

An aerial photograph of a large-scale construction project. In the foreground, a multi-story building is under construction, with its concrete frame and rebar structure visible. Several large tower cranes are positioned around the site, their long jibs extending across the sky. The background shows a dense forest of trees with autumn foliage, and a modern glass-walled building is partially visible on the right. The sky is filled with soft, white clouds, and the overall lighting suggests a bright, clear day. A white geometric pattern of lines is overlaid on the right side of the image.

solar

GREEN TOGETHER

SUSTAINABILITY REPORT 2021

Solar A/S
CVR no. 15 90 84 16

WHO WE ARE

We are a leading European sourcing and services company.

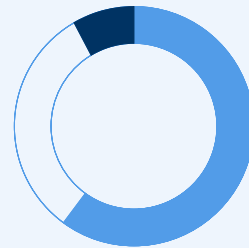
OUR ENTITIES



| | | |
|-------------------------------|----------------------|---------------------------------|
| Denmark 33% | Sweden 21% | Norway 16% |
| The Netherlands 23% | Poland 4% | Other ¹ 3% |

Share of revenue

OUR SEGMENTS

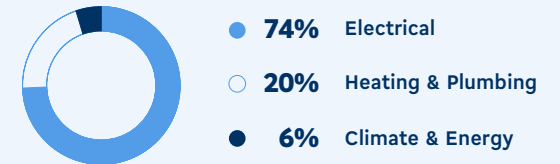


| | | |
|----------------------------|------------------------|--------------------|
| 60% Installation | 32% Industry | 8% Trade |
|----------------------------|------------------------|--------------------|

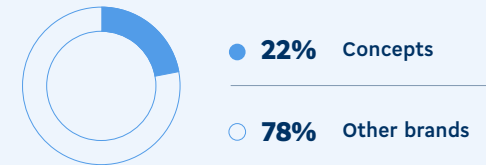
Share of revenue

OUR PRODUCTS

Product groups



Product brands



Share of revenue

FIND OUT MORE

Together with the Sustainability Report, the following publications constitute Solar's reporting for the year 2021:



ANNUAL REPORT

The Annual Report focuses on our financial performance, including an ESG overview and high-level information about sustainability.

[→ ANNUAL REPORT](#)



OUR WEBSITE

Reports, policies, further documentation and case stories are available online.

[→ SOLAR.EU/SUSTAINABILITY](https://solar.eu/sustainability)

¹ Including eliminations

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OUR PURPOSE

**We improve
 construction, building operation
 and industry processes
 with a commitment to
 sustainability and productivity.
 For our customers. With our partners.
 For a better world.**

This report covers activities in the 2021 calendar year. It also represents our compliance with section 99a, 99b and 107d of the Danish Financial Statements Act.



LETTER FROM THE CEO

WELCOME TO SOLAR'S SUSTAINABILITY REPORT 2021



This is our Communication on Progress
in implementing the principles of the
United Nations Global Compact.

We welcome feedback on its contents.

LETTER FROM THE CEO

OWNING OUR RESPONSIBILITY

There is no doubt that the world needs to decarbonise, and quickly. Solar is determined to play an active role in the green transition. We have an ambition to reach Net-Zero in Scope 1 and 2 in 2030. As part of our ambition, we have committed ourselves to the Science Based Targets initiative (SBTi), to ensure that our activities to reduce emissions meet the goals of the Paris Agreement. This means reducing our CO₂e to Net-Zero in our operations and only using offsetting as the last resort. Specifically, this means switching to 100% renewable energy – procured or own produced. It also entails a 100% green fleet and a strong focus on energy optimisation and implementing new technologies in everything we do in our operations.



Our ambition is to become Net-Zero by 2030 in scope 1 and 2

We recognise that emissions from our operations are only a small part of our overall carbon footprint. In order to really succeed, we must get our suppliers on board. We are currently analysing scope 3, suppliers, and expect to submit our targets for scope 1, 2 and 3 for validation by SBTi in 2022.

PART OF A BIGGER VALUE CHAIN

Being part of the construction industry value chain, we are keen to assume our responsibility and do our part in moving the industry towards a greener future. Moreover, we must also help and support our customers to reduce their carbon footprint by bringing sustainable products and solutions to the market as well as offering training and sustainable logistics. We are aware of the need for further action in every aspect of our business.

We call it 'Green Together' and we continue to work with this framework in the years to come.

CHANGE TAKES A TEAM

The connection between a healthy environment, a thriving society and the wellbeing of our employees is palpable. The COVID-19 pandemic, to some extent, still affects the way we work and our ability to work together. To help overcome this, we have launched the Modern Workplace project giving our employees new opportunities to collaborate on various digital platforms. We also believe that our workplace and surroundings play a role in our employees' wellbeing. By transforming 160,000 m² of land at our headquarters in Denmark, new outside areas will be created for our employees to benefit from.

The biodiversity agenda is important to us and we are eager to contribute as much as possible starting by converting an industrial plot into a wild meadow.

Overall, sustainability is high on our agenda. As a member of United Nations' Global Compact (UNGC), we continue reporting on our progress and supporting the UN's guiding principles. We have also integrated three of the UN Sustainability Goals (SDGs) into our approach.

Our logo might be blue, but we have a keen eye for green solutions and their potential. Therefore, we will continue to identify the sustainable solutions that benefit our customers, our business, our employees and the environment in general.

Jens Andersen
CEO



WHAT IS NET-ZERO?

Net-Zero refers to achieving a balance between the amount of greenhouse gas emissions produced and the amount removed from the atmosphere.

BUSINESS MODEL

SOLAR IS A GREEN AND DIGITAL SOURCING AND SERVICES COMPANY

SOLAR

More than 200,000 articles are available from our automated warehouses.

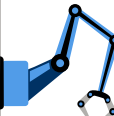


School

Each year 6,000 participants attend our Solar School.

Customer services

Supporting customers throughout their journey makes us stronger together.



Automated warehouses

Based on AutoStore, warehouses improve productivity and reduce energy consumption.

Transport

More than 10,000 deliveries every day.



Bike and EV deliveries

Delivery within the hour and limited impact on the environment.



SUPPLIERS

Solar works with around 3,500 suppliers.



CUSTOMERS & PRODUCTS

Our customers are active within the industry, installation and trade segments.

Electrical

Wide assortment of electrical components, cables and lighting solutions. We also provide training and product guidance.

Climate & Energy

Energy efficient solutions within heat pumps, solar panels, ventilation and EV chargers.

Heating & Plumbing

Wide assortment of heating & plumbing components, pipes, drainage systems, cold-water pumps and insulation, combined with training and product guidance.

Digital service

+65% of customer orders are made online – making us one of the most digitised companies in our industry.



OUR SUSTAINABILITY FRAMEWORK

GREEN TOGETHER

As a leading European sourcing and services company, we want to act responsibly. At Solar, we strongly believe in a circular future and the importance of sustainability as a lever to future business. We want to pull our weight when it comes to running a responsible and sustainable business by reducing our CO₂e and providing climate and energy solutions.

Every action and every decision has an impact. We have therefore launched three strategically anchored initiatives to bolster our sustainable approach and support the global ESG agenda.

Together with customers, suppliers and employees:

WE EMPOWER THE GREEN TRANSITION

WE CARE WITH RESPECT

WE LEAD WITH TRANSPARENCY

Being a responsible and sustainable business is not a phase. Nor a chore. It is at the very core of who we are and it infuses how we think and act.



ENVIRONMENT

EMPOWER THE GREEN TRANSITION



CLIMATE IMPACT



CLIMATE & ENERGY SOLUTIONS



ENVIRONMENTAL RESPONSIBILITY



ENVIRONMENT

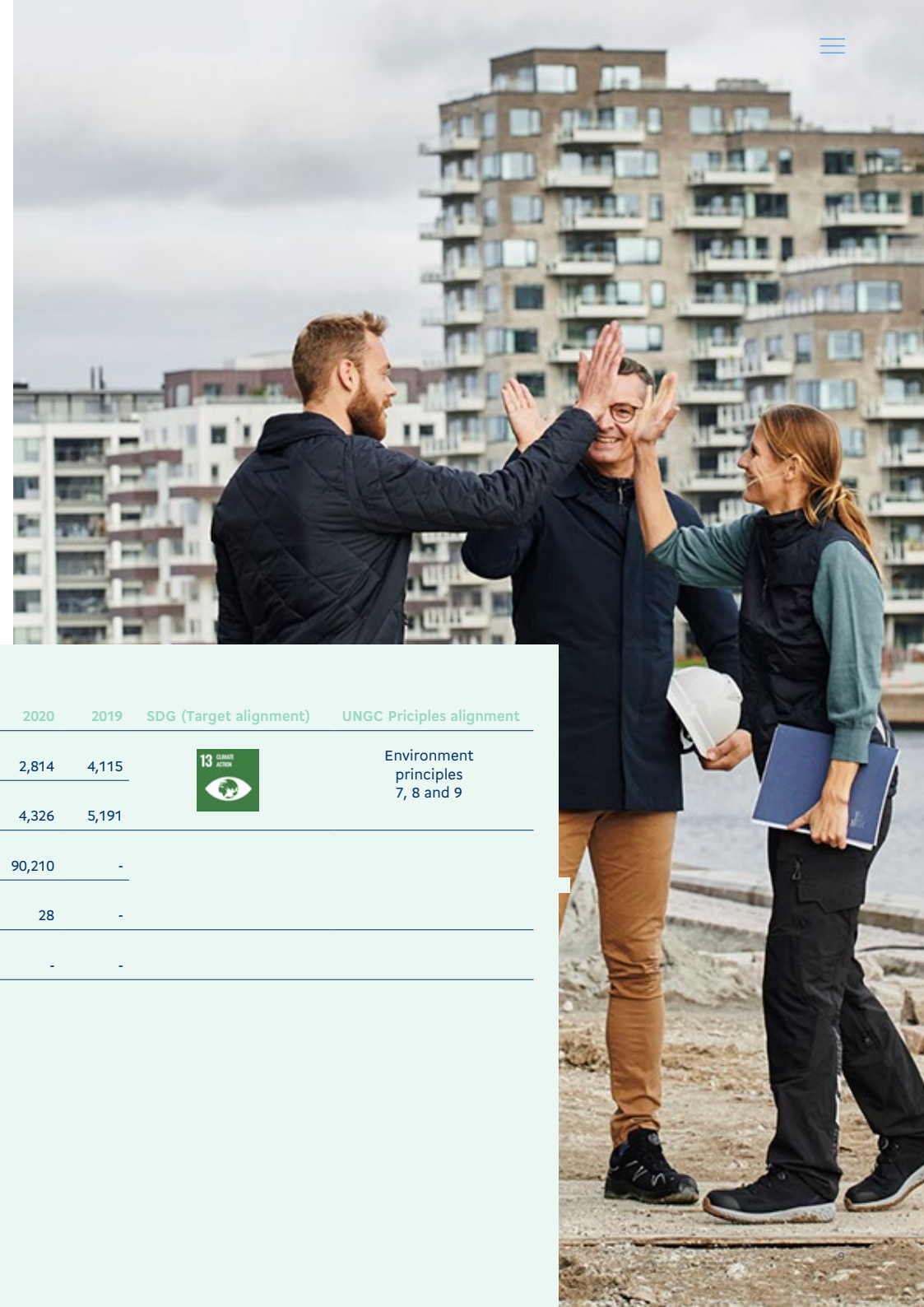


WE EMPOWER THE GREEN TRANSITION

Sustainability is everyone's business. It has become a clear-cut demand from our customers, partners, and the society which we are all a part of.

Every day, we approach climate and energy issues with a commitment to long-term changes. And we seek to take advantage of our unique opportunity to work closely with our customers and suppliers, capturing the potential of a growing market within sustainable solutions. We do that by seeking and supplying sustainable solutions, placing demands on our suppliers and our customers.

This is reflected in the way that we enable, provide and support climate and energy solutions within and around Solar.



ENVIRONMENT DATA OVERVIEW

| Environment data | Unit | 2021 | 2020 | 2019 | SDG (Target alignment) | UNGC Principles alignment |
|-------------------------|----------------|--------|--------|-------|------------------------|-----------------------------------|
| CO ₂ Scope 1 | metric tonnes | 3,583 | 2,814 | 4,115 | | Environment principles 7, 8 and 9 |
| CO ₂ Scope 2 | metric tonnes | 4,107 | 4,326 | 5,191 | | |
| Energy consumption | GJ | 89,429 | 90,210 | - | | |
| Renewable energy share | % | 68 | 28 | - | | |
| Water consumption | m ³ | 23,204 | - | - | | |

ENVIRONMENT



CLIMATE IMPACT

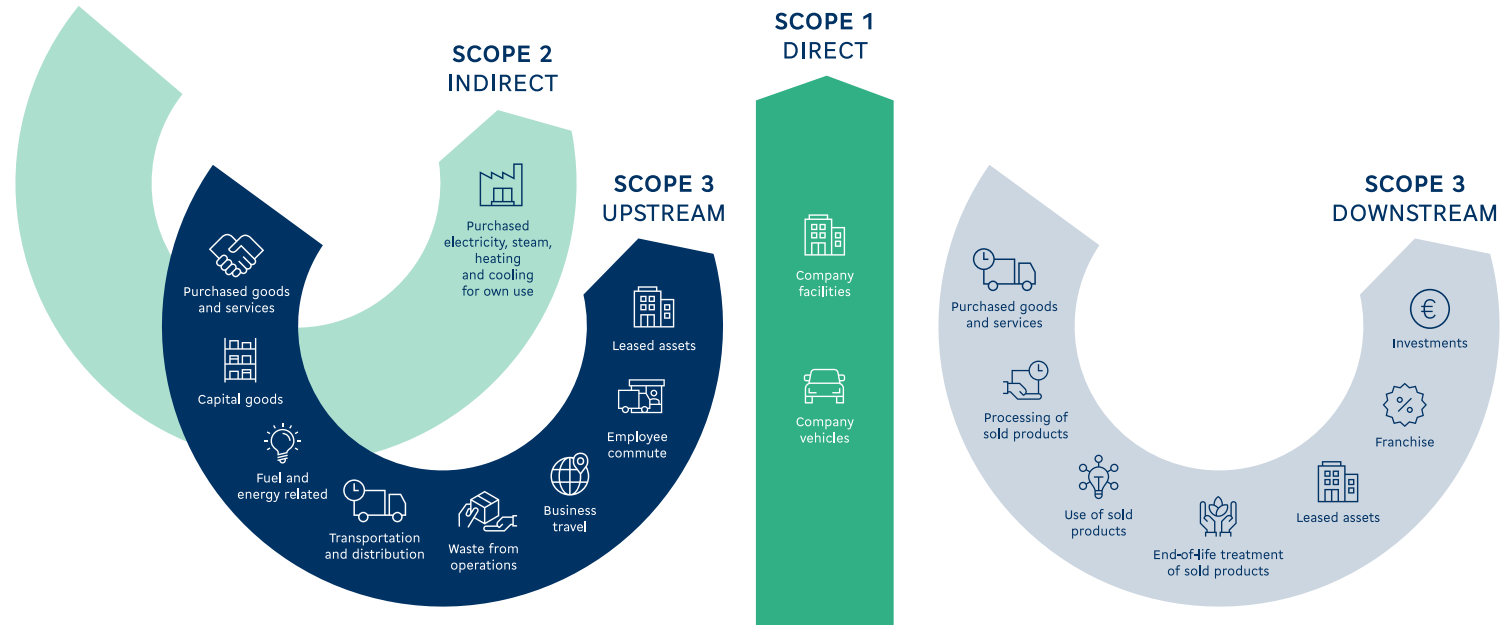
Clearly defined targets will lead the way.
Our ambition is to be Net-Zero in scope 1 and 2 by 2030.

This year, we have submitted our commitment letter to Science Based Targets initiative. The systematic approach applied by Science Based Targets will help us break down our targets and transform them into actions.

With our ambition of becoming Net-Zero by 2030 in scope 1 and 2, this means that we will start removing as much carbon from our operations as we can and as fast as we can, only offsetting the remaining emissions as a last resort.

However, emissions from our operations are only a small part of our overall carbon footprint. With approx. 3,500 suppliers, the work to get our suppliers on board and start to decarbonise will play a significant role in the green transition.

Our baseline is 2020. The journey and ambition for scope 1 and 2 has already been set. In parallel, we have embarked on the Scope 3 materiality assessment where 'purchased goods & services', 'transport & logistics' and 'use of sold products' have been identified as our three primary focus areas so far. We intend to communicate our targets for scope 1, 2 and 3 during 2022.



WHAT ARE SCIENCE-BASED TARGETS

Science-based targets provide a clearly defined pathway for companies to reduce greenhouse gas emissions. Targets are considered science-based if they are in line with what the latest climate science deems necessary to meet the goals of the 2015 Paris Agreement. The Science Based Targets initiative is a partnership between CDP, the United Nations Global Compact, the World Resources Institute and World Wildlife Fund (WWF).



ENVIRONMENT

RENEWABLE ENERGY

In 2020, we set a target that by 2023, all electricity for Solar's own buildings shall be from renewable sources. It should either be produced by us or be procured green energy with Country-of-Origin certificates. With 140+ locations, our warehouses and headquarters are our priority as this is where most energy is consumed.

We are on the right track as we are currently in the process of expanding and energy optimising our warehouses in Denmark, the Netherlands and Norway. In this context, solar panels will be installed on the roof of the new buildings and we expect to establish a solar panel park within this time frame.

By 2022, electricity for Solar Denmark is converted to green certified electricity, increasing our overall percentage of procured green electricity in Solar. By the end of 2021, 68% of our procured energy was green.

This is in line with our Sustainability policy and our strategic targets.

→ [SOLAR SUSTAINABILITY POLICY](#)

We foresee no risks in relation to lack of energy supply to our own operation that will hinder us from achieving our targets.

GREEN FLEET BY 2030

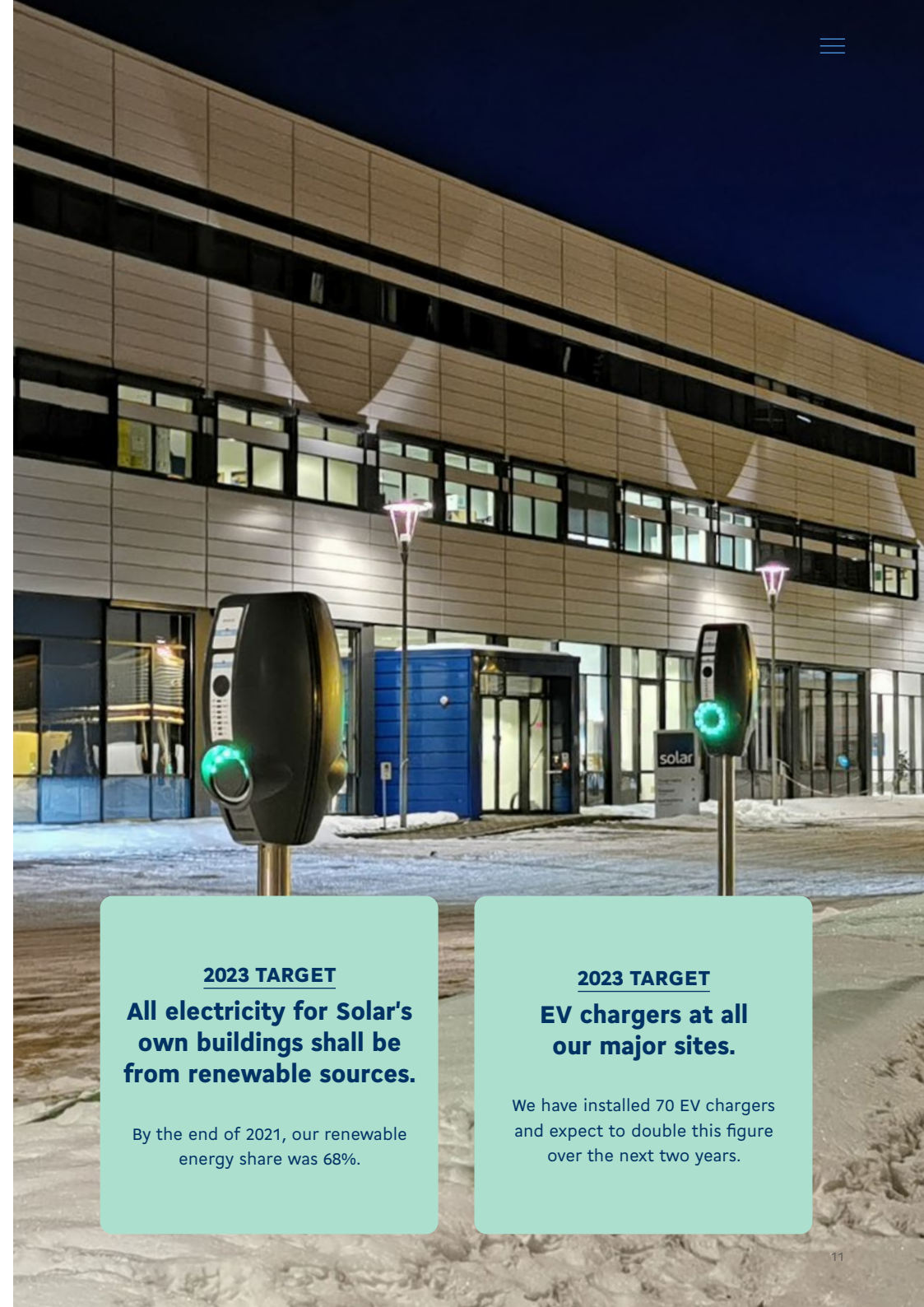
As a value adding reseller of EV chargers and payment platforms, we have an interest in following and contributing to the debate on the transition to electrical vehicles. Therefore, we joined EV100, an NGO under the Climate Group. We have used their guidance for our own Group Fleet Policy and updated our fleet regulations accordingly. Some 39% of our company cars are already electrical and our Dutch subsidiary has set a target to have a 100% electrical fleet by the end of 2024.

Our target is to convert our entire fleet to 100% electrical vehicles by 2030.

→ [SOLAR GROUP FLEET POLICY](#)

EV CHARGERS IN ALL LOCATIONS

In 2020, we set a target that by 2023, we have installed EV chargers at all our major sites – for the benefit of our customers, employees and society. Currently, we have installed 70 EV chargers and expect to almost double this figure over the next two years. Moreover, we are in the midst of planning the installation of an EV parking area powered by renewable energy at our Copenhagen sales office.



2023 TARGET

All electricity for Solar's own buildings shall be from renewable sources.

By the end of 2021, our renewable energy share was 68%.

2023 TARGET

EV chargers at all our major sites.

We have installed 70 EV chargers and expect to double this figure over the next two years.

ENVIRONMENT

DECARBONISING LONG-DISTANCE TRANSPORT

The transformation and decarbonisation of long-distance transport is expected to be a continuous challenge. We work with different solutions and only use offsetting as our last resort, until more sustainable solutions are available.

In Norway, all long-distance transport to the northern region is by train. We estimate an annual saving of approx. 75% CO₂e compared to standard fossil fuel transportation.

In Sweden, we introduced HVO-biodiesel for last mile deliveries in greater Stockholm. Throughout 2022, we will continue the conversion from fossil fuels to HVO-biodiesel covering more areas in Sweden. We will also consider similar options in other countries.

In collaboration with our logistics partners, we are constantly monitoring and reviewing the means to reduce our CO₂e. Improvements may come from switching to other types of fuel, optimising our distribution network or an evaluation of how we pack and ship goods. As of 2022, we will start reporting on Wheel-to-Wheel figures on long-distance transportation.



ENVIRONMENT

CLIMATE AND ENERGY SOLUTIONS

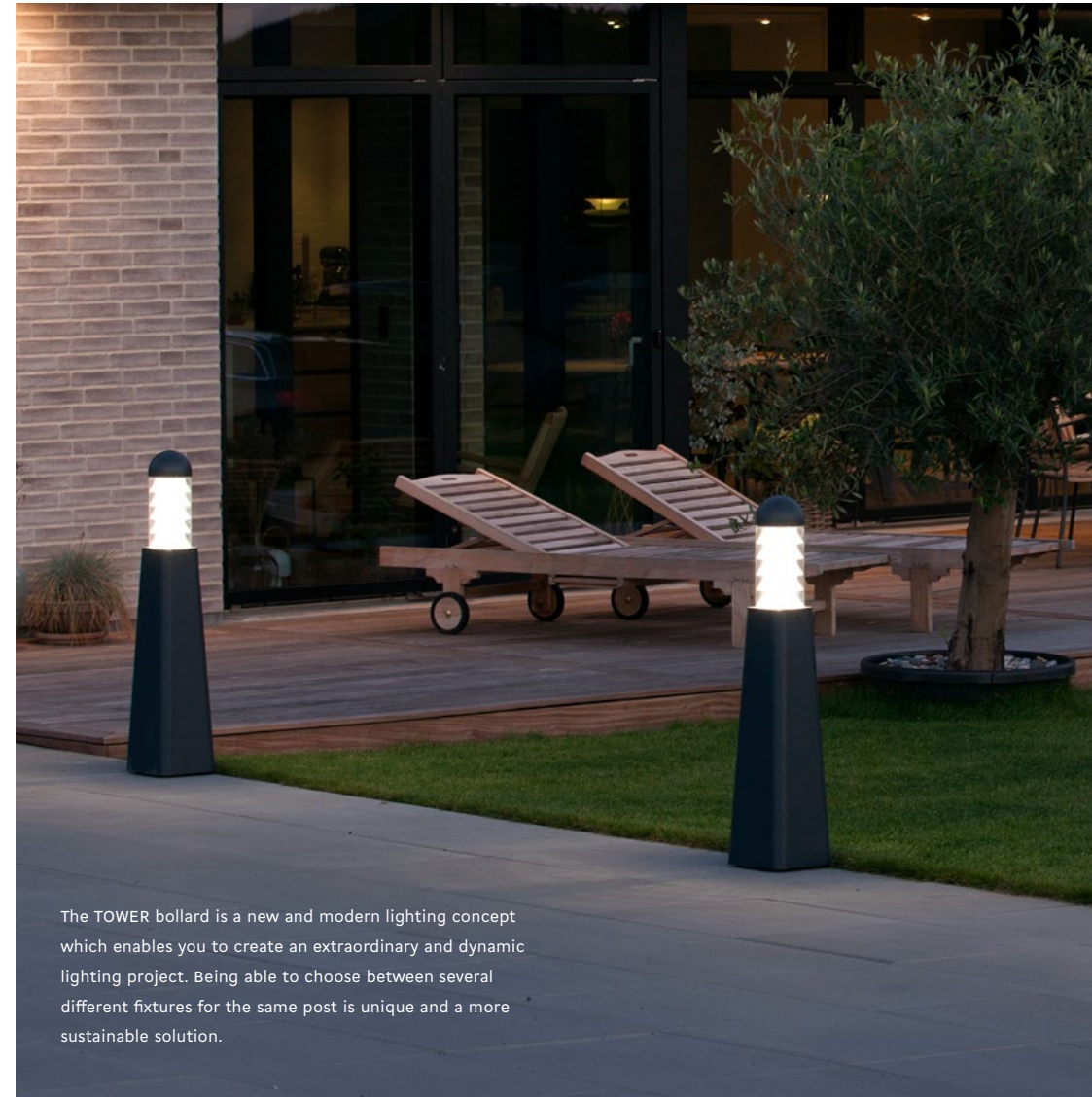
We see a significant trend towards sustainable products and solutions as well as sustainable building sites.

Understanding the challenges of our customers and drawing their attention to our climate and energy products and solutions is paramount to us.

We see increased focus and activity within climate and energy-efficient solutions. This can be attributed to the ever-increasing energy prices, stricter environmental requirements and government targets for reducing CO₂e by 2030.

To meet these new demands, we have widened our scope in Sweden, Norway and the Netherlands through extension of our category management and sourcing. This, in turn, supports our product portfolio and increases local market knowledge, enabling us to support our customers in the green transition.

Further, we are expanding our logistics and delivery services, meeting the demand for more sustainable building sites. We offer courses at Solar School that enable our customers to understand and comply with sustainable building directives such as DGNB, Svanemærke/EcoLabel, LEED, BREEAM and others.



The TOWER bollard is a new and modern lighting concept which enables you to create an extraordinary and dynamic lighting project. Being able to choose between several different fixtures for the same post is unique and a more sustainable solution.

SUSTAINABLE BUILDING SITES

Related to the building directives and due to new demands for sustainable building sites, Solar Norge engaged in a project together with the Norwegian NGO Bellona Foundation to analyse what measures can be taken to reduce waste, improve productivity and reduce transport. It was a two-year-long study, presented in early 2021. The findings show that approx. 1% of all CO₂e in Norway come from building site logistics. The report is available here:

[→ SOLAR NORGE AND BELLONA REPORT](#)

In parallel, we entered a joint project with Site-Hub, a partly owned Solar entity, and the Danish Eksport Kredit Fonden (EKF) to create a business model that is based on material flow at a building site as well as work conditions and logistics. The project runs until the end of February 2022, when the report's conclusions are published.

In both cases, Solar is transforming these findings into new solutions, implementing the findings in our everyday work life for the benefit of our customers and the environment. As a result, Solar Norge launched Solar Consult which encompasses more holistic building site logistics and integrates our logistics and delivery services, such as cable cut (limits waste) and Fastbox (less CO₂e).

CABLES FOR EVERY PURPOSE

With more than 6,000 types of cables and wires available, we deliver 20 kilometres of cable per hour all year round and make 500 cable cuts every day. The latter reduces raw material waste caused by incorrect measurements and surplus cable ending up as waste. This supports the ambition of reducing waste at building sites and waste in general.

ONE-HOUR DELIVERY

In Solar Danmark, one in five Fastboxes is delivered CO₂e neutral and in greater Copenhagen, it is approx. 55%. We expect the share in Copenhagen to increase to approx. 75% in 2022. Our ambition is to deliver all Fastboxes by electrical car or bike by 2025. This also includes Fastbox deliveries in Sweden, Norway and the Netherlands.

Data shows that ordering a Fastbox reduce CO₂e by 20%, as opposed to the customers picking up the materials themselves*.

*based on calculations carried out in collaboration with our carriers.



GREEN AND ON TIME

As a supplement to our delivery services, we have introduced 'Scheduled Delivery'. The service bundles and plans a customer's deliveries, reducing the number of deliveries from, for example, five to twice per week. This results in reduced CO₂e due to less transport while also entailing less waste and less time spent on handling, for the customer and for Solar.

The service has been available for some years and in 2021, we digitised the service further. In 2022, the service will be available to all customers from our Webshop.

ENVIRONMENT



ENVIRONMENTAL RESPONSIBILITY

We strive to help keeping the environment safe and to minimise actions harming it.

SUPPORTING THE SDGS

We support UN Sustainable Development Goals (SDG) in general and support SDGs 7, 12, and 13 in particular as we believe that this is where Solar, by acting responsibly, can make a difference.

The three goals selected were the outcome of a workshop held in cooperation with the Danish Federations of Industries and a diverse group of employees from different countries and different parts of the organisation. We will further engage in the SDG framework to consider supporting more SDGs going forward.

The SDGs cover a broad range of sustainable activities, and throughout the report, we document how our activities support the selected goals.



7.2 By 2030, substantially increase the share of renewable energy in the global energy mix



12.4 By 2030, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle

12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse

12.6 Encourage companies to adopt sustainable practices and to integrate sustainability information into their reporting cycle



13.2 Integrate climate change measures into national policies, strategies and planning



160.000 M² LAND CONVERTED INTO BIODIVERSITY

In line with a stronger focus on CO₂e reduction, we have taken a wider and more holistic view at other areas influencing our environment. At our headquarters in Denmark, we are currently expanding our warehouse facilities and transforming our green areas to support biodiversity. This is a co-project with the local council in Vejen, Denmark to show-case how a big industrial plot can play a small part in protecting nature.

The project is expected to take 1-2 years to implement and includes fields of flowers and a path system that can be used by our employees

for a walk-and-talk or just a breath of fresh air. A learning area will be established for local schools to access and use.

In 2022, we will draw up guidelines for our green areas in all our locations. We foresee that biodiversity and environmental projects will prove more dominant in the green transition going forward.

ENVIRONMENT

FROM CARDBOARD AND PLASTIC TO PAPER OR NOTHING AT ALL

Our business entails consumption of packaging materials and to help lower this consumption, we are in the process of replacing our plastic box filling with paper filling. Or even removing it altogether. The latter is possible due to automated and intelligent packaging, carried out by automatic packaging machines. This saves both cardboard, box filling and tape whilst also reducing the volume of the shipments. The packaging machines are installed in our Dutch warehouse and similar machines will be installed in our Danish and Norwegian warehouses by 2023.

The boxes we use are produced from 100% FSC paper and we are continuously converting our plastic from virgin plastic to recycled plastic. We have removed single use plastic bags from our branches and are now offering a 'big shopper' produced from 90% recycled plastics.

Moreover, our Fastbox is no longer a Fastbox but a Fastbag due to switching to paper bags instead of cardboard boxes. This switch is not possible for all Fastbox shipments, but at our Customer Centre in Copenhagen, approx. 80% of all Fastboxes are shipped in paper bags.

COLLABORATION MEANS LESS WASTE

We are working with our suppliers on how to limit inbound packaging material/waste, ultimately with the purpose of reducing waste and also to reduce the inconvenience for our customers of having to dispose of packaging materials. An upstream activity which entails downstream benefits.



SOCIAL

CARE WITH RESPECT



DIVERSITY AND INCLUSION



OCCUPATIONAL HEALTH AND SAFETY



COMPETENCE DEVELOPMENT



SOCIAL RESPONSIBILITY



SOCIAL



WE CARE WITH RESPECT

It is part of our core belief to be socially aware and conduct our activities with honesty and integrity to attract the very best talents, business partners, suppliers and customers.

SOCIAL DATA OVEVIEW

| Social data | Unit | 2021 | 2020 | 2019 |
|------------------------------|--------------|-------|-------|-------|
| Full-Time Workforce | FTW | 2,908 | 2,935 | 3,039 |
| Gender diversity | % | 27 | 27 | 27 |
| Gender diversity, management | F/M % | 19/81 | 17/83 | 14/86 |
| Gender pay ratio | Times | 1.2 | 1.1 | 1.2 |
| Employee turnover ratio* | % | 7.8 | 5.2 | 8.5 |
| Sickness absence | Days per FTE | 10.3 | 9.2 | 10.9 |

Aligns with UNGC Labour principle 6

*Voluntary employee turnover.

We respect human rights in our operations and business relations. Our focus on diversity and inclusion is reflected in both our employee and supplier Code of Conduct and our Diversity Policy. As part of our onboarding of new employees, all employees must read, commit to and sign the employee Code of Conduct.

[→ SOLAR DIVERSITY POLICY](#)

We are passionate about adding value to local communities by caring for society and individuals. Like hiring people with a need for extra job flexibility and engaging in local projects supporting a diverse workforce. All grounded in our strategic focus on remaining stronger together.

EMPLOYEE TURNOVER

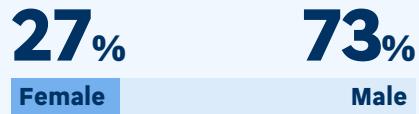
We value our employees and their daily efforts. A high employee turnover can be hurtful to our ability to perform and deliver satisfying customer service. With an employee turnover in 2021 of 7.8%, compared to 5.2% in 2020, we acknowledge that it has been a challenge to retain our employees keeping it at a satisfactory level of 6%.



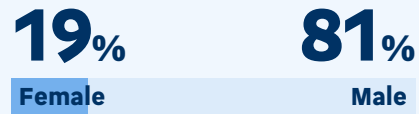
SOCIAL

OUR PEOPLE

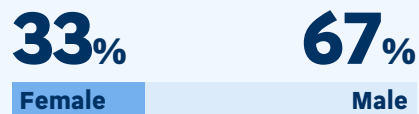
People lie at the heart of our organisation. We strive to create a workplace that promotes diversity and inclusion.



GENDER DIVERSITY



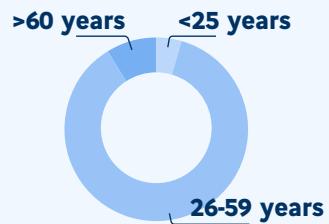
GENDER DIVERSITY IN MANAGEMENT



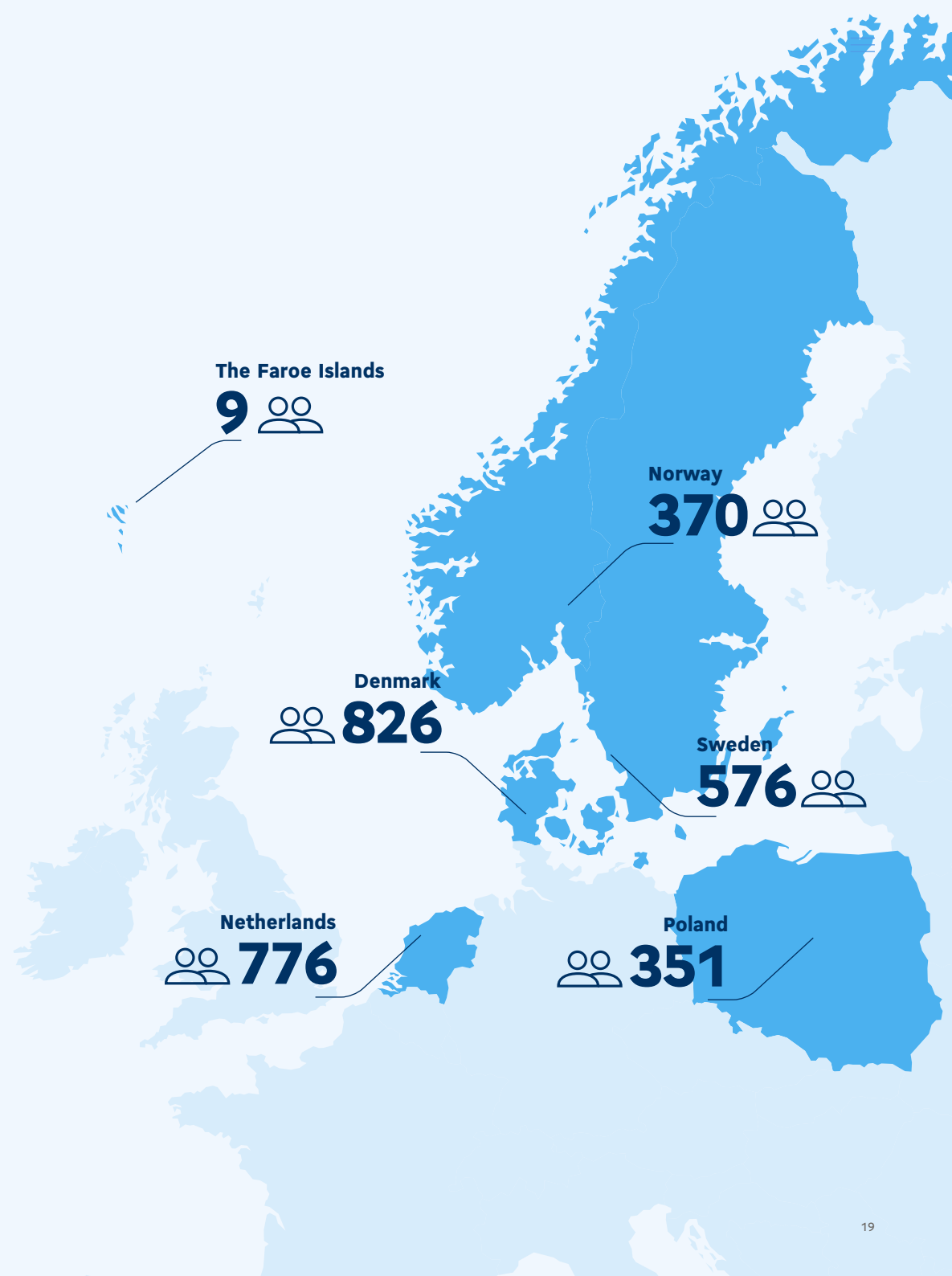
ENTRY LEVEL

2,908 (FTE)

FULL TIME WORKFORCE



WORKFORCE AGE



SOCIAL



DIVERSITY AND INCLUSION

We wish to promote diversity throughout Solar as this will benefit our company, our employees and our society.



GENDER DIVERSITY

The Solar group’s approach is to ensure that all employees at our individual subsidiaries are treated equally, regardless of gender, age, race, religion etc., thereby ensuring equal opportunities as regards employment, training and promotion. This is also reflected in our recruitment policy with an expressed requirement of having both genders represented in the candidate pool.

A cross-border work group was established to improve gender diversity and we are working on several initiatives, including checking our job adverts and the language used. Additionally, we seek to make our images and tone of voice more inclusive.

Our goal is that women should constitute 25% of senior level management by 2025. This will help us become an even stronger company in the future. Many of Solar’s line managers are women, but we still see a gap between that level and top management.

Gender diversity

| | Female | Male |
|------|--------|------|
| 2019 | 14% | 86% |
| 2020 | 17% | 83% |
| 2021 | 19% | 81% |

Moreover in 2021, we succeeded in increasing the entry level of women to 33%.

This covers all new hires in 2021.

[→ SOLAR DIVERSITY POLICY](#)

2025 TARGET

25%

Women in senior level management

By the end of 2021, 19% of our senior level management are women.

SOCIAL

A DYNAMIC WORKFORCE

There are many triggers for a life crisis, but often they result in an extended absence from work. We want to help those individuals who, for whatever reason, find themselves in a difficult situation and need assistance getting back into the job market. Therefore, we collaborate with several organisations and private companies to facilitate and work with people who need flexibility in their workplace. We can help locate such a job, either in a remote setup or at one of Solar’s facilities.

Moreover, we take on several interns every year. Primarily to give young people a chance to further their studies, but also to foster a new workforce for our industry and as a commitment to society in general.

We recognise that the job market, in the countries in which we operate, all have a high level of employment. Attracting and retaining the right workforce and competence level may be a challenge going forward. We keep evaluating and monitoring developments in the local job markets.

DIVERSITY IN IT

In Solar, not all departments are equally challenged by gender equality at management level. In Solar Group IT, through dedicated work, we have achieved a high representation of women in management positions. We aspire to achieve that same level of diversity throughout the Solar group.

Gender diversity, Group IT management

| | Female | Male |
|-----------------|--------|------|
| Leadership team | 40% | 60% |
| Team managers | 39% | 61% |



SOCIAL



OCCUPATIONAL HEALTH & SAFETY

Safety at work is our absolute top priority. We offer our employees our full support should a work accident occur.



SAFETY AT WORK

We have initiated a number of measures to stay safe at work, including working together with safety representatives and keeping our employees fully informed about safety measures throughout the Solar group.

We carry out reviews on an annual basis and audit our key warehouses to make sure that we meet all safety requirements. Our external risk advisor, chooses the sites, performs the audits and submits a general status and recommendations for additional measures and actions to take.

Work related accidents with 1 day or more sick absence

| | 2021 | 2020 | 2019 |
|-------------|------|------|------|
| Solar Group | 29 | 26 | 36 |

STICK RATE AND SICKNESS ABSENCE

Stick rate and sickness absence are indicators of our employees' wellbeing.

The employee stick rate shows employees who are still with the company one year after the start of their employment.

We have set an ambitious target of 90% and with a stick rate of 86% in 2021, we see a small improvement from 83.6% in 2020.

While some absence due to illness is inevitable, it is also evident that sick days create stressful situations for co-workers. The sickness absence in 2021, increased to 10.3 days compared to 9.2 in 2020. We continuously monitor our employees' sickness absence rate and keep a close dialogue with managers in the areas where we see increasing sickness absence. The COVID-19 pandemic has played a role here.

OPERATING DURING THE PANDEMIC

During the phases of the COVID-19 pandemic, we have been able to keep our production running and delivering to our customers as promised with only a few minor interruptions. To some extent, our sales and services employees have been prevented from conducting customer visits, but strict safety measures and alternative meeting arrangements have allowed us to maintain customer contact and provide daily service, while keeping employees safe and occupied. Over the course of 2021, many of our office-based employees worked partly from home. This is expected to continue in the beginning of 2022.

SOCIAL

SUPPORTING EMPLOYEE HEALTH AND WELLBEING

Looking out for each other regarding health and safety has never been more important than now, when we are still affected by COVID-19.

While many of our office-based employees worked partly from home, our warehouse employees remained at work throughout the year. During the pandemic, we have enforced the necessary restrictions to keep our employees safe and to prevent the virus from spreading. Throughout the year, the executive board provided our management teams with regular updates and health guidelines and will continue to do so.

In the wake of the COVID-19 pandemic, we offered our employees, in some of our subsidiaries, a free flu vaccine. The offer stemmed from the wish to protect our employees both at home and at work. In addition, we also wish to ensure that day-to-day operations in our warehouses and offices can continue to run smoothly, so that we can deliver the goods and services that our customers require. The flu vaccination was 100% optional and no record was kept on who took up the offer. Whether to pursue this strategy in 2022 has not been decided.



SOCIAL



COMPETENCE DEVELOPMENT

Conveying and sharing knowledge is one of our most important tasks. We consider it our responsibility to keep developing our people and our business.

Our people are one of our most important assets and we see it as our responsibility to keep developing their skills. We continue to expand our wide range of e-learning courses for both employees and managers across the group and across functions and departments.

Moreover, we want to retain and develop our skilled leaders by arranging internal management training. This includes Distance Leadership as a consequence of the pandemic. All new managers or newly promoted managers are thoroughly onboarded and given the right tools and qualifications for further management development. We do this to retain and develop our leaders and making them more likely to succeed in their new position. In 2021, we conducted training online.

CUSTOMER COMPETENCES

In 2020, we set a target that 2,000 participants shall complete courses in renewable solutions at our Solar Schools by 2023. The focus on training is intended to help improve skills and expertise within climate and energy solutions. This mirrors what we have been doing for many years within technical installation.

Renewable energy courses cover EV chargers, heat pumps, photovoltaic systems, ventilation and knowledge in sustainability in general. This year, we introduced our Danish customers to a course in sustainable building directives and UN Sustainable Development Goals (SDG).

We expect our Solar Schools in Denmark, the Netherlands, Norway and Sweden to launch more courses of this nature over the next two years and thereby reach our 2023 target. In 2021, 557 participants completed a sustainability course at one of our Solar Schools.

2023 TARGET

2,000
participants shall complete courses in renewable solutions at our Solar Schools by 2023

In 2021, 557 participants completed a sustainability course.

SOCIAL

We continuously implement innovative solutions to improve our working environment. Adopting new technology, such as robots, allows us to reduce repetitive work processes for the benefit of our employees.

**SUSTAINABILITY CHAMPIONS IN SALES**

In line with what we offer our customers in Solar School, we also trained our Danish sales organisation within installation in sustainable building directives.

Further, we established the role of 'Sustainability Champion' in our Danish sales organisation. The role entails courses and workshops for employees with a flair and interest for the subject. This is to ensure that our sales representatives can support and engage with our customers by selecting the right products and identify the documentation required under the various sustainable building directives. A webinar was hosted for the entire sales organisation with the purpose of providing a general understanding of the subject.

Several of our group category managers and market managers also received training. We will continue to enhance our expertise in this field by offering training to more sales employees and category managers across the group, as either in-house train-the-trainer sessions or external training.

DIGITAL TOGETHER

To further encourage our ways of working digitally, Microsoft Teams was launched and Microsoft Surface Hubs were installed in all countries, making it possible to conduct whiteboard meetings and interactive sharing of screens and content. This makes it easier to complete tasks such as facilitating daily status meetings and organising workshops. Especially in a time where we should keep our distance due to the pandemic.

The rollout of both Microsoft Teams and Surface Hubs was supported by the train-the-trainer principle and the appointment of local champions. The training was carried out in collaboration with external partners, HR, IT and Solar School. All employees, for whom it was relevant, received training in Microsoft Teams.

A Modern Workplace Manager has been appointed to keep developing our use of collaborative tools.

SOCIAL

SOCIAL RESPONSIBILITY

We strive to make a difference to the individual and to society.

As a large organisation, we also play a role in our local society to help ensure change for the better and to help and support on a greater scale when the opportunity occurs.

GIRLS' DAY IN SCIENCE

In collaboration with The House of Natural Sciences, Solar Danmark hosted 'Girls' Day in Science'. This is a nationwide event held every year. On this occasion, we invited a group of girls to our facilities in Vejen, Denmark, where they met several of our managers, participated in a workshop, received career advice and a tour of our warehouse. The purpose of the event is to highlight the opportunities for girls in IT, natural science, technology and craftsmanship. We also plan to partake in this event in 2022.

DONATING FACE MASKS TO NEPAL

In the summer of 2021, we decided that our surplus stock of face masks should make a difference to people in countries that were hit hard by COVID-19.

The Danish Red Cross were happy to receive the face masks and in a matter of days, we made the necessary arrangements. 90 pallets containing 1,440,000 face masks were packaged and prepared for shipping. They were delivered to the Red Cross by the freight company, DHL, free of charge.

In the end, the face masks were shipped to Nepal which was severely affected by COVID-19.



SOLAR FAMILY

Solar Family is a grant programme initiated by The Fund of 20th December, which is the majority shareholder in Solar. The programme offers financial aid to Solar employees and their close relatives who have fallen on hard times.

The name Solar Family stems from the fund's liaison with Solar and the family spirit inherent in the company.

The programme began end 2020 and in 2021, they made 28 donations. Solar Family is set to continue long into the future.

“It is sad to read about the difficulties that some of Solar’s employees and their relatives have encountered. But it means a lot to us, that we can help out in any way. Our wish is that members of the Solar family, who find themselves in difficulties, can be safe knowing that the grant programme and the Borum family are there for them. Over the years, Solar has given us so much and we see Solar Family as a way for us to give something in return”

THOMAS BORUM, CHAIR OF THE BOARD,
4TH GENERATION OF THE FOUNDING FAMILY

From the left: Mathilde Borum,
Sebastian Borum Olsen, Nikolaj Borum
Olsen, Hjalte Borum , Sidse Borum,
Thomas Borum, Katrine Borum

GOVERNANCE

LEAD WITH TRANSPARENCY



**GOVERNANCE
STRUCTURE**



**SUSTAINABLE
SUPPLY CHAIN**



**PARTNERSHIPS
AND COMMITMENTS**



GOVERNANCE



WE LEAD WITH TRANSPARENCY

Transparency is a priority and we strive to deliver up-to-date data.

We govern an accountable business because we believe accountability is the best starting point to improve our contribution to the green agenda. Therefore, we have formalised our commitment through a strategy founded upon transparency.

We work with recognised NGOs and measure ourselves against international benchmarks. Living up to ethical and corporate guidelines matches our ambition to be an accountable and responsible company.

Leading with transparency is reflected in our initiatives to run a sound and healthy company, which rests on solid foundations.

EU TAXONOMY

During the year, we assessed if any of our business activities are listed in the EU Taxonomy. Based on the current assessment, we conclude that none of our activities can be classified as 'taxonomy-eligible'. We will monitor and comply with all future rules and regulations.

GOVERNANCE DATA OVERVIEW

| Governance data | Unit | 2021 | 2020 | 2019 |
|-------------------------------|-------|------|------|------|
| Gender diversity, board | % | 17 | 17 | 17 |
| Board meeting attendance rate | % | 98 | 98 | 100 |
| CEO pay ratio, Group* | Times | 28 | 24 | 20 |

Aligns with UNGC Labour principle 6

*If measured against Danish employees, the CEO pay ratio amounts to 23 times (2020: 20 times).



GOVERNANCE



GOVERNANCE STRUCTURE

We ensure equal opportunities across all of Solar.



EMPLOYEE HANDBOOK AND CODE OF CONDUCT

Guidance for our employees is set out in an employee handbook, which is available on our intranet. The handbook is a compilation of policies, procedures, working conditions and behavioural expectations.

Our Code of Conduct provides clear guidance for all our employees. It states that Solar will comply with applicable laws and regulations, such as anti-bribery and corruption, competition law, data protection and privacy, conflicts of interest, discrimination and harassment. And that Solar will act in an ethical, sustainable and socially responsible manner in our business activities. All employees sign the Code of Conduct as part of our onboarding process.

WHISTLE-BLOWER

The Board of Directors is responsible for managing our whistle-blower reports. Internal Audit receives and handles the reports submitted. Our whistle-blower scheme is constructed in such a way, that it ensures and reflects that we are a trustworthy company with an open culture

where everyone can speak their mind freely. We encourage people to speak out if they experience any irregularities or illegalities committed by the company's employees, business partners or suppliers.

Our whistle-blower portal underpins this approach. This is a solution designed to capture all breaches, complaints and issues in a secure framework. It is open for internal and external people and 100% anonymous. With an interdependency between ethics and compliance, the portal transmits a powerful message to employees and management, that our corporate culture is transparent and ethical.

In 2021, 8 cases were submitted. Only one case was admissible and in violation of the Code of Conduct.

Whistleblower cases

| | 2021 | 2020 | 2019 |
|------------|------|------|------|
| Submitted | 8 | 0 | 3 |
| Admissible | 1 | 0 | 3 |
| Resolved | 8 | 0 | 3 |

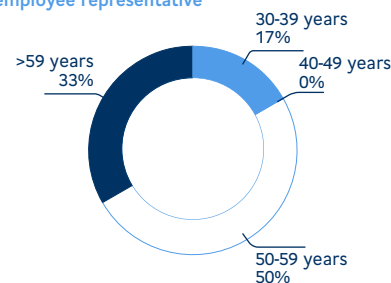
GENDER DIVERSITY AT BOARD LEVEL

When a board position needs to be filled, the Nomination Committee conducts a broad sweep of the market to ensure a mix of skills and diversity.

Our aim is to ensure that women are not under-represented on the Board of Directors.

At the Annual General Meeting in 2021, a new member of the Board of Directors was elected. However, this did not change the gender distribution. Women, therefore, still make up 17% of Solar's board members elected at the Annual General Meeting. By 2023, our aim is for women to constitute 40% of the Board of Directors.

Age Distribution at board level
Excl. employee representative



GOVERNANCE

GROUP POLICIES

Three new policies have been approved and implemented.

The Group Sustainability Policy is considered an overall sustainability policy, setting the direction for related policies such as our new Environment Policy and Quality Policy, using ISO 14001 and 9001 as external benchmarks. The policies were approved in 2021 and will be implemented in 2022. They will be reviewed on an annual basis. A Data Ethics Policy has been implemented and approved by the Board of Directors. It will be reviewed on an annual basis, similar to other policies approved by the Board of Directors.

We have prepared our Statutory Report on Data Ethics 2021, cf. §99D of the Danish Financial Statements Act, which is available here:

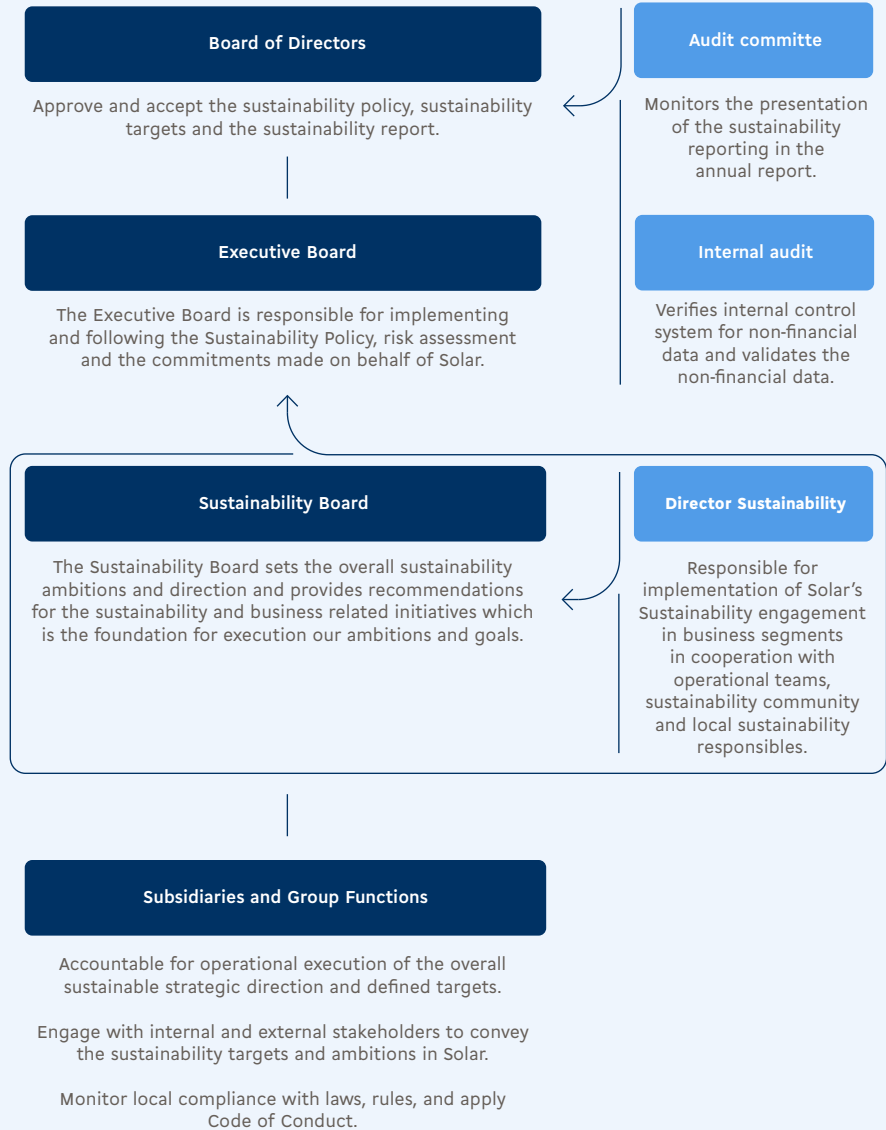
[→ ALL SOLAR POLICIES](#)

SUSTAINABILITY GOVERNANCE

To further leverage our sustainability efforts and ensure continued progress across our business, we have implemented a new sustainability governance structure. The Solar Sustainability Board members are sustainability ambassadors and responsible for setting the strategic course. The Sustainability Board is headed by our CEO Jens Andersen.

Daily operations and coordination of sustainability activities across Solar are managed by the Director, Group Sustainability, who engages with the Sustainability Board, aligning and identifying strategic initiatives with them on one side and with our subsidiaries and functions on the other. To ensure that the sustainability agenda is anchored across subsidiaries and functions, sustainability communities have been created, headed up by the local Managing Director and the individual responsible for sustainability. The Director, Group Sustainability, is a member of all the national sustainability communities.

Governance structure



GOVERNANCE

SUSTAINABLE SUPPLY CHAIN

We are committed to ethical business practices and require the same high standards from our suppliers.



Solar's business is within sourcing and services. It is our group policy to comply with all applicable laws and regulations of the countries and regions in which we operate. We also conduct our business activities in an honest and ethical manner. We see our collaboration with our suppliers as an integral part of our success in growing a more sustainable business. Our Supplier Code of Conduct sets related standards for our suppliers, including environmental effects, health and safety, human rights, anti-corruption and corporate ethics. By the end of 2021, 70% of our spend was covered by our Supplier Code of Conduct and we expect this to reach 80% next year.

To ensure that we reach our targets, and that our category managers are confident about engaging in a dialogue with our suppliers, regarding the importance of signing our Code of Conduct, they will all attend a training programme in 2022.

An overall risk assessment, based on geographical split, shows that approx. 1% of our suppliers and approx. 1% of our spend come from outside the EU. These suppliers are highly prioritised with signing and complying with our Supplier Code of Conduct. Further risk evaluation is planned for 2022.

Supply chain sustainability risks include losing a stable market position due to supply shortages, legal actions and compromising on compliance and business ethics.

With the majority of our suppliers being located in Europe, we foresee no significant risks regarding anti-corruption.

Via our risk management systems, all of these topics are being monitored.

[→ SOLAR SUPPLIER CODE OF CONDUCT](#)

PRODUCT DOCUMENTATION

We see a huge demand from our customers for environmental product documentation, such as REACH, RoHS, Environmental Product Declaration (EPD), Life Cycle Assessments (LCAs) etc. To accommodate this demand, a compliance team was established with the purpose of ensuring that all products are tagged with the right product documentation and are easily accessible from our webshop. With more than 200,000 products available, this is an extensive task that lies ahead and which we will continue to pursue in 2022.

GOVERNANCE



PARTNERSHIPS AND COMMITMENTS

We report on our climate actions and results following the requirements from international protocols and rating agencies.

Since 2010, we have been a member of UN Global Compact and have been reporting to Carbon Disclosure Project (CDP) in which we are peer-grouped in the Trading, Wholesale, Distribution, Rental & Leasing sector. The average score in 2021 is C whereas Solar's score is B-.

SUSTAINABILITY CONTACT

For further information or questions regarding the Solar Sustainability Report, please contact:

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Director Sustainability

E-mail: sustainability@solar.dk

RATINGS



B-



Solar DK/NL/NO*



D+



Pending



SUSTAINALYTICS

a Morningstar company

Medium

PARTNERSHIPS AND COMMITMENTS



United Nations
Global Compact



SCIENCE
BASED
TARGETS



CLIMATE GROUP
EV100



*Solar Sverige pending evaluation

OVERVIEW 2021

ESG TABLE

ESG KEY FIGURES OVERVIEW

| Environmental data | Unit | 2021 | 2020 | 2019 |
|--------------------------------------|----------------|--------|--------|-------|
| CO ₂ Scope 1 | metric tonnes | 3,583 | 2,814 | 4,155 |
| CO ₂ Scope 2 | metric tonnes | 4,107 | 4,326 | 5,191 |
| Energy consumption | GJ | 89,429 | 90,210 | - |
| Renewable energy share | % | 68 | 28 | - |
| Water consumption | m ³ | 23,204 | - | - |
| Social data¹ | | | | |
| Full-Time Workforce | FTW | 2,908 | 2,935 | 3,039 |
| Gender diversity | % | 27 | 27 | 27 |
| Gender diversity, management | F/M% | 19/81 | 17/83 | 14/86 |
| Gender pay ratio | Times | 1.2 | 1.1 | 1.2 |
| Employee turnover ratio ² | % | 7.8 | 5.2 | 8.5 |
| Sickness absence | Days per FTE | 10.3 | 9.2 | 10.9 |
| Governance data | | | | |
| Gender diversity, board | % | 17 | 17 | 17 |
| Board meeting attendance rate | % | 98 | 98 | 100 |
| CEO pay ratio ³ | Times | 28 | 24 | 20 |

¹⁾ Data is based on FTEs in companies 100% owned by Solar. ²⁾ Voluntary employee turnover.

³⁾ If measured against Danish employees, the CEO pay ratio amounts to 23 times (2020: 20 times)

Because of energy saving initiatives and our fleet policy, we have succeeded in reducing our impact on the environment and on our CO₂e. As a new member of SBTi, we will continue to do so for the benefit of our stakeholders, our society and for Solar.

We wish to be transparent in our sustainability work and provide our stakeholders with relevant information. This year, we also included our water consumption, thus reporting on 14 out of 15 ESG indicators.

ENVIRONMENT

In the **Environmental** area, we have set an ambition of becoming Net-Zero in scope 1 and 2 in 2030.

For scope 1 figures, we see an increase in CO₂e. This is due to a more accurate and complete calculation compared to previous years as well as a high level of activity. 2020 is particularly low due to a lower activity level caused by COVID-19.

In scope 2, we have transitioned from a location based to a market based calculation, giving us data that are more accurate. For that reason, and due to various energy saving initiatives, the CO₂e for scope 2 is slightly lower compared to last year. The actual consumption and how it is measured has not changed. Only the CO₂e footprint and the way it is calculated. This is in line with the International Energy Agency and GHG Protocol. Going forward, we will continue to use this methodology.

Our renewable energy share increased substantially as more energy has been converted to green certified energy.

This is the first year we report on water consumption. Approx. 75% of our locations reported water consumption in 2021.

SOCIAL

Our **Social Responsibility** area sees an increase in management gender diversity. We see an increase in FTE absence because of COVID-19. We also see a widening of the gender pay ratio due to a skewed distribution in our workforce. Finally, we see an increase in staff turnover, which reflects the current job market.

GOVERNANCE

With regard to our **Governance** area, we see an increase in the CEO pay ratio, which reflects Solar's strong results, thereby increasing the variable part of the remuneration.

All environmental data are reported into the Resource Advisor database and audited by Solar Internal Audit. The accounting principles are according to the ESG data definitions.

OVERVIEW 2021

2021 RESULTS AND FUTURE OBJECTIVES

ENVIRONMENT

EMPOWER THE GREEN TRANSITION

| Focus | Goals 2021 | 2021 results Actions and results | Goals 2022 | Future objectives Actions |
|---|---|---|---|---|
| Climate impact   | <ul style="list-style-type: none"> Commit to Science Based Targets initiatives | <ul style="list-style-type: none"> Preliminary analysis of data and evaluation of level of commitment Approval of commitment to Science Based Targets initiatives Set scope 1 and 2 targets – Net-Zero by 2030 | <ul style="list-style-type: none"> Improve transparency of climate and environmental performance in Scope 1 and 2 Reduce CO₂e in Scope 1 and 2 Submit scope 1, 2 and 3 targets to Science Based Targets initiatives | <ul style="list-style-type: none"> Identify and prepare long term plan for CO₂e savings to achieve scope 1 and 2 targets Analysis of scope 3 Webinar to all C level managers and key personnel on Science Based Targets initiatives and targets set Include scope 1 and 2 targets in the EMS (ISO14001) objectives and processes |
| | <ul style="list-style-type: none"> Goal of 100% green energy by 2023 | <ul style="list-style-type: none"> Evaluate possibility for reducing CO₂e in scope 2 | <ul style="list-style-type: none"> Reduce CO₂e in scope 2 | <ul style="list-style-type: none"> Install solar panels in Solar DK Green energy contract in Solar DK Install heat pumps in Solar DK |
| | <ul style="list-style-type: none"> Goal of EV chargers at all main Solar locations by 2023 | <ul style="list-style-type: none"> 70 EV chargers installed Implementation plan to 2023 | <ul style="list-style-type: none"> 25 new EV chargers at Solar localtions | <ul style="list-style-type: none"> Continue roll-out according to plan |
| | <ul style="list-style-type: none"> Group Fleet Policy | <ul style="list-style-type: none"> Implement policy to transition to a green fleet according to EV100 targets Joined EV100 | <ul style="list-style-type: none"> Increase share of EV cars Reduce CO₂e in scope 1 | <ul style="list-style-type: none"> Solar SE convert 50% of their fleet in 2022 to EVs Adapt Ressource Advisor to report on fleet |
| Climate & energy solutions  | <ul style="list-style-type: none"> Increase % of Fastboxes delivered by either EV or bike in Denmark | <ul style="list-style-type: none"> Set an overall target for 2025 for all Fastboxes to be delivered by EV or bike | <ul style="list-style-type: none"> Increase % of Fastbox delivered by EV or bike outside Denmark | <ul style="list-style-type: none"> Evaluate national progress and targets Continue the switch to EV and bike |
| Environmental responsibility   | <ul style="list-style-type: none"> Convert areas at the headquarters in Denmark to biodiversity | <ul style="list-style-type: none"> Made a plan for Solar DK Started transformation from conventional grass areas to biodiversity | <ul style="list-style-type: none"> Finalise the covention at the headquarters in Solar DK | <ul style="list-style-type: none"> Roll-out plan for biodiversity in Solar DK Guidelines for biodiversity at Group level |
| | | | <ul style="list-style-type: none"> Lower our footprint from packaging materials – inbound and outbound | <ul style="list-style-type: none"> Start reporting on packaging in Ressource Advisor |

OVERVIEW 2021

2021 RESULTS AND FUTURE OBJECTIVES


| SOCIAL CARE WITH RESPECT | | 2021 results | | Future objectives |
|--------------------------------|---|--|--|--|
| Focus | Goals 2021 | Actions and results | Goals 2022 | Actions |
| Diversity and inclusion | <ul style="list-style-type: none"> Increase percentage of women in managerial positions Goal of 25% by 2025 | <ul style="list-style-type: none"> Diversity Project Team established | <ul style="list-style-type: none"> Increase percentage of women in managerial positions | <ul style="list-style-type: none"> Local monitoring and follow-up |
| Occupational health and safety | <ul style="list-style-type: none"> Report on work accidents | <ul style="list-style-type: none"> Disclosed work related accidents | <ul style="list-style-type: none"> Report according to lost time injury frequency rate (LTIFR) | <ul style="list-style-type: none"> Set up reporting structure |
| Competence development | <ul style="list-style-type: none"> Goal of 2,000 participants in Solar School by 2023 | <ul style="list-style-type: none"> New courses within sustainable building directives 557 participants in 2021 | <ul style="list-style-type: none"> Launch new courses Educate Solar employees in building directives | <ul style="list-style-type: none"> Benchmark between the Solar Schools to increase the offering of new courses |
| Social responsibility | <ul style="list-style-type: none"> Roll out Solar Family | <ul style="list-style-type: none"> 28 donations | <ul style="list-style-type: none"> Continue Solar Family | <ul style="list-style-type: none"> Evaluate if we can find means to expand the donation program |
| GOVERNANCE | | | | |
| LEAD WITH TRANSPERANCY | | | | |
| Focus | Goals 2021 | Actions and results | Goals 2022 | Actions |
| Governance structure | <ul style="list-style-type: none"> Establish Solar Sustainability Board Set up local sustainability communities | <ul style="list-style-type: none"> Establish Solar NL, NO and SE | <ul style="list-style-type: none"> Establish sustainability community in Solar DK | <ul style="list-style-type: none"> Improve transparency of climate and environmental performance |
| Sustainable supply chain | <ul style="list-style-type: none"> Set target for spend covered by Supplier Code of Conduct  | <ul style="list-style-type: none"> Conducting analyses and setting targets 70% of our spend is covered by our Code of Conduct | <ul style="list-style-type: none"> 80% of spend covered by Supplier Code of Conduct | <ul style="list-style-type: none"> Training of category managers to assess supplier performance with regard to Supplier Code of Conduct Evaluate risk assessment Update our Code of Conduct |
| Partnerships and commitments | <ul style="list-style-type: none"> EV100 member | <ul style="list-style-type: none"> Pending EcoVadis certification in Solar SE Report on progress to EV100 Pending S&P global rating | <ul style="list-style-type: none"> Improve ratings in general | <ul style="list-style-type: none"> Communicate our ratings to stakeholders |

OVERVIEW 2021

STAKEHOLDER ENGAGEMENT

Stakeholder engagement helps us understand their priorities and respond accordingly. This is essential in order to establish open and trustworthy communication. Stakeholder input helps us to define and prioritise our sustainability work and to continue our green transition towards Green Together.

| Stakeholder | How we engage | Topics of interest | Our response |
|------------------------------|---|--|---|
| CUSTOMERS | <ul style="list-style-type: none"> Sales and marketing channels Customer clubs Competence development | <ul style="list-style-type: none"> Understanding the challenges that our customers face is paramount in order to support them in the green transition. Customers want to know how we can help them achieve their own sustainability goals and meet the demands of end-users/developers and regulatory authorities. | <ul style="list-style-type: none"> We have dedicated landing pages for competence development, climate & energy solutions, sustainability and policies. We offer our customers the opportunity to enhance their skills and competences by participating in courses offered by Solar School (see page 24). We educate our sales force in sustainable building directives in order to assist and consult our customers (see page 25). |
| EMPLOYEES | <ul style="list-style-type: none"> Engagement survey Regular dialogue and feedback Performance reviews Competence development | <ul style="list-style-type: none"> Understanding the new ways of working from home, hybrid mode and what is expected from managers responsible for such employees. | <ul style="list-style-type: none"> We equip our managers with skills regarding the new demands in leadership. We are focused on work-life balance - both for managers and employees. |
| SUPPLIERS | <ul style="list-style-type: none"> Regular dialogue and feedback Business development meetings Partnerships to support progress on value chain CO₂ reductions | <ul style="list-style-type: none"> Suppliers are keen to understand our priorities and how we should work together on the new sustainability requirements. | <ul style="list-style-type: none"> We communicate our compliance requirements through our Supplier Code of Conduct (see page 32). We also engage with suppliers to gather data at product level to support the demands for documentation on the use of chemicals and environmental product declarations (page 32). We have established sustainability partnerships and business development meetings in areas such as packaging, transport and products. |
| INVESTORS | <ul style="list-style-type: none"> Annual Report Annual General Meeting Investor roadshows and conferences Individual meetings Investor questionnaires | <ul style="list-style-type: none"> Investors want to know that we meet their environmental, social and governance (ESG) requirements - and that we show increased interest in ESG. | <ul style="list-style-type: none"> We respond to investor questionnaires to demonstrate compliance with ESG requirements and participate in investor meetings (see page 29). |
| INDUSTRY ASSOCIATIONS | <ul style="list-style-type: none"> Engagement through industry organisations | <ul style="list-style-type: none"> Industry peers and organisations work together to handle common challenges. | <ul style="list-style-type: none"> We are a member of several industry organisations and several of our C levels and top management leaders are board members or take an active part in such discussions. |
| MEDIA | <ul style="list-style-type: none"> Individual meetings and calls Direct engagement | <ul style="list-style-type: none"> Engagement with the media gives us an insight into wider trends and points of interest across our industry and local communities. | <ul style="list-style-type: none"> We value an open dialogue with the media to ensure that our communication is well understood and accurately reflected We contribute background information to the general debate that is relevant to our stakeholders. |
| LOCAL COMMUNITIES | <ul style="list-style-type: none"> Local community engagement and dialogue | <ul style="list-style-type: none"> We want to be a responsible neighbour and support the green development (see page 15). | <ul style="list-style-type: none"> We create jobs through the people we employ directly and in related sectors (see page 21). |



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