

Sustainable procurement at Solar Group

Sustainable procurement policy

Solar launches a new sustainable procurement policy containing guidelines and targets until 2026 on sustainable procurement. This sustainable procurement policy applies to Solar Group, all legal entities, and constitutes the framework for our sustainable procurement and what this means for Solar and our suppliers. It serves to guide and steer internal and external stakeholders.

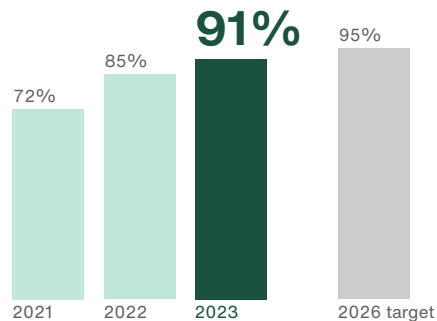
Solar Group consists of Denmark, Sweden, Norway and the Netherlands. Solar is currently working on the strategy to incorporate Solar Polska and MAG45 and other Solar entities by 2026.

Code of Conduct

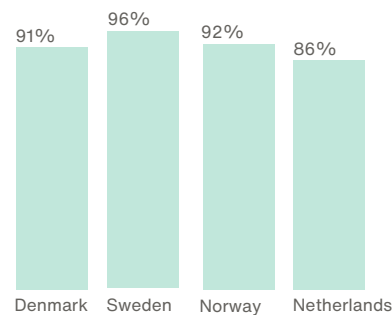
Solar Group's work with sustainable procurement is based on Solar's Supplier Code of Conduct. Solar has voluntarily adopted the Responsible Business Alliance (RBA) Code of Conduct since 2016. Solar is committed to increasing the adaption and compliance of the Suppliers of the Code in our supplier base*.

**The baseline for each year is the full spend in the current calendar year for our strategic and preferred suppliers.*

Code of conduct coverage

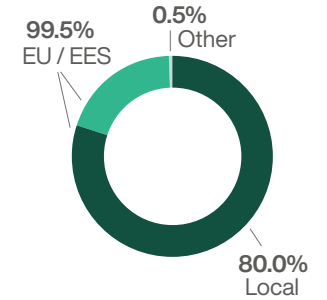


Per country (2023)



Local purchasing

To be able to meet the requirements of our customers, Solar Group has more than 4,000 suppliers in our portfolio. As a group, Solar aims to purchase as many products as possible in our home markets for several sustainability-related reasons. We see that in 2023 in total numbers, 80 % of our purchases came from our local Solar countries*.



EU / EES

Less than 0.5 % of our total purchases** in 2023 were from outside the EU/ EES area.

**Denmark, Sweden, Norway and the Netherlands.*

*** Measured on total group spend in full 2023.*

Code of Conduct training

Our ambition is that all relevant staff shall have concluded our Code of Conduct training. The training covers what the Code of Conduct is, why Solar is requiring this from our suppliers, and the contents of the document itself. The training is mandatory for all staff with supplier relations, however, available for all others as well. The training is held continuously, and the target is 100% of relevant staff by the end of 2026. The objective is to raise competence, awareness, and motivation to drive sustainable issues and the KPI measure is the accumulative percentage of our relevant staff.

**Relevant staff is 6 selected global roles in Commercial Market and Sourcing. The target is the total amount of staff in these 6 selected roles.*

92%
in 2023



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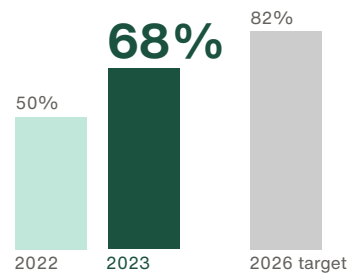
Risk assessment and corrective actions

In 2022, we partnered up with EcoVadis to perform risk assessments of our supply chains. The risk assessments are made in the four areas; Labour and Human Rights, Ethics, Environment, and Sustainable Procurement. Solar is committed to increasing the share of our supplier base that has undergone risk assessment and to driving corrective actions with our suppliers in order to increase sustainability maturity. By 2026, the target of spend assessed is 82%^{*} at group level, and in 2023, we reached 68% of the spend having been risk assessed. This KPI is also tracked and reported at country level on a yearly basis.

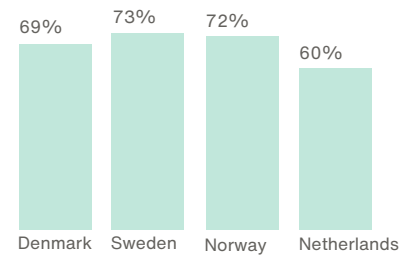
The objective is to increase the share of suppliers that have undergone risk assessment to be able to identify very high risk or high risk. The KPI related to this is: Percentage of Solar Group's (and each legal entity) spend that is risk assessed. This also ties into the overall main target of having no high risk or very high risk vendors by end of 2026.

**The baseline for each year is the full spend in the current calendar year for our strategic and preferred suppliers.*

Risk assessed spend



Per country (2023)



100% certified material

At Solar, we strive to reduce our own packaging material in our warehouses as much as we can. All the material that we use in our own cardboard boxes that we ship to our customers is certified by an internationally recognised certification system. We also strive to only use recycled material in our cardboard boxes, and we are proud to say that the boxes in total contain over 80% recycled material.

Reducing CO2 emissions

We have set our target to become Net-Zero in our own operations and to reduce our CO2 emissions by 25% across the value chain by 2030, compared to 2020. The work to reduce our CO2e by 25% across the value chain will be done in close collaboration with our suppliers during the coming years.

EcoVadis GOLD rating

Solar Danmark, Solar Sverige, Solar Norge and Solar Nederland are currently all rated GOLD by EcoVadis.

