

Communication on Progress

incl our compliance with sections 99a and 99b of the Danish Financial Statements Act

2018

Solar A/S
Cvr nr. 15 90 84 16



stronger together

Solar Group has a green profile by nature, working to promote sustainable energy solutions and induce initiatives to the benefit of our society.

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Letter from the CEO

Solid acumen & ethical principles

From the reception at our headquarters in Vejen, we have been able to observe solar panels erecting at our adjacent parking lot. What was once a field of dirt is now a photovoltaic power station that will generate power to run our data centre, provide shelter for employees' cars and feature charging stations for electric cars. The project is led by our solar power subsidiary Solar Polaris and will be a showcase of what we are capable of at Solar.

This project sums up what CSR is to us: an integrated part of our business. Our approach is the same whether it is labour, environment or sourcing. It is based on solid acumen and ethical principles.

We cannot attract the best talents and the best customers if we do not offer passion, social aware-

ness and the urge to challenge status quo. Therefore, we challenge our customers. Our suppliers. Ourselves. Otherwise, it is impossible to add the pivotal value that is our reason for existing.

For 100 years, Solar has been a part of northern Europe's business community. We believe that Solar in another 100 years will still provide best-in-class solutions that enable a responsible use of scarce human, natural and financial resources.

In relation, I want to underline that our commitment to the Ten Principles of the United Nations' Global Compact in the areas of human rights, labour, environment and anticorruption remains firm.




Jens Andersen
CEO

Our actions in numbers

28 futures

BACK TO SCHOOL

As part of our ongoing commitment with SOS Children's Villages and Engineers without Borders, we have supplied 28 citizens in the city of Hawassa in Ethiopia with technical educations.

190,000 kWh

LIGHTS OUT

In 2019, we will replace 2,119 light sockets and light sources at our central warehouse in Vejen, Denmark. This will lower our power use by 36 percent.

150,000 boxes

BOX THINKING

Feedback from our customers led to a sustainability initiative that lowered Solar's annual use of cardboard boxes.

510 solar panels

HARVESTING THE SUN

We are erecting a photovoltaic system at our parking lot at our headquarters in Denmark. The solar panels will generate power to run our data centre and provide shelter to employee's cars.



Strategy update

Our business model



KEY RESOURCES



CORE ACTIVITIES



VALUE CREATION

	Sourcing excellence	Services excellence	Operational excellence	Digital leadership	
<p>HUMAN RESOURCES Our 3,000 'can-do' people use market insight to develop new business areas and move our business forward.</p>	<p>We build on long-term cooperation with our strategic suppliers, and by consolidating our customers' sourcing needs, we aim to increase efficiency throughout the supply chain.</p>	<p>We work closely with our customers to offer tailored, value-adding services that optimise their businesses and make them more productive.</p>	<p>Central and regional warehousing, common lean processes, integrated IT systems and shared services across our local operating companies support our business.</p>	<p>With an e-business share above 50%, we are a true digital company and use our platform, including webshop, website and digital marketing, to support a personalised customer experience.</p>	<p>CUSTOMER VALUE We create customer productivity by helping our customers to run their businesses more efficiently.</p>
<p>INNOVATION CULTURE Our people have both the right and duty to challenge our customers, suppliers and each other to create innovative solutions.</p>	<p>Based on our understanding of our customers' needs we work both with brand manufacturers and proactively seek alternatives.</p>	<p>Our services range from product engineering, advisory services and technical support to customer logistics and Fastbox.</p>	<p>We drive continuous improvement within a broad range of disciplines, and we effectively leverage our regional footprint to reduce costs and improve efficiency.</p>	<p>We assume digital leadership and drive business development in collaboration with our digital partners.</p>	<p>SHAREHOLDER VALUE We strive to create value for our shareholders by constantly optimising our business to increase the value of the company.</p>
<p>TECHNOLOGICAL KNOWHOW Our people have thorough knowledge about products and technologies.</p>	<p>We offer a number of Solar concepts that meet different customer needs. We have concepts suitable for both installation and industry customers.</p>	<p>Our broad range of services are suitable for both installation and industry customers.</p>	<p>We strive to keep our costs low to protect our margins in a market with increasing price transparency. We exercise strict management over our cost base.</p>	<p>We use the digital transformation of the construction industry to develop new services to drive productivity and cost savings in collaboration with our customers.</p>	<p>EMPLOYEE VALUE We create value for our employees by giving them responsibility, trust, exciting jobs and career opportunities.</p>
<p>STAKEHOLDER ENGAGEMENT We engage with a number of different stakeholders to keep developing our business and create an understanding of our productivity agenda.</p>	<p>BUSINESS SEGMENTS: Installation, Industry and Other</p>				
<p>FINANCIAL CAPITAL Our financial situation is sound and our collaboration with the capital market helps to ensure the continuous development of our business.</p>					

CSR in Solar

Turning energy efficiency into profitable business

We acknowledge the fact that our success comes at a cost to the world around us in a number of ways. Our CSR policy forms the framework for the way we work with CSR in Solar Group. The policy was approved by our Executive Board and communicated to our employees in 2019.

In order to integrate CSR into our daily business, we have committed ourselves to upholding the Ten Principles of the United Nations Global Compact in the areas of human rights, labour, environment and anti-corruption. The Global Compact aims to promote a sustainable development of society and forms the framework of Solar's work with CSR.

In addition, Solar is a listed company and as such obligated to uphold the standards of the Danish Financial Statements Act. Our yearly Communication of Progress to the UN Global Compact is therefore to be seen as a part of our annual report.

PURPOSE OF CSR

In Solar, we have made a formal decision to conduct business ethically and to contribute to sustainable development. We want to embed CSR thinking into our projects and operational processes to make sure that CSR is not a stand-alone discipline, but rather a natural part of our way of doing business.

The bottom line is that we want to integrate CSR into our daily operations where it makes sense – and we want to be strategic in our way of communicating it to our stakeholders.

STRATEGY FOR CSR

Over the past years, we too have noted a significant increase in the customers' demand for documented CSR initiatives on our behalf. They want to know that we are a socially responsible company – and they want to be able to tell their customers that we are.

Further, we believe that our ability to attract the right talents depends on our social profile. We use CSR to attract new employees and make ourselves attractive to our current employees. We believe that our CSR involvement to a large extent is becoming a requirement from the new generations.

We see a potential in using CSR as an element in our strategy to open up new markets for energy-efficient products and solutions.

We can grab market shares if we communicate our principles and actions effectively to customers who care about environmentally friendly product lines.

Our investors have a significant interest in knowing that we are a socially responsible company. The development over the recent years has added CSR as yet another parameter to assess the vitality of a company.

We want to stay alert and able to be proactive when it comes to handling potential risks within CSR. We aim to integrate considerations to environment, labour, human rights and anti-corruption into our business and into the relationships we have with our employees and business partners.

We want to be an active and committed business in the communities and markets we operate in.

TARGET GROUP

This CSR policy applies to Solar Group and constitutes the framework for our work with CSR. It serves to inform both internal and external stakeholders of what CSR means to Solar.

ORGANISATION

In Solar Group, CSR is anchored in HR. In relation to this, we have established a CSR ambassador network of representatives from each of Solar's subsidiaries. The ambassador network communicates implemented initiatives and identifies possible CSR initiatives to be implemented across the Solar Group.

REPORTING

Once a year, we submit our Communication on Progress (COP) to the UN Global Compact. This communication on progress also represents Solar Group's compliance with sections 99a and 99b of the Danish Financial Statements Act.

To keep our CSR communication dynamic, we support our yearly report with regular communication on cases on our website. In addition to cases, the website holds the required CSR documentation. You can find more information [here](#).

In addition, Solar Group submits data to the Carbon Disclosure Project (CDP), an internationally recognised reporting system, to give our investors access to standardised and comparable data about our environmental impacts. Our latest CDP facts and figures can be found [here](#).

CSR in Solar – continued

DIVERSITY

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.

We aim for a higher degree of diversity, as we believe that this will make us a better and stronger business. However, we do not compromise on qualifications. We will continue to employ the most qualified candidate regardless of his/her gender, political, religious or personal orientation.

We believe it is important that the Board of Directors represents a wide diversity of skills, age and gender, and that we maintain a dynamic balance between continuity and renewal through a periodic turnover of board members.

Our diversity policy sets out our objective regarding the composition of the board. Solar wishes its board to be as diverse as possible, including equal participation of women and men, while still ensuring that the board represents the overall skill sets required.

Our aim is for neither gender to be under-represented on the Board of Directors after Solar's Annual General Meeting in 2019. Consequently, women must make up at least 40% of the board members elected by the Annual General Meeting, which is deemed a fair distribution.

Actions and Results

At the Annual General Meeting in 2018, a new member of the Board of Directors was elected. However, this did not change the distribution, so women still make up 20% of Solar's board

members elected by the Annual General Meeting, just as last year.

At Solar, we operate with two upper management levels: Solar Group Management (SGM) and senior level management. The latter includes vice presidents or directors who report to an SGM member. Solar's aim is for an overall distribution of women and men of 25% and 75% respectively by 2020.

In 2018, we have continued to focus on raising the share of women in the upper management levels. However, we acknowledge that we operate in a field historically dominated by men. E.g. at entry level, the apprentices for positions in trade is 37,5% women*. In comparison, the entry level for apprentices in retail and office administration is 65% and 76,97% women respectively.

This also shows in entry-level positions in Solar, where 25% of new hires for white-collar positions are women. For blue-collar the distribution is almost even between the genders.

To counteract this reality, we have run internal management training programmes that promote management and leadership competences, allowing our managers to grow. The programmes are targeted at newly appointed managers, and we hope that this will generate a pipeline of both male and female candidates for upper management levels in the future.

Further, in 2018 we continued to require that both genders were represented among the final candidates for senior management positions. This is a requirement that will remain in 2019.

Finally, we believe that we offer flexible work conditions suiting employees who seek to achieve

work-life balance. We allow employees working at office positions to work from home, and we encourage our male employees to go on paternity leave.

Despite our efforts, the overall gender distribution in the two upper management levels was 15.91% women and 84.09% men as of 31 December 2018. This is not a satisfactory result.



**Source: Business College Syd in Denmark.*

CASE

Solar brings light and education to Hawassa

As part of our ongoing commitment with SOS Children's Villages and Engineers without Borders, we supply 28 citizens in the city of Hawassa in Ethiopia with technical educations.

"It is so unique and fantastic what Solar is doing for these 28 students and their families down here. It literally saves their lives. They say that Solar is sent from heaven," Jacob Mortensen wrote in an email to Solar's CEO Jens Andersen on 30 November 2018. Jacob is Manager of Technical Service in our Climate & Energy department and was in Ethiopia when he got the chance to meet with some of the talents enrolled in an educational programme funded by Solar.

"First, we visited their vocational schools and talked about why they had chosen their different educations. One had chosen to be a mechanic, because he noted the endless amount of old cars on the roads. He figured

that he would have work for the rest of his life. Another chose to focus on textiles, because he was not able to walk properly."

"After the school visit, a student invited us back to his house. He wanted to show us some of the amenities that Solar had also sponsored. A mattress, soap and some clothing. It was all very basic, but he was so proud," says Jacob.

ONGOING COMMITMENT

Our collaboration with the SOS Children's Villages and Engineers without Borders is a five-year commitment. The former wishes to create sustainable children's villages and, thus, the projects are closely related to our core business. This means that we are able to support them with our technical knowledge, product expertise and deliver quality products to the children's villages.

E.g. the SOS children's village in Hawassa is nearly self-sufficient in power and lighting. We used our expertise within solar power and

installed a photovoltaic system, which generates power and lighting to the village. Solar, Engineers without Borders and SOS Children's Villages solved the job with great participation from the locals.

"I really feel that Solar has made a difference for these people. It has also made me appreciate the possibilities we have here in Denmark. We are able to fix whatever needs fixing. Now, I'm definitely not the one to complain about the crack between my floor boards," says Jacob Mortensen.

The Solar cell installation consists of 40 280 watts monocrystalline solar cell panels from Hyundai. The lamps are from Solar Plus and funded by Solar employees.

Jacob Mortensen installed a photovoltaic system in Hawassa.

Environment and climate

Reducing our emission of carbon

In Solar Group, we work to promote sustainable energy solutions and induce initiatives to the benefit of our society. However, as is the case for any other businesses, our business activities leave a mark on the environment, for instance when we transport our products from A to B. To minimise the inconveniences that come from our business activities, reducing our emission of carbon is a CSR priority.

POLICES

Since 2010, Solar has reported data to the Carbon Disclosure Project and UN Global Compact. In addition to monitoring our emission, we focus on finding ways to further reduce emission in our daily business. Our CDP work is described in a CDP strategy which is available to all employees on our intranet.

Data is collected from Solar A/S, Solar Danmark A/S, Solar Norge AS, Solar Sverige AB, Solar Nederland B.V., Solar Polska Sp. Z o.o., MAG45 and P/F Solar Føroyar.

RISKS

Our most significant strain on the environment comes from our distribution activities and our use of company cars. Therefore, we make a priority of reducing the footprint that we leave.

Our activities in central warehouses include the handling of hazardous materials. As we acknowledge the fact that these may pose an environmental risk, we have defined and standardised procedures for the handling of these. In

addition, standards have been created for our four key markets with strict guidelines on procedures if an incident involving a hazardous material was to happen.

In both matters, we consider the risks to be under control.

KPIS

CDP's Climate Disclosure Score is a measure of the quality and comprehensiveness of the information provided in the company's response to CDP's annual climate change questionnaire. The disclosure score is a metric of good internal management, an understanding of climate change issues and company transparency on climate change. Therefore, our disclosure score is a KPI which we monitor.

Energy labels show how an appliance, vehicles etc. ranks on a scale from A to G according to its energy consumption, class A being the most energy efficient. A KPI has been defined to eliminate the use of company cars less efficient than classes A and B. Equally important, we expect

that our distributors use trucks within the best European norm for transportation of our goods to ensure a reasonable limit to the contamination we cause.

ACTIONS AND RESULTS

In 2018, we adjusted our internal reporting processes to ensure that the employees involved have sufficient time to deliver the needed data in the right quality for our reporting. We monitored the reporting process closely and used the tightened control to deliver high quality figures to our CDP reporting.

As part of our focus on data quality, we have invested in a new system for collecting and qualifying data for our reporting on CDP. This is a result of a review made by Internal Audit in Solar Group. The system will improve the quality of our data and provide a more solid foundation for taking further action.

Due to the implementation of the new reporting system, the deadline for our CDP report is rescheduled to Q3 2019.



CASE

Solar reduces use of cardboard boxes by more than 150,000

Feedback from our customers led to a sustainability initiative that lowered Solar's annual use of packaging, created a better work environment and improved profitability.

Every day, our central warehouse in Örebro, Sweden, ships more than 2,000 packages. This, of course, results in a significant use of cardboard boxes and bubble wrap. Last year, we received feedback from customers saying that there was a lot of empty space in the cardboard boxes.

The extra space in the boxes was caused by a limitation in the warehouse IT system, meaning that each tray only contained up to seven product types. Following a lot of research involving a range of stakeholders in Sweden and Denmark, we found that it was possible to alter the IT system controlling the warehouse without causing problems elsewhere.

This raised the filling level and hereby lowered our use of cardboard boxes by a total of 55,000

per year in Sweden and close to 100,000 in Denmark.

Besides contributing to a better use of natural resources, the solution has also lowered the employees' stress levels, because it has reduced the amount of overtime work.

"I have felt a big difference since I started at Solar two years ago. It has become easier for us to control the flow in the department. In addition, it has become less stressful to do the picking and packing at the warehouse, where we handle more than 27,000 different products. So the initiative has made the employees happier," says Mathilda Åkerblom, Area Manager at the central warehouse in Örebro.

Next for the team is to implement the solution at Solar Sverige's central warehouse in Halmstad.

CASE

Solar Fastbox powered by electricity

In Oslo, electrical vehicles now deliver our popular Solar Fastbox service. In Copenhagen, we tap into the sharing economy.

Zero emissions, zero stress and lower costs for our customers. In cooperation with express delivery providers Dønn Grønn we now deliver electrical materials straight to their work location by electrical cars with our one-hour service Solar Fastbox. This way, fitters in Oslo can get products delivered within 60 minutes* without CO2 emission, traffic jams or the struggle of finding a parking space.

Oslo is not the only area, where we are engaging in strategic partnerships with local mobility companies. We experience an increase in Solar Fastbox deliveries in all markets because more fitters see the benefit of continuing working instead of driving to and from service centres. This requires that Solar has access to a flexible fleet of delivery trucks.

In Denmark, we have entered a strategic partnership with Mover, a transportation platform that connects Solar with available drivers. This is a solid and cost-effective supplement to traditional logistics providers. Further, Mover taps into the sharing economy and exploits the fact that a delivery truck spends a lot of its lifetime standing still.

*See where we deliver Solar Fastbox in Norway and Denmark on [solarnorge.no](https://www.solarnorge.no) and [solar.dk](https://www.solar.dk).



Labour

An active effort to develop our employees

The Solar Group's approach is for all employees in the individual enterprises to be treated in the same way regardless of gender, age, race and religion, so that all employees have equal opportunities when it comes to recruitment, employment terms, training and promotions.

We aim for a high degree of diversity, as we believe that this makes us a strong business. We always hire the most qualified candidate regardless of this person's political, religious or personal orientation. It is an expressed requirement to have both genders represented in a candidate pool for a vacant management position in Solar Group.

We make active efforts to develop our employees and want to make it clear that employees at all levels can find interesting careers in Solar. To do so, we look at each individual employee's potential.

Solar is fully compliant with all requirements stemming from labour legislation and collective agreements in the countries in which we operate. We work to ensure safe working condition regulations related to social relations and employee conditions. Our stand on the area has been defined in a number of policies described below.

POLICIES

Actions guiding our employees are described in an employee handbook, which is available on our intranet. The employee handbook is a compilation of policies, procedures, working conditions and behavioural expectations.

Our Code of Conduct states that Solar will comply with applicable laws and regulations and act in an ethical, sustainable and socially responsible manner in our business activities. Respect for human rights is an integral part of Solar's ethical framework.

RISKS

An inevitable risk of running a business is workplace accidents. When it comes to labour and employee conditions, safety at work is our top priority beyond comparison. We have taken a number of measures to keep our safety at work at an acceptable level, including working closely together with safety representatives, keeping our employees fully informed about safety measures etc.

KPIS

An indicator of our employees' wellbeing is the employee stick rate, i.e. employees who are still with the company one year after the start of their employment. Our ultimate aim is always to have more satisfied, loyal employees that actively want to remain with us. Therefore, we have set an ambitious stick rate target of 90%.

The employee turnover refers to the percentage of workers who leave our organisation and are replaced by new employees. As a high employee turnover can be hurtful to a company's bottom line, we aim for a reduced employee turnover of 6%.

While some absence due to illness is inevitable, it is evident that sick days delay work, create stressful situations for other workers, and represent a cost to our company. Therefore, we continuously monitor our employees' sickness absence rate. Our KPI for sickness absence rate is 3%.

ACTIONS AND RESULTS

On a yearly basis, we carry out reviews, auditing our key central warehouses to make sure that all safety requirements are met. Our external risk advisor submits a general status and recommendations of actions to increase the safety level.

In 2018, we have conducted reviews of the safety and the general status of our warehouses in Vejen (DK), Gardermoen (NO), Alkmaar (NL), Duiven (NL), Halmstad (SE), Ørebro (SE) and Eindhoven at our subsidiary MAG45 (NL). Our insurance broker and risk advisor Marsh performed the reviews.

We have also used our new and improved platform to support our performance development processes for the first time. Our mission was to find a process that is intuitive, encourages dialogue and makes it easy to follow up on progress and agreed plans and targets.

As a result, we have made it easier to link performance and learning, set goals, and assign learning programmes from our training facilities. We have used the new Learning Management System to train all employees in GDPR via six e-learning modules. In the employee performance appraisals, we will continue to focus on performance, competence development, development potential, mobility and career plans. In addition, we run an internal management training programme that promotes management competences and tools, allowing our managers to grow.

An employee stick rate of 80,2% compared to 83% last year is unsatisfactory as our target remains at 90%. We will focus even more on our stick rate in 2019.

When it comes to employee turnover, a 2018 result of 8.6% compared to the same result last year is not a satisfactory result.

Ending the year at 3.9% against 3.7% last year, our sickness absence rate is on par with last year and the level is satisfactory throughout Solar as both blue and white-collar positions are included.



Anti-corruption

Our zero tolerance policy

Corruption undermines growth and social and economic development. It undermines clean and fair business, is an obstacle to trade and strictly against our group values. We can only avoid damage to our company, our employees and business partners if rules and standards are respected. Consequently, misconduct must quickly be recognised, processed and remedied.

POLICIES

Our zero tolerance stand on corruption and bribery has been clearly expressed in our supplier Code of Conduct and in the Code of Conduct governing our employees.

RISKS

Solar Group's business activities are not centred in high-risk areas when it comes to corruption and bribery. Nevertheless, our supplier Code of Conduct dictates zero tolerance behaviour in both areas. In addition, our employee Code of Conduct states that the ban on corruption applies to all individuals acting on Solar's behalf. The Code of Conduct is introduced to all employees and available on our intranet.

KPIS

We have not defined actual KPIs for this area.

ACTIONS AND RESULTS

Our whistle-blower scheme invites internal and external stakeholders to expose any kind of information or activity that is deemed illegal, unethical, or not correct. An independent authority receives and handles any information exposed via the whistle-blower scheme.

In 2017, our focus was on reintroducing our Code of Conduct and whistle-blower scheme to our employees. Although everyone has read and signed the Code of Conduct and been introduced to the scheme, it may not be on top of their minds. Therefore, we took the opportunity to remind them of the materials and carried out an internal campaign inviting our employees to revisit our Code of Conduct. We want to leave no doubt about what is acceptable behaviour in the Solar Group. In 2018, we concluded that there was no need to promote the whistle-blower scheme further.

To ensure that possible breaches to our Code of Conduct are identified and called out, we rely on everybody's vigilance and willingness to draw attention to possible serious regulatory violations on the basis of concrete evidence. We value this type of information from our employees, but also from business partners, customers and other third parties.



CASE

Multi-purpose solar panels installed at parking lot

A new photovoltaic system will provide power for our data centre in Vejen as well as shelter for our employee's cars.

From the reception at our headquarters in Vejen, we have been able to observe the installation of solar panels at our adjacent parking lot. Our solar panel subsidiary Solar Polaris is in charge of erecting a photovoltaic system that will generate power to run our data centre and transform the parking area into 812 square metres carport – including charging stations for electric cars.

"It will be a great way for Solar to exhibit what we are capable of. The business case is solid, making it a green initiative on a good economic foundation, so perhaps it could also inspire some of our guests to do the same," says Jens Andersen, CEO at Solar Group.

Both the Danish Government and the UN Sustainable Development Goal number 7 put focus on increasing the share of renewable

energy in the global energy mix. As a socially responsible company with expertise within solar power we see it as a natural extension of our business to support this focus.

"Denmark has had a lot of focus on wind, and we see a great future for combining that with solar power. Prices on photovoltaic systems are dropping, and solar panels are generating power both in sunny, cloudy and calm weather," says Jens Andersen.

The photovoltaic system consists of 510 REC panels and 6 Fronius inverters and will be functional in the beginning of 2019.

Human rights

Responsible supplier management

We want to ensure that we respect human rights in our operations as well as through our business relations. Hence, we have implemented two separate codes of conduct; one for employees and one for suppliers.

POLICIES

Our Code of Conduct indicates that human rights are an integral part of Solar's ethical framework. All of our employees have signed our Code of Conduct, which dictates that Solar will comply with applicable laws and regulations and act in an ethical, sustainable and socially responsible manner in all of our business activities.

As a part of our standard due diligence processes, the Solar Group Code of Conduct declares that Solar Group expects its suppliers to uphold our policies concerning compliance with all applicable law, respect for human rights, environmental conservation and the safety of products and services.

RISKS

The greatest risk for Solar Group within human rights lies with our third party agreements. Through our suppliers' sign-up to and compliance with the Solar Supplier Code of Conduct, the suppliers take full responsibility in their supply chain.

KPIS

For supplier management, KPIs define that Solar will implement a contract system to support and improve the process of on-boarding new suppliers and updating the policy going forward. Implementation of the system will be finalised before the end of Q2 2019.

ACTIONS AND RESULTS

Solar is committed to ethical business practices and we hold our suppliers to the same high standards. It is Solar Group's policy to comply with all applicable laws and regulations of the countries and regions in which we operate and to conduct our business activities in an honest and ethical manner. Therefore, we have initiated a partnership with our suppliers, calling on them to sign our updated Code of Conduct.

As for supplier management, our key priorities are on track.



Human rights – continued

CODE OF CONDUCT

Pursuing common goals

To support our efforts in relation to our Code of Conduct we are implementing a new digital contract system in 2019.

The system will raise the number of suppliers who have signed our Code of Conduct and will provide more control over the process of on-boarding new suppliers and updating the policies with existing suppliers.

“Tying the knot between us and our suppliers and pursuing common goals is a natural step for both of us. Responsible sourcing takes an effort from everyone in our value chain, but for us and our suppliers it is a given,” says Vice President in Group Sourcing Thomas Clausen, Solar Group. Thomas and his team are implementing the new contract system for the Solar Group.

“The system is currently being implemented and can notify our suppliers of changes in our Code of Conduct. The system is also linked to the commercial contract with the supplier, making the Code of Conduct an integral part of our standardised contracts, giving us more control over the process of on-boarding suppliers to our policy,” says Thomas Clausen.

The system is expected to be fully implemented by the end of Q2 2019.

Read more about our work with supplier management [here](#).

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