be essential to the restoration and conservation of forests worldwide.

Harry P. Lynch

Harry P. Lynch
PRESIDENT & CEO

March 21, 2024

Date
YOU MADE AN IMPACT

In 2024, we planted 1,186 trees across our operations and expanded reforestation efforts to the Dominican Republic and Ecuador, where no reforestation had occurred in 2023. We also donated 5,014 trees to surrounding communities and organizations. Of which, in honor of World Forest Day, we donated 1,218 trees to the Peruvian Amazon, equivalent to 6 trees per employee, through the organization One Tree Planted, further supporting ecosystem restoration.

Despite these efforts, biodiversity protection faces significant challenges, including forest fires, illegal hunting, land-use changes, deforestation, and climate change impacts. To address these threats, we continue to implement an annual wildfire risk mitigation plan⁴⁵, strengthen environmental training for staff and local communities, and continuously work to improve ecosystem resilience.

In 2024, we launched a pilot beekeeping project in Nicaragua to reduce wildfire risk⁴⁶. This initiative not only promotes sustainable honey production but also supports reforestation efforts, transforming the area into a beekeeping zone and providing economic opportunities for local communities.

Additionally, as part of our 2024 reforestation plan, we restored affected areas by planting 800 fast-growing, fire-resistant species. We also expanded firebreaks from 6 to 8 meters to further mitigate wildfire risk.

We remain committed to protecting and restoring ecosystems in the areas where we operate, adapting our strategies to local challenges to ensure lasting positive impacts.

On Living our values: "At the Vista Hermosa I&II solar park we do not use any herbicides for weed control, only the mowing machines and the support of all the personnel who are motivated to keep all the areas clean and tidy."

- Juvissa Villareal, O&M Supervisor and Sustainability Ambassador Award Winner 2024

⁴⁵ For more information, please refer to the Sustainability Report 2023, section Our Planet, Biodiversity.

⁴⁶ For more information on this project, please refer to the section Our Partners, Community Development.

WASTE MANAGEMENT

Our operations in Latin America and the Caribbean face significant challenges in waste management. According to the United Nations, “One-third of urban waste generated in Latin America and the Caribbean still ends up in open dumpsites or the environment, impacting public health and contaminating soil, water, and air. The region also struggles with limited recycling capacity.”⁴⁷

Effective waste management is integral to achieving several Sustainable Development Goals (SDGs), including SDG 3⁴⁸, SDG 6⁴⁹, SDG 11⁵⁰, SDG 12⁵¹, SDG 14⁵², and SDG 15⁵³. To contribute to these goals, Polaris has implemented comprehensive Waste Management Plans that cover everything from source reduction to safe disposal.

In all our operations, we promote the responsible use of materials, guided by “circular economy” principles. This approach minimizes waste generation, extends the lifespan of materials, and fosters resource efficiency.

⁴⁷ United Nations, <https://news.un.org/es/story/2018/10/1443562>

⁴⁸ SGD 3. Good Health and Well-Being.

⁴⁹ SDG 6. Clean Water and Sanitation.

⁵⁰ SDG 11. Sustainable Cities and Communities.

⁵¹ SDG 12. Responsible Consumption and Production.

⁵² SDG 14. Life Below Water.

⁵³ SDG 15. Life on Land.

⁵⁴ Please refer to Previous Sustainability Reports for more information about these projects.

Our Operations and Maintenance teams conduct preventive maintenance to maximize equipment lifespan, reusing and repairing components whenever possible. For example, in Nicaragua, when air conditioning units were replaced with more efficient models⁵⁴, the old units were stored to recover parts that could be reused in other equipment. The units that could no longer be used are being disposed of by authorized companies in compliance with environmental regulations. This process has contributed to an increase in waste generation in Nicaragua in 2024 compared to 2023.

Across our operations, we have repurposed wood from packaging materials to create support structures for equipment, formwork for construction, or even donated it to local communities.

We also promote recycling within our operations and extend these practices to local communities in some jurisdictions.



In 2024, we began tracking non-hazardous waste, including non-recyclables such as organic waste. This new data set provides a baseline for waste generation, allowing us to develop targeted actions for waste reduction. The increase in total waste generation in 2024 is primarily due to the inclusion of non-recyclable, non-hazardous waste in our indicators.

	NICARAGUA	PERU	DOMINICAN REPUBLIC	PANAMA	ECUADOR	
	Kg/year					
Recycling	1,563	200.98	58	128	38.6	Authorized companies
Hazardous Waste	16,730	2,444.5	24.96	0	20.6	Authorized companies, mainly incineration
Non-Hazardous Waste	706	296.93	596	71	113.05	Municipal landfills
Total	18,999	2,642.41	678.96	199	172.25	
kg/MWh	0.042	0.0280	0.011	0.010	0.0053	

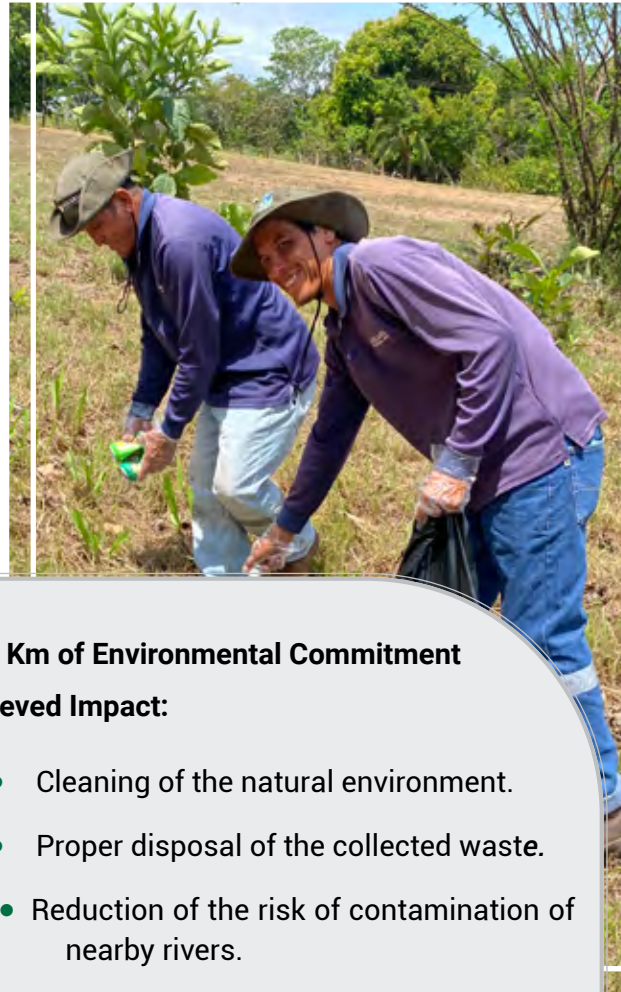
To mitigate the environmental impact of improper waste disposal, we launched a pilot project in Nicaragua in 2024 to sort organic waste in the kitchen area for compost production. This compost is used to enrich soil in our nursery and reforested areas, aiding local ecosystem regeneration. So far, we have recovered 150 kg of organic waste for composting.



In 2024, we also completed the construction of storage facilities for hazardous and non-hazardous waste at our operations in the Dominican Republic and Ecuador. These facilities were designed in full compliance with local environmental regulations and international standards for signage and risk management. The construction was accompanied by an environmental training program focused on waste classification and management.

Our commitment extends beyond our internal operations. As part of our initiatives to promote recycling externally, since 2023, we have been encouraging this practice among our employees at our corporate office in Nicaragua. In 2024, we successfully recycled a total of 360.2 kg, which was properly disposed of. Through this initiative, we are contributing to fostering sustainable practices in the lives of our employees.

Additionally, in 2024, we conducted a regional cleaning and waste collection campaign in the communities surrounding our projects to reduce the impact of improper waste disposal. Our staff actively participated in the campaign, collecting 498.5 kg of waste. We have also carried out environmental awareness campaigns in local schools to promote recycling among younger generations.



10.5 Km of Environmental Commitment

Achieved Impact:

- Cleaning of the natural environment.
- Proper disposal of the collected waste.
- Reduction of the risk of contamination of nearby rivers.
- Collection of 498.5 Kg of waste.



ENVIRONMENTAL EDUCATION

Polaris recognizes that environmental education is crucial for achieving sustainability goals, as it fosters awareness and understanding of environmental challenges, motivating changes in behaviors and practices at the individual, community, and organizational levels. Additionally, it facilitates the implementation of management systems aimed at risk reduction, helping companies integrate responsible practices that not only protect the environment but also optimize resources and improve resilience to future environmental challenges. In this way, active contributions are made to the preservation of the environment and the achievement of sustainable development goals.

In 2024, we continued the implementation of our environmental education program both internally and externally, focused on the prevention and reduction of environmental impacts.

A total of 1,022 work hours were dedicated to internal environmental training.

Some of the topics covered in the training align with our KPIs related to climate change, efficient water resource use, biodiversity protection, and proper waste management. Additionally, the following topics were included: environmental procedures linked to Integrated Management System (IMS), circular economy and spills control.

Throughout the year, we carried out several activities to raise environmental awareness, including the following highlights:

Earth Day⁵⁵

Peru: We organized a walk in Canchayllo with 3–5-year-old students, teachers, parents, local authorities, and Polaris staff. Students created posters from recycled materials and sang chants about Earth Day. A similar event was held in Caunarapa with 105 students and 10 teachers, while Polaris staff planted 100 native trees to aid ecological restoration.

- **Nicaragua:** Activities included environmental training for staff, a 1 km cleanup involving 112.5 kg of proper waste disposal, a “Connecting with Nature” training with plants for employees, and a cleanup at five local schools with 151 volunteers.
- **Panama:** A community walk with 70 participants in Vista Hermosa, along with the planting of 25 fruit trees at the local educational center.
- **Dominican Republic:** A waste collection event at Canoa collected 123.5 kg of waste, which was disposed of at the municipal landfill.
- **Ecuador:** Activities included staff training, student training at the local school, and tree planting at the school and company sites.



⁵⁵ This date originated in 1970 in the United States when Senator Gaylord Nelson, concerned about environmental degradation and increasing pollution, organized the first Earth Day. Its goal was to raise awareness about ecological issues and encourage a shift toward more responsible behavior toward nature.

World Environment Day⁵⁶

- **Nicaragua:** The 9th Environmental Scientific Fair involved 151 high school students and 31 preschool children, with 22 Polaris volunteers judging eco-friendly projects aligned with the SDGs.
- **Peru:** A recycled costume contest at the 8 de Agosto and El Carmen plants, and an eco-friendly flowerpot contest in Canchayllo with 300 students and teachers participating.
- **Panama:** Reforestation at Vista Hermosa facilities and staff training on environmental protection.
- **Ecuador:** A model-making contest on water resource protection involving all staff, with four models created from recycled materials.



I had the opportunity to participate in the Environmental Science Fair with the topic of 'Sustainable Transportation.' My experience was very rewarding because I gained new knowledge related to the Sustainable Development Goals. Through this, I was able to contribute to my school and my community by creating models made from recyclable materials from my surroundings. This taught me how to take care of our environment, promote love for Mother Earth in my school, and take action to protect the planet. And, thank God, I had the chance to be the winner with this project.

- **Katherine Espinoza Herrera, 4th grade student. San Jacinto, Nicaragua.**

⁵⁶ World Environment Day is celebrated every June 5 and was established by the United Nations General Assembly in 1972 during the Stockholm Conference on the Human Environment. Its primary purpose is to raise awareness of global environmental issues, promote action for environmental protection, and encourage active participation from individuals, communities, businesses, and governments in conserving natural resources.

World Habitat Day⁵⁷

- **Vista Hermosa:** The 2nd Environmental Scientific Fair involved 170 students creating models with recycled materials to raise awareness about environmental protection and renewable energy.
- **Peru:** Activities included an essay contest on water resources, a poetry contest on forest fires, a drawing contest, and the planting of 51 fruit trees and 50 ornamental plants to promote reforestation and habitat conservation.

These initiatives help promote sustainable practices and raise environmental awareness across our operations.



⁵⁷ World Habitat Day is celebrated every first Monday of October, and its importance lies in raising awareness of the need for adequate and sustainable housing for all. This day was proclaimed by the UN General Assembly in 1985 to highlight the crucial role human settlements play in well-being and quality of life.



ABOUT THIS REPORT

We are committed to providing transparent information regarding our global operations. We recognize that transparency and objective standards-based disclosure is crucial in demonstrating our commitment to 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 Renewable Energy Inc. as of December 31st, 2024. This report does not focus on our financial performance.

We confirm that all images used in this report were taken at our facilities and during activities carried out with our employees and nearby communities.

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's best practices and applicable regulations and standards. All monetary amounts are in U.S. dollars, except where otherwise noted.

For additional information, refer to:

2024 Annual Financial Statement and Management Discussion & Analysis (MD&A), for Polaris' financial performance, including general corporate information and current developments.

Polarisrei.com, for the above, including general corporate information and current developments.

sedarplus.ca, for all the above.

Cautionary note concerning Forward-Looking Statements and Information

This Sustainability Report contains certain “forward-looking information” within the meaning of applicable Canadian securities laws, which may include but is not limited to, financial and other projections as well as statements with respect to future events or future performance, management’s expectations regarding growth, results of operations, business prospects and opportunities. In addition, statements relating to estimates of recoverable energy “resources” or energy generation capacities are forward-looking information, as they involve implied assessment, based on certain estimates and assumptions, that electricity can be profitably generated from the described resources in the future. 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 “approximately”, “believes”, “expects”, “is expected”, “intends”, “plans”, “potential”, “budget”, “goals”, “targets”, “aims”, “likely”, “typically”, “probable”, “continue”, “strategy”, “proposed”, “project”, “anticipates”, “estimates”, “scheduled” or “forecasts”, or other comparable terminology that state that certain events or results “may”, “could”, “should”, “would”, “might” or “will” be taken, occur or be achieved. It represents the projections and expectations of the Company (as defined above) relating to future events or results, as of the date of this Sustainability Report.

Forward-looking information in this Sustainability Report includes but is not limited to: risks concerning geological, geophysical, geochemical and other conditions, geothermal resources, development and performance of operating facilities, the reliability of technical data, expected capacity of and energy sales from new energy projects, the

Company’s ability to comply with local, state and federal regulations, support and demand for renewable energy, the Company’s ability to obtain and maintain necessary permits, approval and licenses, the availability of capital to fund exploration and development, financial market conditions, general economic conditions, the absence of material capital project or financing cost overruns, sufficient liquidity and capital resources, the continuation of observed weather patterns and trends, the absence of significant counterparty defaults, and the absence of a material change in political conditions or public policies and directions by governments materially negatively affecting the Company.

A number of known and unknown risks, uncertainties and other factors may cause 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: failure to discover and establish economically recoverable and sustainable resources through exploration and development programs; imprecise estimation of probability simulations prepared to predict prospective resources or energy generation capacities; variations in project parameters and production rates; defects and adverse claims in the title to the Company’s properties; failure to obtain or maintain necessary licenses, permits and approvals from government authorities; the impact of change in foreign currency exchange and interest rates; changes in government regulations and policies, including laws governing development, production, taxes, labour standards and occupational health, safety, toxic substances, resource exploitation and other matters; availability of government initiatives to support renewable energy generation; increase in industry competition; the Company’s dependence on its operating subsidiaries; fluctuations in the market price of energy; impact of significant capital cost increases, unexpected or challenging geological conditions, changes to

regulatory requirements, both regionally and internationally, governing development, geothermal resources, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, project safety and other matters; economic, social and political risks arising from potential inability of end-users to support the Company's properties; insufficient insurance coverage; inability to obtain equity or debt financing; difficulties enforcing judgments in foreign jurisdictions; the risk of natural disasters; the risk of severe climate change; inability to retain key personnel; the risk of volatility in global financial conditions, as well as significant decline in general economic conditions; uncertainty of political stability in Nicaragua, Peru, Ecuador, Dominican Republic and Panama; uncertainty of the ability of Nicaragua, Peru, Ecuador, Dominican Republic and Panama to sell power to neighboring countries; economic insecurity and political unrest in Nicaragua, Peru, Ecuador, Dominican Republic and Panama; negative public or community response to wind, gas and hydroelectric facilities and energy infrastructure assets; the risk of delays in technological advancements; the risk of ineffective internal controls; failure to meet financial expectations; the risk of being unsuccessful in the advancement or defense of legal actions; failure to secure trademark registrations; and other development and operating risks.

Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking information contained herein is provided as at the date of this Sustainability Report and the Company disclaims any obligation to update any forward-looking information, whether as a result of new information, future events or results or otherwise, except as required by

applicable laws. There can be no assurance that 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 due to the inherent uncertainty therein.



Appendix A: ELECTRIC UTILITIES & POWER

Generators

Sustainability Accounting Standard

February 2025

INDUSTRY STANDARD | VERSION 2018-10

As of December 31

Table 1. Sustainability Disclosure Topics & Accounting Metrics

TOPIC	SASB ACCOUNTING METRIC	UNIT OF MEASURE	CODE	Disclosure Description and/or Location					
				2024	2023	2022	2021	2020	2019
Greenhouse Gas Emissions & Energy Resource Planning	Gross global Scope 1 emissions.	Emissions (tCO ₂)/ year	IF-EU-110a.1	20,544 ¹	22,917	27,576	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					

¹ 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.

Table 1. Sustainability Disclosure Topics & Accounting Metrics

TOPIC	SASB ACCOUNTING METRIC	UNIT OF MEASURE	CODE	Disclosure Description and/or Location					
				2024	2023	2022	2021	2020	2019
Air Quality	Air emissions of the following pollutants: (1) NOx(excluding N2O), (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.					
	Total water withdrawn	Thousand cubic meters (m ³)/ year	IF-EU-140a.1	610,557,626 ²	668,527,965	545,130,947	548,418.853	497,386,881	189,419,247
Water Management	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: Our planter- Water Management					

² Water metrics reported reflect its use for all our plant operations. This indicator measures the direct or indirect water withdrawal related to the operations of our subsidiaries. 99% of water is used by our Hydroelectric facilities located in Peru and Ecuador. The water is diverted from a flowing river and guided down a channel, which leads to a generating house.

Table 1. Sustainability Disclosure Topics & Accounting Metrics

Table 1. Sustainability Disclosure Topics & Accounting Metrics				Disclosure Description and/or Location					
TOPIC	SASB ACCOUNTING METRIC	UNIT OF MEASURE	CODE	2024	2023	2022	2021	2020	2019
Coal Ash Management	Amount of coal combustion residuals (CCR) generated; percentage recycled.	Metric tons(t), Percentage (%)	IF-EU-150a.1						
	Total number of coal combustion residual (CCR) impoundments, broken down by hazard potential classification and structural integrity assessment	Number	IF-EU-150a.2	Not applicable. Polaris does not use coal in its operations					

As of December 31

Table 1. Sustainability Disclosure Topics & Accounting Metrics

Table 1. Sustainability Disclosure Topics & Accounting Metrics				Disclosure Description and/or Location					
TOPIC	SASB ACCOUNTING METRIC	UNIT OF MEASURE	CODE	2024	2023	2022	2021	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						
	Number of residential customer electric disconnections for non-payment, percentage reconnected within 30 days.	Number, Percentage (%)	IF-EU-240a.3	Not applicable. Polaris does not sell energy to retail customers					

Table 1. Sustainability Disclosure Topics & Accounting Metrics

Table 1. Sustainability Disclosure Topics & Accounting Metrics				Disclosure Description and/or Location					
TOPIC	SASB ACCOUNTING METRIC	UNIT OF MEASURE	CODE	2024	2023	2022	2021	2020	2019
	Discussion of impact of external factor on 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) ³	OSHA Rate	IF-EU-320a.1	2.28	2.34	3.50	1.60	1.62	2.62
	Fatality rate	OSHA Rate	IF-EU-320a.1	0.00	0.00	0.00	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						
	Percentage of electric load served by smart grid technology.	Percentage(%) by megawatt hours (MWh)	IF-EU-420a.2	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.					
	Customer electricity savings from efficiency measures, by market.	Megawatt hours (MWh)	IF-EU-420a.3						

³ Since 2022, we have been reporting that the total recordable incident rate is the result of the combined operations across all of our facilities.

Table 1. Sustainability Disclosure Topics & Accounting Metrics

TOPIC	SASB ACCOUNTING METRIC	UNIT OF MEASURE	CODE	Disclosure Description and/or Location					
				2024	2023	2022	2021	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 Resilienc	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 B: GLOBAL REPORTING INITIATIVE METRICS

GRI Standard	Disclosure Title	Disclosure Description and/or Location
General Disclosures		
GRI 102: Organizational Profile		
102-1	Name of the organization	Polaris Renewable Energy Inc.
102-2	Activities, brands, products and services	Polaris Renewable Energy 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
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 Standard	Disclosure Title	Disclosure Description and/or Location
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 Marcela Paredes
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 Marcela Paredes
102-20	Executive-level responsibility for economic, environmental and social topics	Letter from Marc Murnaghan and Commentary from Marcela Paredes
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
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.

GRI Standard	Disclosure Title	Disclosure Description and/or Location
102-32	Highest governance body's role in sustainability reporting	Corporate Governance and Commentary from Marcela Paredes
102-33	Communicating critical concerns	Corporate Governance
102-34	Nature and total number of critical concerns	Corporate Governance, Proxy Statement, Annual Information Form
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, Stakeholder Engagement
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, Stakeholder Engagement
102-44	Key topics and concerns raised	Proxy Statement, Annual Information Form, Stakeholder Engagement
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.

GRI Standard	Disclosure Title	Disclosure Description and/or Location
102-49	Changes in reporting	Financial Statement and MD&A Report
102-50	Reporting period	Calendar year 2024, except where otherwise noted
102-51	Date of most recent report	February 2024
102-52	Reporting cycle	Annual
102-53	Contact point for questions regarding the report	Investors Relations: info@polarisrei.com el: +1 647 - 245 7199 www.polarisrei.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.
GRI 103: Management Approach		
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	

APPENDIX C: POLARIS ENVIRONMENT, SOCIAL AND GOVERNANCE (ESG) SCORECARD

Priority Topic	2024	2023	2022	2021	2020
Operations					
Electricity Net Generation (MWh)					
Geothermal					
San Jacinto Tizate ⁴	468,983	499,130	439,090	465,935	511,702
Hydroelectric					
Canchayllo	31,716	34,380	26,854	28,084	33,832
8 de Agosto	107,351	116,900	105,010	103,440	93,289
El Carmen	42,799	44,632	40,983	46,064	24,070
San Jose de Minas	34,407	36,640	9,418	0	0
Solar					
Canoa I	59,934	56,059	28,401	0	0
Panama	19,565	13,211	0	0	0

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 4 For more information, check de Management Discussion and Analysis (MD&A) Report.

Total	764,756	800,952	649,756	643,523	662,893
Priority Topic	2024	2023	2022	2021	2020
Environment					
Greenhouse Gas (GHG) emissions					
Greenhouse gas emissions (tCO ₂ e) ⁵	20,544	22,917	27,576	16,275	16,275
Carbon footprint	1,163 ⁶	853			
GhG Emissions Reductions (CER)⁷					427,290
San Jacinto Tizate ton CO ₂ /Year	200,060 ⁸	213,745	171,156	134,027	197,875 ⁷
Canchayllo ton CO ₂ /Year	14,032 ⁹	15,207	15,871	16,598	19,995 ⁷
8 de Agosto ton CO ₂ /Year	73,619 ¹⁰	80,167	70,357	69,305	63,031 ⁷

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- 5 The presented emissions correspond to Geothermal generation (San Jacinto Tizate). It represents a partial value of Scope 1. According to the ISO 14,064 - 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 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 emissions reported are exclusive for geothermal energy generation (partial scope 1).
 - 6 The carbon footprint measurement considers Nicaragua, Ecuador and Perú (scope 1, 2 and partially scope 3) following ISO 14,064:2018 methodology. Additionally, it considers Dominican Republic, Canada and Panama (Scope 1 and 2), following the same methodology. Our total emissions increased for Scope 1 due to a 2023 calculation error related to fugitive refrigerant emissions. For Scope 2, the increase was due to higher electricity use in Nicaragua and the Dominican Republic.
 - 7 Forecasted emission reductions that are eligible to undergo the verification and CER registration process. Vista Hermosa is not included in this metric because it is certified as I-REC (Energy certificates).
 - 8 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 tCO₂e/MWh, and then subtracting the baseline GHG emissions from the project activity. The GHG emissions and GHG emissions reduction for 2019 and 2020 were validated and verified during the 2023 Monitoring Report (to certify credits starting June 1st, 2019, until December 31st, 2020). In this process, there were some changes due to an error applied to CO₂ and CH₄ concentrations. There was a data correction from 2019 to 2020 in emissions and reductions, linked to the certification process. For the period 2021-2023, the emissions and reduction are estimated following the same methodologies than in the 2019 and 2020 certification process. In 2023, the U5 - Binary project data, which emissions factor is 0.5766 tCO₂e/MWh, is already included in the calculation.
 - 9 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 tCO₂e/MWh, (based on last Monitoring Report Form for Canchayllo CDM project). Emission reductions and certification starting 2021 and beyond, depends on UNFCCC to define the new methodology to be applied.
 - 10 Estimated annual CERs for “8 de Agosto” project for the 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 the years starting 2021 to 2023 were calculated by multiplying the annual energy delivered to the grid and the baseline emission factor of 0.67 t CO₂e/MWh. Emission reductions and certification starting 2021 and beyond, depends on UNFCCC to define the new methodology to be applied.
 - 11 Estimated annual CERs for “El Carmen” project were updated based on validation and verification process to be certified with CERCABONO standard. The emissions factor was updated and calculated by multiplying the annual energy delivered to the grid and the baseline emission factor of 0.4123 tCO₂e/MWh). This emission factor applies starting from 2022 until 2029.

El carmen ton CO ₂ /Year	15,374 ¹¹	18,402	16,897	19,586	9,902
San Jose de Minas ton CO ₂ /Year	6,596 ¹²	6,885	7,243	0	0
Canoa I ton CO ₂ /Year	36,242 ¹³	33,899	37,062	0	0
Total GhG Emission Reductions	345,923	368,305	318,586	239,516	290,803
Emissions intensity, ton CO₂ e / MW (net)	0.03	0.03	0.01	0.03	0.03
Energy Management					
Total energy consumed	60,948	46,680	45,819	47,067	46,439
Percentage renewable energy consumed	98.97%	82.94%	92.30%	99.54%	99.52%
Energy intensity ¹⁴	0.074	0.167	0.017	0.066	0.066
Water consumed in electricity generation					
Water withdrawn (m ³) ¹⁵	26,072	26,307	545,130,947	548,418,853	497,386,881

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- 12** Estimated annual CERs for “San Jose de Minas” project was updated and calculated by multiplying the annual energy delivered to the grid and the baseline emission factor of 0.1879 tCO₂e/MWh, (based on Project Design Document, following CERCARBONO (methodologies).
 - 13** Estimated annual CERs for “Canoa” project was updated and calculated by multiplying the annual energy delivered to the grid and the baseline emission factor of 0.6047 tCO₂e/MWh, (based on Project Design Document, following CERCARBONO methodologies).
 - 14** Total annual energy consumed (MWh) / Total annual energy generated (MWh).
 - 15** Water metrics reported reflect its use for all our plant operations. This indicator measures the direct or indirect water withdrawal related to the operations of all our operations. Does not include turbined water from our hydropower operations.
 - 16** This information only considers turbined water. 99% of water is used by our Hydroelectric facilities”, “Canchayllo”, “El Carmen” and “8 de Agosto” located in Peru and “San Jose de Minas” located in Ecuador. 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.

Water returned to source (in million m ³) ¹⁶	610,534.478	668,527,965	15,325,514	548,404,118	497,372,543
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Waste Management ¹⁷					
Total amount of hazardous waste (Kg/Year)	18,920	6,005	8,765	7,029	9,917
Total amount of recycled waste (Kg/year)	1,989	7,514	8,578	1,406	3,016
Total amount of non-hazardous waste (excluding recycle) (Kg/year)	1,754				
Kg waste / MW generated	0.027	0.012	0.199	0.012	0.018

Employee training					
Hard/soft skills training (Hours/year) ¹⁸	3,369	2,406	2,901		
Environmental education (Hours / Year)	1,022	1,562	519	308	350
Health and Safety Education (Hours/Year)	3,389	1,767	1,352		

Social					
Safety					
OSHA Injury Rate ¹⁹	2.28	2.34	3.50	1.60	1.62
Employee fatalities	0	0	0	0	0

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17 Hazardous waste refers to: contaminated yarns, contaminated soil, used oil filters, used oil, aerosols, empty chemical containers, grease tubes, empty paint containers, thinners, etc. In 2024, we began measuring the generation of non-hazardous solid waste, excluding recycling.

18 Training and educational hours imparted to our employees during the year including internal and external training.

19 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.

Contractor fatalities	0	0	0	0	0
Polaris Team ²⁰					
Number of Employees Permanent	196	199	174	70	115
Number of Employees Temporary	9	7	34	2	34
Total employees (Permanent & Temporary)	205	206	208	72	149
Number of employees by Gender (Permanent)					
Male	144	149	108	53	81
Female	52	50	42	17	34
% of women (Permanent)	27%	25%	24%	24%	30%

Governance					
Board of Directors	6	6	5	5	5
Percentage Independent directors	83%	83%	60%	60%	60%
Percentage Women on Polaris' Board of Directors	50%	50%	40%	40%	40%
Age					
Percentage of Directors under 50	17%	20%	20%	20%	20%
Percentage of Directors 50-60	33%	60%	60%	60%	40%
Percentage of Directors 60+	50%	20%	20%	20%	40%

²⁰ Calculations includes personnel from all our operations including also Toronto office.










SUSTAINABILITY PRIORITIES: MATERIAL TOPICS - TURNING IDEAS INTO REALITY

Following our materiality assessment and ongoing consultation, the following are the Company’s material topics and priorities that we have committed to include as part of our sustainability strategy:

Sustainability Alignment: Our Practice







Material Topic	Commitment	Target	Progress	Comments	UN SDG Alignment	Reference
Ethics	Ensure an ethical culture that invites our staff to live our values daily with all the stakeholders with which we engage.	100% of staff and board of Directors sign their adherence to the Code of Conduct and Ethics annually.	Achieved	All our staff and board of Directors had signed the Code of Conduct and Ethics in 2024.		Page 21 
		100% of staff receive ethics related training annually.	Achieved	All our staff received ethics training in 2024.		Page 21 
		UN Global Compact membership by 2023.	Achieved	Polaris’ first communication on progress was filed in May, 2024 and is available on the United Nations Global Compact website.		Page 10 







Material Topic	Commitment	Target	Progress	Comments	UN SDG Alignment	Reference
Corporate Governance	Adopt best practices for board composition, independence, and processes, and ensure that the example of governance at the board level trickles down to all levels of the Company.	Only one member of Board of Directors is non-independent.	Achieved	Our Board is 83% independent.		Page 16 
		At least one member of Board of Directors has experience in sustainability.	Achieved	3 members of our Board of Directors have experience in sustainability.		Page 16 
		Board-level ESG Committee is operating.	Achieved	We have a Board-level HR & ESG committee.		Page 17 
Anticorruption & Transparency	Ensure transparent and respectful relations with government officials, suppliers, and any other stakeholder, facilitating public and truthful information in our operations in a timely manner.	Anti-Bribery and Corruption Policy is signed by senior level positions annually.	Achieved	Signed by senior level positions, together with the code of conduct.		Page 22 
		Sustainability Report published annually.	Achieved and on Track	We have published our Sustainability Report, annually, from the year 2020.		https://polarisrei.com/sustainab/#report 

Material Topic	Commitment	Target	Progress	Comments	UN SDG Alignment	Reference
Human Rights	Respect human rights amongst our relationship with staff and communities.	Human Rights Statement of Commitment for Polaris developed by 2023.	Achieved	In 2023, Board of Directors approved our Human Rights Statement of Commitment.	  	Page 24 
		0 complaints related to Human Rights' contraventions internally and externally.	Achieved and on Track	Through the internally and externally established channels, no complaints regarding Human Rights' contraventions were received.	 	Page 24 
		100% of staff and local qualified contractors receive training on Human Rights annually, by 2025.	Achieved and on Track	In 2024, employees were provided with an online course covering Human Rights including a deeper dive training on modern slavery and child labour.		Page 24 

Sustainability Alignment: Our People

Material Topic	Commitment	Target	Progress	Comments	UN SDG Alignment	Reference
Occupational Health and Safety	Provide a safe and healthy workplace and continually strengthen physical and mental health culture ensuring our staff return home in the same or better conditions as they arrived at work.	0 fatalities annually	Achieved and on track	In 2024, the Company continued reaching the goal of 0 fatalities in its operations. Likewise, the Near Miss program in all its operations was Successfully launched.		Page 28 
		Healthy Worker Program implemented in all jurisdictions by 2024.	Achieved and on track	In 2024, we've enhanced and expanded the activities tied to the Healthy Worker Program across all our operations.		Page 29 
		1 session per year of mental health awareness campaign.	Achieved and on track	In 2024, we hosted a session entitled "Mental Health is for Everyone," which saw participation from employees across different jurisdictions.		Page 30 

Material Topic	Commitment	Target	Progress	Comments	UN SDG Alignment	Reference
Talent engagement & empowerment	Hire, retain, manage, engage, and empower staff to ensure they grow in their personal and professional life.	≤ 7% staff turnover yearly by 2025.	On track	In 2024, the company continued expanding its best practices across all its operations in the region, further strengthening the corporate culture.		Page 31 
		5 total training hours per employee per year on average, regarding sustainability issues by 2024.	Achieved and on track	The training program on this matter has been successfully implemented for employees. They have received training on topics such as the environment, safety, diversity and equity, human rights, and more.		Page 34 
		75% compliance with the annual training plan for staff, in all jurisdictions, by 2027.	Achieved and on track	The employee training program has been successfully expanded across all operations in the region.		Page 34 



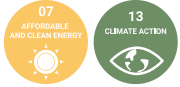

Material Topic	Commitment	Target	Progress	Comments	UN SDG Alignment	Reference
Diversity & Inclusion	Foster equal opportunity and fair treatment with respect to every interaction involving the people we work with and/or engage, ensuring diversity and inclusion in our business processes.	No more than 60% of the members of the board are of the same gender.	Achieved	Our Board of Directors is diverse with 50% being of the opposite gender.		Page 16 
		Diversity and Inclusion Policy by 2023.	Achieved	The Company' diversity and inclusion policy was improved in 2023, broadening its scope. Now, this policy is applicable to the staff and members of the Board of Directors.		Page 35 
		100% of staff receive diversity & inclusion-related training annually starting 2024.	On track	The company included aspects of diversity and inclusion in its annual training program.		Page 35 

Sustainability Alignment: Our Partners

Our Partners	Commitment	Target	Progress	Comments	UN SDG Alignment	Reference
Sustainable Supply Chain	Ensure that our contractors meet price and quality requirements and our sustainability standards.	100% of contractors sign the Code of Conduct and Ethics by 2025.	Achieved and on track	Contractors have continued to sign the Code of Conduct and Ethics, as introduced in 2023.	 	Page 40 
		100% of contractors are assessed for Environmental and H&S aspects for all operations, by 2025.	On track	Good practices are in place to assess contractors on H&S and environmental aspects, and the Company will continue to strengthen these practices in the following years.	 	Page 40 
Stakeholder Engagement	Engage all external stakeholders with respect and dignity, offering multiple spaces to interact and foster relationships of trust, considering their opinions in business strategy.	100% operations have a stakeholder engagement plan (SEP) by 2023.	Achieved	The company has SEPs in all its operations and implements them accordingly.		Page 11  Page 41 
		100% of our projects prioritize the hiring of unskilled local labor.	Achieved	Local labor is prioritized in all projects (especially when unskilled labor is required).		Page 43 

Our Partners	Commitment	Target	Progress	Comments	UN SDG Alignment	Reference
Community Development	Impact the communities and territories where we develop projects in a positive way, in partnership with local communities and authorities.	100% of operations have a community Contributions Plan.	Achieved	The Company has implemented various community strategies depending on the jurisdictions in which it operates.		Page 44 

Sustainability Alignment: Our Planet

Material Topic	Commitment	Target	Progress	Comments	UN SDG Alignment	Reference
Emissions Avoidance/Reduction	Assess and reduce our carbon footprint as well as measure the emissions avoided by our renewable energy generation.	Compensate for our emissions (Scope 1 & 2) with carbon credits by 2024.	Achieved and on Track	We have offset 696 tons of CO ₂ .		Page 60 
Climate Change Strategy	Factor the effects of climate change into our business decisions and operational plans.	Our Geothermal facility has a Climate Risk and Adaptation Plan by 2027.	Achieved	The Company has a Climate Risk and Adaptation Plan.		Page 62 

Material Topic	Commitment	Target	Progress	Comments	UN SDG Alignment	Reference
Water Management	Minimize our consumption of water as a non-renewable resource and ensure water quality is not negatively affected by our operations.	0 yearly incidents of non-compliance.	Achieved and on Track	In 2024, we achieved 0 incidents in water management in all our operations.	 	Page 65 
		100% of our Projects have water footprint measurement by 2027.	On Track	In 2024, we began measuring our Water Footprint in Nicaragua	 	Page 66 
Biodiversity	Contribute to the protection of biodiversity by applying a prevention-focused management and mitigation measure; working with stakeholders to identify, avoid, mitigate, minimize, or compensate impacts.	100% of our Projects have Biodiversity Management Plans by 2024.	Achieved	In 2024, we completed Biodiversity Management Plans for all our operations.	  	Page 68 
Waste Management	Implement effective and necessary measures and procedures to carry out the storage, treatment, and final disposal for the generated waste in the Company's operations.	Waste management plans implemented in all jurisdictions by 2024.	Achieved	In 2024, the documentation and implementation of the waste management plans was completed for all our operations.	 	Page 71 
		By 2023, promote recycling in 100% of our projects.	Achieved	All our operation achieved the recycling of waste.	 	Page 72 



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