

SUSTAINABLE PROCUREMENT POLICY

PARTICULARS

Risk category	Compliance
Risk assessment	Not complying with this policy may cause legal, financial, and reputational damage.
External reference	UN Global Compact, ISO 14001, Responsible Business Alliance Code of Conduct; SBTi, ILO fundamental conventions, UN Guiding Principles on Business and Human Rights, Universal Declaration of Human Rights, EU/local regulations, Norwegian Transparency Act. EU Deforestation Regulation (EUDR) 2023/1115 and subsequent amendments; UK Timber Regulation (UKTR); Lacey Act (US); CITES; OECD Guidelines; ILO Core Conventions; FSC & PEFC procurement guidance.
Target group	All Solar's legal entities. It serves to guide and steer internal and external stakeholders.
Classification	Public document available on Solar's Intranet and at solar.eu
Latest update	May 2026
Approved by	Executive Board, June 2026
Responsible	Group CPO/SVP Commercial Market and Services
Contact person	Head of Sustainable Procurement

1. OBJECTIVE OF THE POLICY

This policy is aligned with Solar’s Solar’s standards of Ethical and Sustainable business and the Solve strategy 2024-2026 of Solar Group (hereafter: Solar) in which sustainability is embedded. The policy outlines a framework for sustainable procurement at Solar to ensure efficiency and transparency, making sure that the practices of Solar’s suppliers are sound and with limited impact on society and environment. As a part of ongoing efforts, Solar currently focuses on the activities described in this policy.

Being a leading European sourcing and services company within electrical, heating and plumbing, ventilation, and climate and energy solutions, the origins of the products we source are global. Our suppliers operate global supply chains, ensuring that Solar can source quality products that meet the requirements of regulation, customers, and society.

2. SCOPE OF THE POLICY

Source sustainable products for our customers by leading the green transition and protecting human rights – together with our suppliers.

Solar's sustainable procurement strategy:

- Ensuring compliance to the Code of Conduct through:
 - o Risk assessment of suppliers in four pillars
 - Human rights
 - Environment
 - Ethics
 - Sustainable procurement
 - o Actively work with suppliers on corrective actions procedures and improvement in sustainability matters
 - o Reducing CO2e emissions in the supply chain through active supplier collaboration

Solar requires our suppliers and partners to follow and live up to the same ethical and social standards that we demand of ourselves.

Our sourcing and supplier relationships must be characterized by respect for human rights, the environment, and the society throughout the value chain.

2.1. Reducing and eliminating risk in the Solar supply chain

2.1.1 Ensuring compliance to the code of conduct

Solar's sustainable procurement work is founded in our supplier code of conduct. Solar has voluntarily adopted the Responsible Business Alliance (RBA) Code of Conduct since 2016. Moreover, it follows the guidelines set out in the UN Global Compact, the ILO core conventions on principles for international companies and social policy, and the OECD guidelines for international companies. The code of conduct covers human and labour rights, health and safety, environment, ethics, and anti-corruption and bribery. Not only does it outline our current requirements, it

also includes aspirations, encouraging suppliers to evolve and advance their sustainable performance. Solar is committed to increase the adaption and compliance of our suppliers. Solar's code of conduct is part of the agreement that we sign with our suppliers, as it is a requirement for becoming a strategic or preferred supplier.

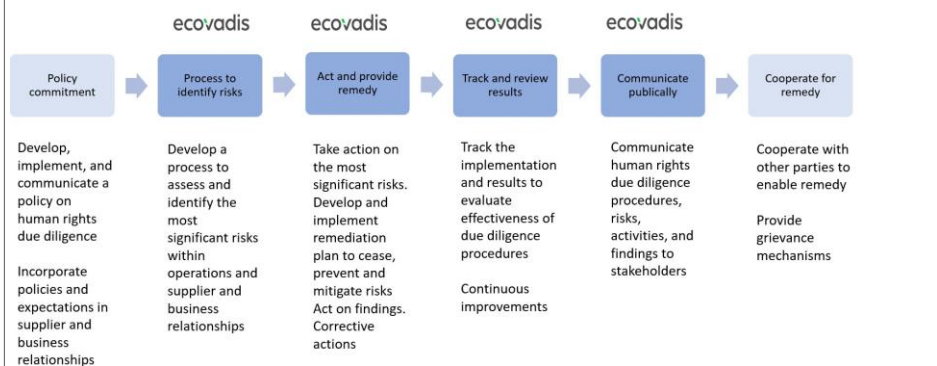
The objective is to increase spend covered by Solar's code of conduct. The KPI is a percentage of the Solar spend covered by code of conduct and is tracked yearly on legal entity level. The target is to have 95% of our spend covered by end 2026.

2.1.2 The Corporate Sustainability Due Diligence Directive and The Norwegian Transparency Act

Solar considers transparency, responsible business conduct, and respect for human rights and the environment to be fundamental to how we operate.

The Norwegian Transparency Act is a law concerning businesses' work with human rights and working conditions, and it entered into force in Norway on July 1, 2022. Solar has implemented the processes to comply with all applicable legislations, perform due diligence accordingly, and report through CSRD and the Ethical trade organisation in Norway.

Process to be compliant with Norwegian Transparency Act and EU directive (OECD standards on Human Rights Due Diligence), and how this is supported by the EcoVadis platform

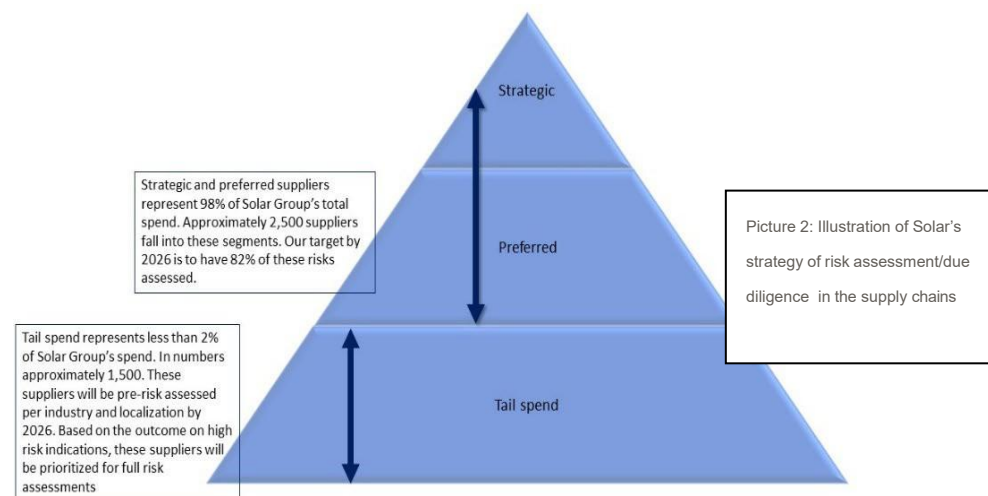


Picture 1: Solar's due diligence compliance process in collaboration with EcoVadis ref. Norwegian Transparency Act.

2.1.3 The due diligence of the Solar supply chain

Solar strives to eliminate violation of human and labour rights, anti-corruption, and bribery, and minimize the environmental impact related to the products we sell. To increase transparency in the Solar supply chain, we conduct risk assessment/due diligence on our suppliers, which in the first wave primarily covers strategic and preferred suppliers. It is conducted through a third-party tool (EcoVadis), bringing an updated view of supplier risks related to human and labour rights, environment, and ethics. A risk-based approach is used, prioritizing audits by reviewing risks per country or market or per commodities, processes, or supplier work area. Solar is committed to

increasing the number of suppliers that have gone through a risk assessment/due diligence and to driving corrective actions with our suppliers to identify high or very high risks. The KPI related to this is a percentage of Solar's annual spend (per legal entity) that is risk assessed. This metric is tracked and reported on entity level on a yearly basis. The target is to have 82% of the group level spend assessed by end 2026. This ties into the overall target of having no high or very high-risk suppliers by end 2026.



2.1.3 Pre-risk assessment based on location and industry for tail spend

Solar is committed to eliminating high risks in our supply chain. The tail suppliers of Solar's portfolio represent less than 2% of the spend (approx. 1,500 suppliers). These suppliers undergo a pre-analysis/risk mapping based on location and industry. This pre-analysis will identify suppliers associated with high or very high risk in any area to prioritize the tasks of due diligence. The target is to have our tail spend suppliers pre-risk assessed and to have no high or very high-risk suppliers by end 2026.

2.1.4 Physical audits

Solar's ambition is to collaborate with our suppliers to improve their sustainability performance. During 2024-2026, Solar has and plans to, audit multiple strategically important suppliers that are located in risk areas and/or operating in risk businesses. Solar has set criteria for prioritization of on premises audits and the aim is to have concluded 100% of these prioritized on-site audits by end of 2026. Solar performs physical in partnership with accredited third parties.

2.1.5 Actively collaborate with the suppliers on improvements and corrective action procedures

Solar is committed to increasing our suppliers' sustainability maturity and with that their due diligence score. The due diligence score shall be improved through corrective action procedures. We conduct ratings in the four sustainability themes, Environment, labour and human rights, ethics, and sustainable procurement, each scoring between 0-100. Solar's priority is human rights. Hence, we have set a threshold at either below 45 points on weighted average (counting all above mentioned themes) or below 45 points on human rights alone, both being a threshold for corrective action procedures

requested. The threshold is set based on market average. The objective is to increase the sustainability maturity of our suppliers. The KPI is to increase the average score in the risk assessment/due diligence by 3 points per year, complying with the main target of having no high or very high-risk suppliers by 2026.

3. ENVIRONMENT

3.1 Solar's responsible sourcing of wood and rubber strategy:

The products that are affected by the tariff codes in the EUDR are governed by the following policy: Ensure legality, deforestation- and conversion-free sourcing in line with EUDR cut-off date (post 31 December 2020).

Prefer FSC or PEFC (or SFI) certified materials and increase recycled fiber content.

Maintain chain-of-custody traceability, collect and make available relevant data

Report transparently and engage suppliers in capability-building. Solar has embedded requirements into specifications, tenders, and contracts.

3.1.1 Regulatory compliance and due diligence

Solar will comply with EUDR, UKTR and other applicable laws. All relevant products placed on the EU market must be deforestation-free, legal and covered by a due diligence statement. Suppliers must provide complete data packs including DDS reference identifiers. No sourcing from areas subject to deforestation, conversion or forest degradation after 31 December 2020. No wood from illegal logging, violations of human rights, High Conservation Value/High Carbon Stock loss, or use of Genetically Modified trees.

Suppliers shall provide valid FSC/PEFC/SFI chain-of-custody claims where available; for non-certified volumes, meet controlled/low-risk criteria and a time-bound plan to certify. Suppliers shall provide full due-diligence data references. Suppliers shall Notify Solar immediately of any alleged breach and cooperate on investigation and remediation.

3.1.2 Assurance

Annual internal audits and periodic third-party verification; corrective actions tracked to closure.

3.1.3 Monitoring and consequences

Compliance checks in each legal entity, annual reporting of progress, and suspension or termination for material non-compliance.

3.2. Reducing CO2e emissions in the supply chain through active supplier collaboration

Solar aims to lead by example for employees, individuals, and the public, as individual and collective behavioural changes are important. Climate change can further be mitigated by collaboration through the supply chain in combination with a policy framework. Solar is committed to the Science Based Targets initiative (SBTi), and we want to motivate our suppliers to switch to and report on the usage of renewable energy and to report on CO2e emissions in scope 1 and 2. The objective

is to increase awareness, and the KPI is to raise the number of suppliers reporting on CO2e emissions in scope 1 and 2 by 9 by 2026 (baseline year 2023).

3.2.1 Usage of renewable energy amongst suppliers

Directly linked to CO2e emissions is the usage of renewable energy in production, which we encourage. Our target is to have an increased number of suppliers purchasing and reporting their usage of renewable energy with a KPI of an additional 9 suppliers by the end of 2026 (baseline year 2023). This is tracked and monitored through our third-party tool.

3.2.2 CO2e emission reduction scope 3

Approximately 99% of Solar's CO2e emissions derives from the supply chain, i.e., scope 3. We strive to drastically decrease the CO2e emissions to limit global warming and reach the goals of the Paris Agreement. Solar has committed to SBTi methodology for reducing the CO2e emissions in scope 3 by 2030. This will be done by actively collaborating with our suppliers. The objective is to reduce Solar's emissions in scope 3, in the categories purchased products and use of sold products, by 25% (baseline year 2020).

4. RAISING AWARENESS AND CAPACITY BUILDING

Solar recognises that raising awareness and competence are two key factors for motivation and for driving improvements. Our commitment to raising competence within the area of sustainable procurement is as follows:

4.1 Code of conduct training

All relevant staff is required to have concluded the code of conduct training. The training covers what the code of conduct entails, why Solar is requiring this from our suppliers, and the content of the document itself. The training is mandatory for all staff with supplier relations but is however available for all others. The objective is to raise competence, awareness, and motivation to drive sustainability issues, and the KPI measure is the accumulative percentage of relevant staff trained. The training is held continuously, and target is 100% of relevant staff trained by 2026.

4.2 Sustainable procurement policy training

All relevant staff is also required to take the sustainable procurement training, consisting of the contents of this policy. The training informs of the importance of sustainable procurement, Solar's priorities, efforts, and KPIs of sustainable procurement. The objective is to raise competence, awareness, and motivation to drive sustainability issues, and the KPI is the accumulative percentage of relevant staff trained. The training is held continuously, and the target is 100% of relevant staff trained by 2026.

4.3 Sustainable procurement courses provided by third party

All relevant staff is required to have concluded the sustainable procurement training provided by a third party. The training gives a broader understanding of sustainable procurement, providing a common knowledge base. The training is held continuously, and the target is 100% of relevant staff trained by 2026. Relevant staff

is assigned Responsible wood and rubber training, among other trainings, in 2026.

4.4 External supplier capacity building

Solar aims to increase awareness, competence, and sustainability maturity with our suppliers. Suppliers that score below the threshold of 45 points in our risk assessment/due diligence are assigned a third-party training package. The KPI applies to all suppliers with less than Solar's set threshold and complies with the target of having no high or very high-risk suppliers in our supplier base.

5. DEVIATIONS FROM THE POLICY

No deviations from this policy are allowed.

6. DIVISION OF RESPONSIBILITIES

The accountability of this policy lies with the Group CPO/SVP Commercial Market and Services. It is approved by the Executive Board and the day-to-day accountability for ensuring that the content of the Policy is adhered to is delegated to Head of Sustainable Procurement. The policy applies to all legal entities in Solar.