



Profitable growth through ethical business



In 2015, Solar Group was awarded the CSR Partnership Prize together with SOS Children's Villages, Siemens A/S and Engineers without Borders for our innovative project to provide sustainable energy renovation of a children's village in Zanzibar, Tanzania. Part of the partnership is to install solar panels and other energy-efficient solutions in the community which houses 92 orphans. The project is an obvious strategic match between our know-how within energy optimisation and the need for initiatives to combat climate changes. And it is a clear-cut example of how we work to integrate CSR as a natural element into our business.

Being a European sourcing and services company with activities in a number of countries, Solar Group is dedicated to turning energy-efficiency into profitable and responsible business for our customers. On that note, I am pleased to confirm that Solar Group reaffirms our support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

In this annual Communication on Progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. In addition, you can find all of our CSR information, including case stories of selected CSR projects, at our company website <http://www.solar.eu/csr>.

Sincerely yours,

Anders Wilhjelm
CEO



Human Rights

Policies

Solar Group expects our employees and business partners to respect the Universal Declaration of Human rights and environmental protection. Based on our commitment we have set up a Code of Conduct, published on our website, to make our position clear to our employees, suppliers and other business partners.

- Code of Conduct
- Supplier agreements

Solar Group's Code of Conduct determines applicable standards for business practice and personal conduct for all persons working for Solar Group, including members of the Executive Board and staff in Solar Group enterprises. We have published and actively informed all our suppliers, business partners and employees of our commitment and encouraged them to commit as well. It is a requirement that our employees read and comply with our code of conduct, a commitment which is sealed via a signed agreement.

2015: actions and outcome

Since the introduction of our Code of Conduct, we have published and actively informed all our suppliers, business partners and employees of our commitment and encouraged them to commit as well. Since 2012, our employees have been able to confidentially report breaches of our Code of Conduct through an external whistleblower scheme. In 2013, the whistleblower scheme was made accessible also to suppliers, customers and other external stakeholders, opening up further opportunity to report any violation of human rights. The whistleblower portal is available both at our intranet, at our website www.solar.eu, and directly at <https://solar.whistleblownetwork.net>.

Future targets

Solar Group's payoff is Stronger Together. It is not just something we say – it is what we live when we interact with employees, customers, suppliers, and all of our other stakeholders. Also in relation to our suppliers, we have taken an active stand, requiring that they observe a number of principles within e.g. environment, work environment and social responsibility.

To strengthen the joint forces we have with our suppliers in this area, we will in 2016 enforce a common set of principles to be observed. The common set of principles will result in a joint group approach to regulate our and our suppliers' behaviour within the areas of labour, environment, human rights and anti-corruption.



Labour

Policies

Solar Group supports the UNGC principles on labour standards in addition to following local laws on labour rights. In addition to complying with labour rights, we have implemented a number of benefits to further improve the working conditions for our employees. Under this principle, we offer our employees established pension schemes and possibility for extra health insurance.

- **Code of conduct**
- **Diversity policy**

2015: actions and outcome

Our Code of Conduct regulates our policies and is compliant with UNGC principles. The document is available in our intranet, on our company website and has been handed out to all employees.

Our diversity policy expresses our view that all Solar Group employees are to be treated equally, with no regard to gender, age, race or religion, ensuring equal rights for all when it comes to employment, employment terms, training and promotions. In 2015, Solar Group implemented a Mercer position grading system and defined a target for the number of the under represented gender in upper level management positions (see below).

Future targets

Our Whistleblower system encourages employees, customers and partners to notify an independent authority if they suspect any wrongful doing in regards to our CSR guidelines and Code of Conduct. No reports have been filed since the system was implemented.

As for the gender distribution, the overall distribution within management (corresponding to director level and above) is 16% women and 84% men. Solar Group aims at a distribution of 25% women and 75% men for this level of management by 2018.



Environment

Solar Group sees considerable potential in energy efficiency both now and in the future. Our knowledge centre, Solar Blue Energy Explorium, showcases how various technologies can interact through energy-efficient solutions. The Solar Blue Energy Explorium offers inspiration to end users as well as contractors, architects, consulting engineers, builders and politicians. The Solar Blue Energy Explorium, which is based on renewable energy sources, is categorised as an energy class 1 building and, therefore, complies with the new legal requirements that came into force in 2015.

Blue Energy is Solar Group's energy-efficient concept. With Blue Energy, we offer our customers a selection of energy-efficient products and services which aim at making energy efficiency a better business for our customers. We provide integrated systems that are key to energy savings and are durable, economical and future-proof as well. Part of the Blue Energy concept is training at the Solar School so that our customers learn about the newest technology and get smarter when it comes to optimising both existing installations and new buildings. The latest addition to our Blue Energy concept is the Blue Energy app which was introduced in 2014. The Blue Energy app gives installers on the spot access to inspiration for energy-efficient solutions so that they can guide their customers in an eco-friendly direction. The Blue Energy app also offers Solar Group's loyal customers a Blue Energy Calculator which allows them to screen buildings and calculate potential savings when they act as Blue Energy Advisor's towards the end users. The Blue Energy Calculator works both within the electrical and heating and plumbing areas. The Blue Energy app has already had more than 1,000 downloads.

Find the app and much more information about our Blue Energy concept here:
<http://www.solar.dk/BlueEnergy/Blue+Energy+App+online>.

Policies

Solar Group supports the UNGC principles on the environment. Therefore, we have based our Code of Conduct on these principles.

Solar Group is an active participant of the Carbon Disclosure Project. We report our results systematically and have adopted a strategy to bring down our CO2 emission.

- **Code of Conduct**
- **CDP strategy**

2015: actions and outcome

We measure the CO2 emission systematically within key areas, e.g. CO2 emissions generated from the direct burning of fossil fuels (i.e. fuel consumption relating to company cars, lorries, etc). Another area that is measured is CO2 emissions from purchased electricity. Also, CO2 emissions in relation to goods distribution are measured.



In 2015, we set up a standardised process for internal reporting of CO2 emission throughout the group. All results are communicated via www.solar.eu. This process will be followed up in 2016 with a group handbook governing the process for the reporting.

Solar Group subsidiaries have obtained a number of ISO certifications within environmental and quality management.

Future targets

A group handbook governing the process for reporting will be prepared in 2016.



Anti-Corruption

Policies

Solar Group supports the UNGC principles on anti-corruption. Solar Group is against all forms of corruption including bribery and trading in influence, and we will take active steps to ensure that it has no part in the group's business activities.

- **Code of conduct**
- **Supplier agreements**

2015: actions and outcome

Our Code of Conduct regulates our on anti-corruption. We have a system in place that encourage employees, clients and partners to report back if they suspect any wrongful doing in regards to our Code of Conduct. No incidents have been reported since the system has been implemented.

Future targets

Part of our supplier agreements define a requirement to work against all forms of corruption, including blackmail and bribery. In 2016, we will set up a joint standard for the group to regulate the supplier agreements.