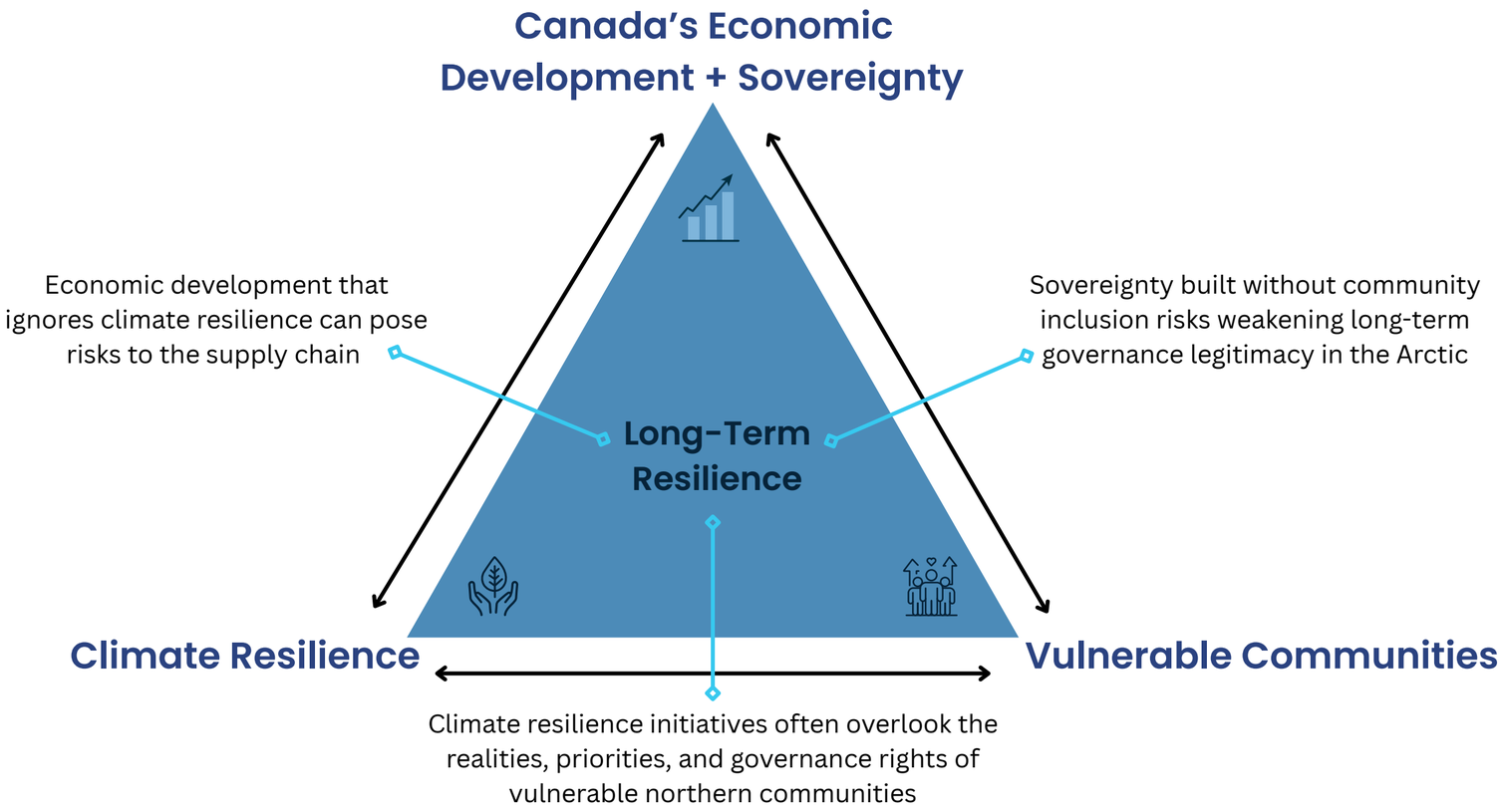
How We Are Addressing the Challenge

Risk Trade-Offs



Project Deliverables

01 **Governance & Partnership Blueprint**

02 **Financing Mechanism Concept**

What This Achieves

Mobilizes private capital for adaptation

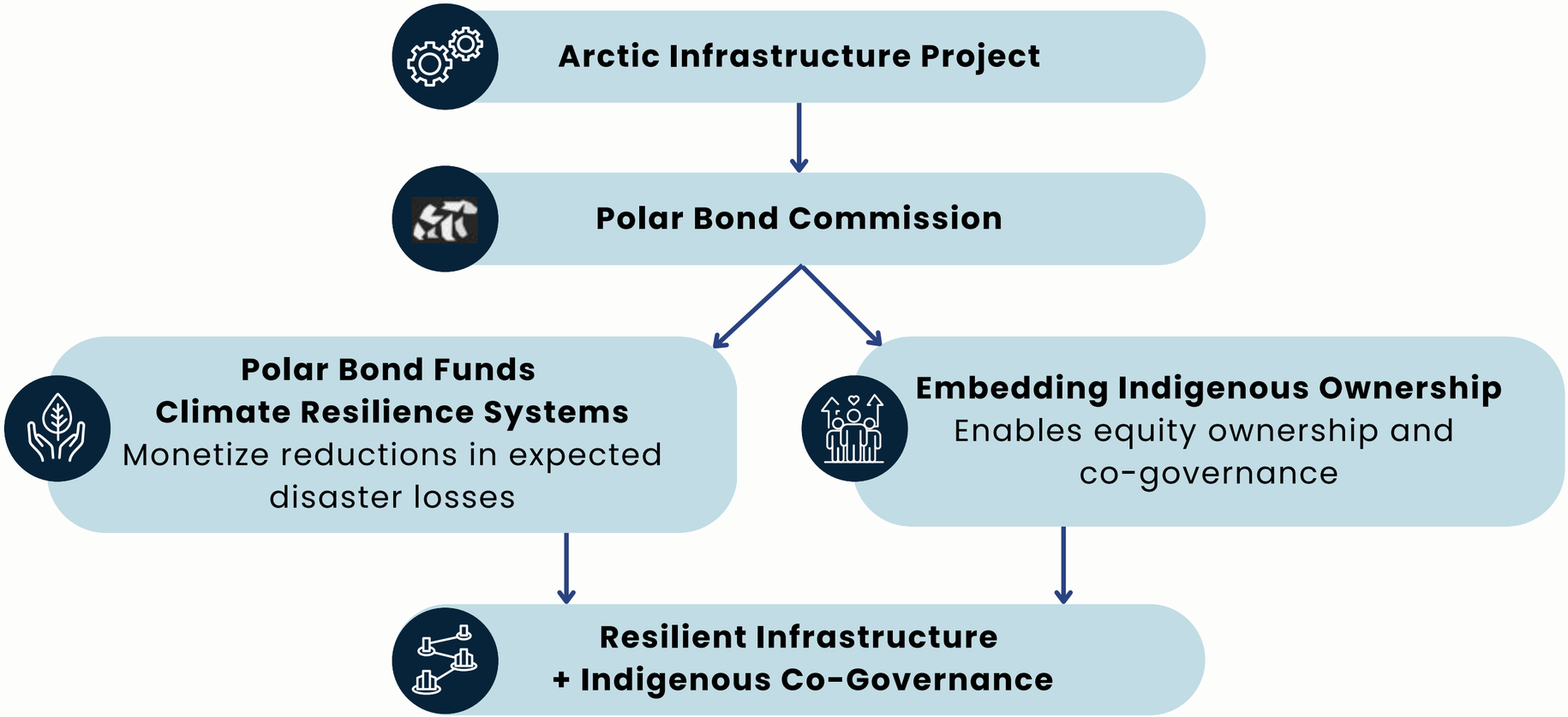
Lower the probability of disasters + supply chain disruptions

Creates shared value for: Arctic communities, infrastructure operators, investors

Replicable model for climate-exposed trade infrastructure

Mechanism of the Polar Bond Commission

Integrating Risk Mitigation into Arctic Infrastructure Finance



Solution Details: Polar Bond

Origin of Polar Bond: draws of features from Green, Indigenous, Catastrophe & Resilience bonds

Issuer: project sponsoring entity (eg. GoC or CIB) w/ PBC

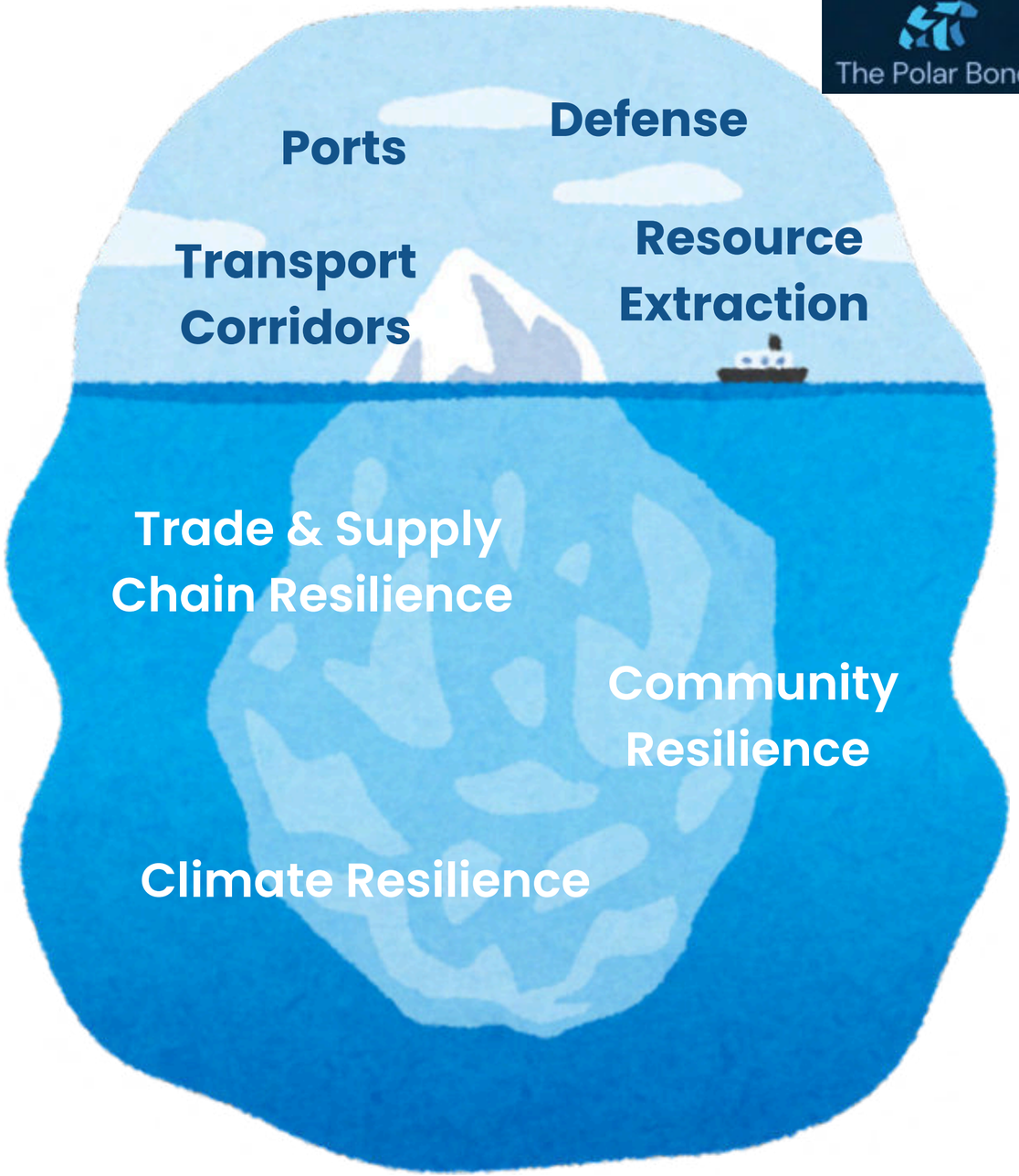
Rule of thumb issuance size: 10-20% of full-scope project

Polar Bond Buckets [BoC, 2026]:

- 3 yr tranche (BoC ~2.75% + 250-400 bps)
- 5 yr tranche (BoC ~3.00% + 200-325 bps)
- 10-15 yr tranche (BoC ~3.5% + 225-350 bps)

Attractive to Institutional Investors

- Arctic & resilience infrastructure exposure
- Low market correlation
- Arctic risk premium



By valuing avoided disruption and incorporating risk reduction into financial structuring,
Polar Bonds shift capital toward prevention rather than post-loss compensation.