

ESG REPORT 2023



Solcellespesialisten



www.solcellespesialisten.no

Table of contents

Words from the CEO	3
Executive Summary	4
Key numbers 2023	4
Company profile	5
Our values	5
Ownership	5
Company structure	5
Materiality analysis	7
UN sustainable development goals	8
OECD Guidelines and the Norwegian Transparency Act	8
Environmental Contributions	10
Emissions	10
Waste management	12
Biodiversity and Land Use	12
Social Responsibility	13
Working environment	13
Supply Chain Management	15
Governance	16
Ethical guidelines and code of conduct	16
ESG focus areas in 2024	17
Appendices	17



Words from the CEO

"ESG and sustainability are at the heart of what solar panels are all about."

I am proud to present Solcellespesialisten's 2023 Sustainability Report, another step forward in our ongoing commitment to ESG. In 2021, we made a strategic decision to prioritize Environment, Social, and Governance (ESG) factors, both to meet our customers' expectations and because we believe it's the right thing to do as a company.

Sustainability has become a bit of a buzzword lately, but for us it's about giving it real meaning and making it part of everything we do.

When I started Solcellespesialisten in 2005, sustainability and ESG weren't really on anyone's radar. But the idea behind solar panels – to produce electricity efficiently and with minimal impact on nature – that has always been there. We started out mainly focused on the environmental side of things, but now we're paying more attention to social factors as well. We keep a close eye on our supply chain, visiting suppliers, making sure they sign ESG agreements, and analyzing how we can source the most environmentally friendly

and fair products possible. We also feel a responsibility to help improve conditions across the industry. This is something that matters to me and everyone at the company.

In 2021, we set up a dedicated ESG team with three employees, led by our Chief ESG Officer. The CESGO is a permanent part of our management team and regularly reports to both the board and employees. We've also developed procedures and guidelines to help us operate as sustainably as possible. Right now, we're working hard to put all this into practice in a fast-growing company within a rapidly changing industry. It's a challenge, but it's the right thing to do, and it's something we strongly believe in.

I hope you find this report helpful and would appreciate your honest feedback on how we can do even better.



Carl Christian Strømberg
Founder and CEO



Executive Summary

In Solcellespesialisten, we value transparency and embrace our commitment to a precise and honest account of our operations and footprint. This report is our first full ESG-report, covering our work on Environment, Social and Governance in 2023. The report also covers our due diligence work and compliments our official report in accordance with the Norwegian Transparency Act. The report includes an account of our organization, our

operations, our governance structures and our routines and processes in relation to our ESG work. We also report on and discuss our actual and potential risks of negative impacts on environmental and social aspects including human rights, and how we actively work to mitigate these risks and contribute positively to sustainable development in all aspects of our business.

Key Numbers 2023

Fact box:

1. 602 MNOK turnover – 63% YoY increase
2. 282 employees – 53% YoY increase
3. 6 offices
4. 100MW installed – 92% YoY increase
5. 180 MW installed cumulative total lifespan
6. 32 500 tonnes of CO2 saved in 2023
7. eNPS: 17,2



Company Profile

Solcellespesialisten installs and operates solar energy plants on residential houses and cabins, commercial roofs and facades, and ground mounted systems (utility). Solcellespesialisten is a vertically integrated engineering, procurement and construction company (EPC) with 283 employees. The main office is located in Fredrikstad, while operations take place all over Norway. We also operate branch offices in Oslo, Bergen, Drammen, Hamar and Stavanger.

Solcellespesialisten aims to be one of Norway's most innovative workplaces, with a focus on work environment, social responsibility, and sustainability. Sustainability is ranked as our top-priority strategic goal. We consider it

strategically incompatible for any company aimed at creating climate benefits and sustainability, to not have sustainability as a main focus in its own operations and value chains.

As Norway's largest solar contractor we take responsibility in the development of sustainable renewable energy in Norway, and recognize our position to influence industry standards external to the company. This also implies that we set high demands for our own compliance with ESG standards. Our aim is therefore both to improve our internal standards, but also to contribute to raising the bar on ESG and sustainability in the solar industry business in Norway, the Nordics and Europe.

Our Values

ELSK – Eventyr, løsningsorientert, smil og karakter

Adventure, solution oriented, smile and character (or LOVE in Norwegian)

Ownership

Solcellespesialisten is a stock company owned by FSN Capital, Vardar AS, Carl Christian Strømberg AS, Letron AS and Ingvarda AS.

Company Structure

Figure 1: Company structure represented by management positions.

CEO
Carl Christian

CESGO
Anders Rør

HR
Maria Schwaiger

CTO
Ola Johansson

CCO
Kim Wilhelmsen

CFO
Petter Bjørnstad

CRO
Bjørn Ekren



The best solar projects are not necessarily the largest, but all those that utilize the available space to ensure production of renewable energy - here from Orkidehøgda 3 in Mjøndalen, Norway. Customer: Sunday Power. 379,62kWp.



Materiality Analysis

A double materiality analysis considers the impacts, risks and opportunities affecting the company as well as the company's effects on the outside world. The analysis of double materiality forms the basis for how the Solcellespesialisten

will proceed with its sustainability reporting in line with CSRD in the future. For now we wish to highlight our impact and what impacts us, and thus refer to the analysis provided by our majority shareholder FSN Capital in the following figure.

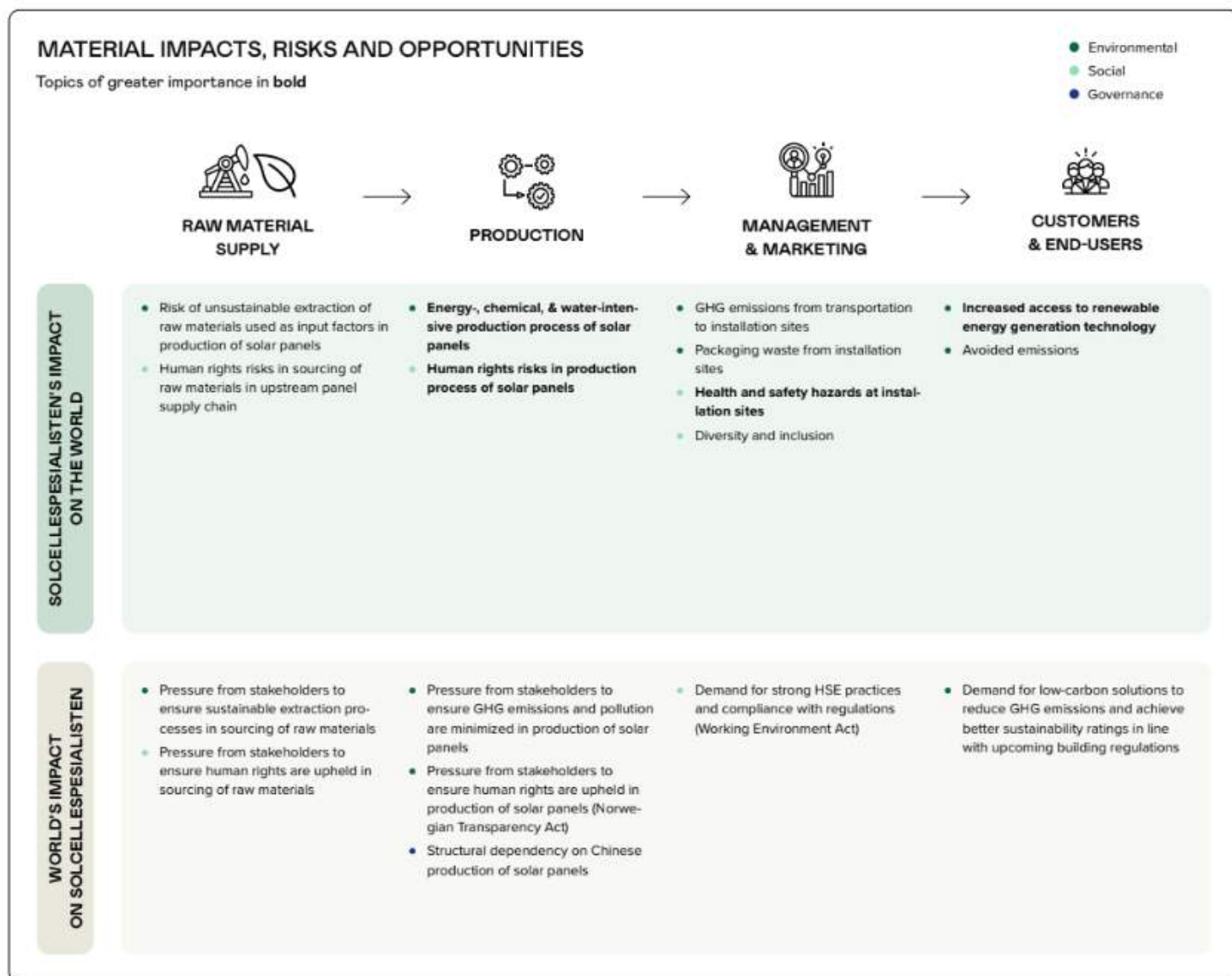


Figure 2 – Source: FSN Capital

UN sustainable development goals

The core activity of Solcellespesialisten is to provide renewable energy at a fair price in a decent way. We deliver to all segments in Norway from the smallest cabin to the largest solar park, ensuring that all parts of society are provided with a sustainable, affordable and in the most possible way democratic power source. We regularly

assess our suppliers and partners on their human rights, labor conditions, and environmental practices to ensure sustainability throughout the supply chain from raw material to complete installations. Downstream or upstream entities that do not meet our requirements are not considered for procurement and contracts.



Ensure access to affordable, reliable, sustainable and modern energy for all



Take urgent action to combat climate change and its impacts

OECD Guidelines and the Norwegian Transparency Act

Solcellespesialisten evaluates our suppliers and partners based on their work with human rights, labor conditions, and the environment, in accordance with the OECD Guidelines for

Multinational Enterprises. This entails anchoring, mapping, implementing measures, monitoring, and externally communicating responsibility and findings, see figure 3.

Figure 2: The OECD Due Diligence process model

DUE DILIGENCE PROCESS & SUPPORTING MEASURES

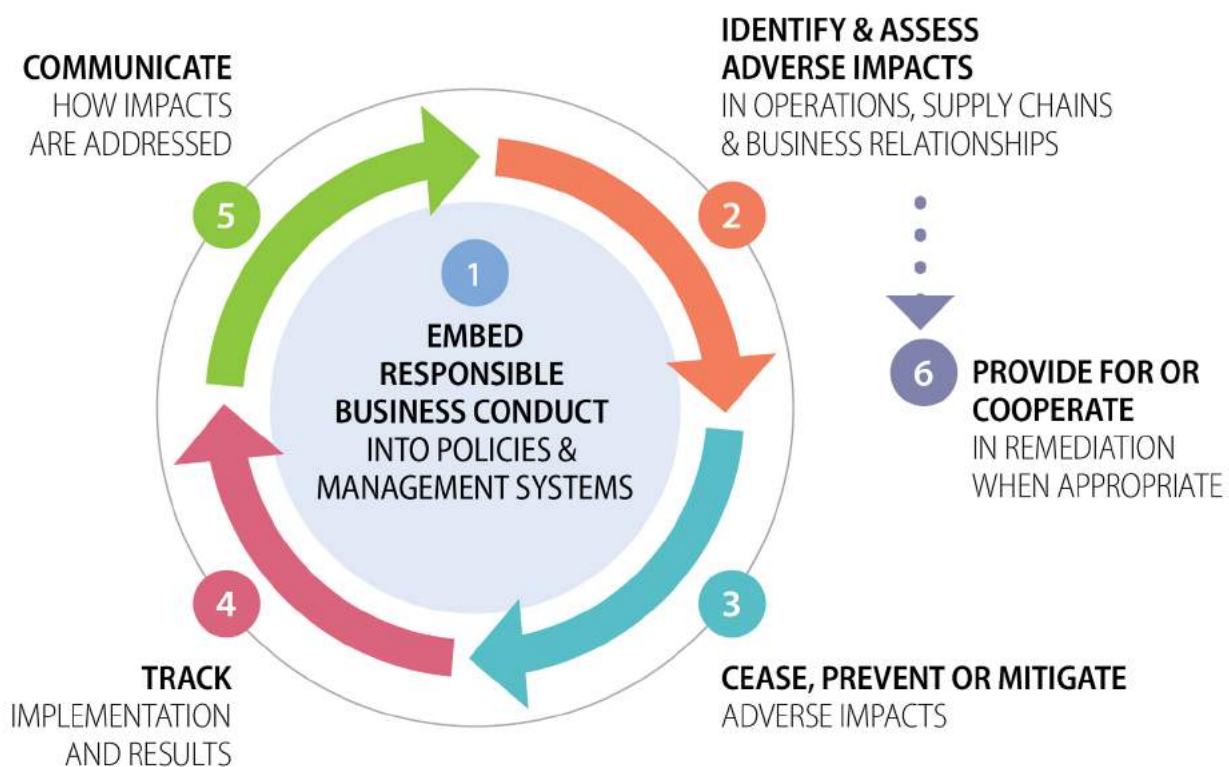


Figure 3

We closely monitor all our suppliers and conduct comprehensive due diligence assessments of those deemed critical or if risks are identified during supplier screening. Due diligence assessments of suppliers, partners, and customer relationships are conducted based on publicly available information, academic research, other independent third parties, and/or information provided by the supplier or acquired by Solcellespesialisten during research, production visits and anonymous sources.

The due diligence process is an ongoing effort encompassing existing and potential suppliers and products, ensuring that we stay updated on industry changes and have an overview of available substitutes that excel in ESG criteria.

The work related to hindering and mitigating following the OECD model must be reported accordance with the Norwegian Transparency Act. For a report of solely this work see Årsrapport Åpenhetsloven SCS 2023 on our website.



Environmental Contributions

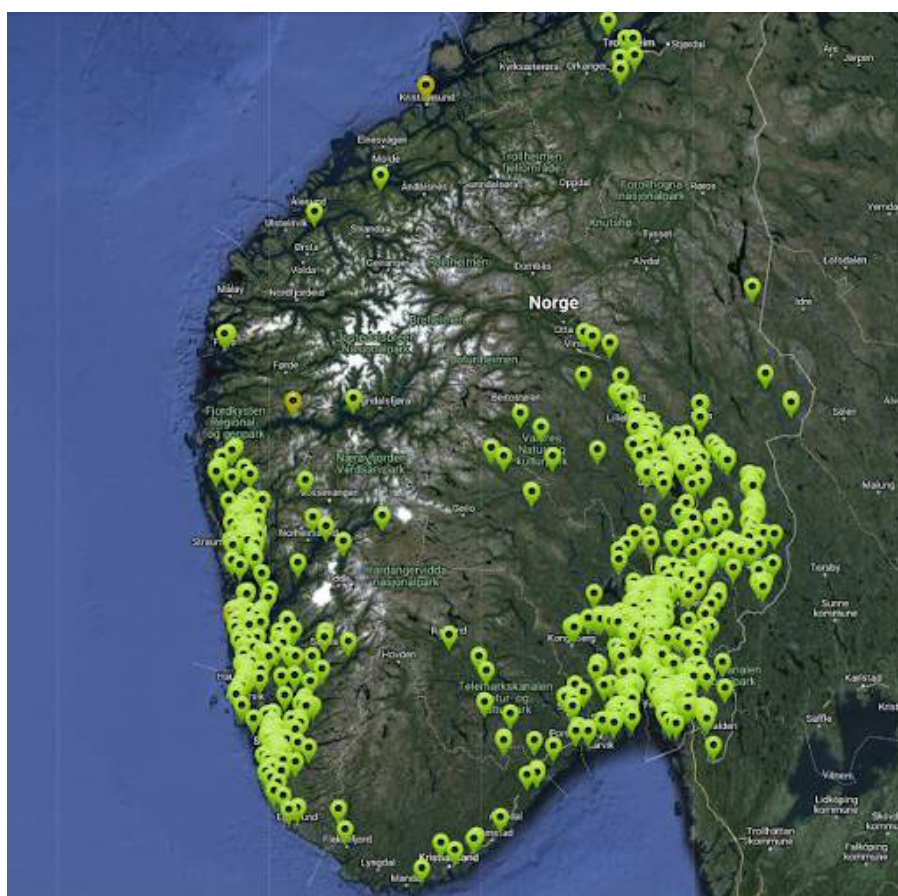
Solcellespesialisten aims to drive climate sustainability in Norway, and to help save the climate with renewable energy. To ensure this we work on both our internal and external impact. Our goal is to become a Net Zero emissions contributor within 2030, and on our path we compensate for our emissions. We focus on continuously improving our operations by lowering the emissions per installed MWp. We commit to a 90% recycling rate, well on our way.

Solcellespesialisten collaborates with our suppliers to develop new standards for social

responsibility, sustainability, and environmental measures. We have, in collaboration with panel suppliers, ensured the publication of Environmental Product Declarations (EPD) in public EPD libraries and third-party verified value chains. We are also working on similar industry standards for inverters and mounting systems. Furthermore, Solcellespesialisten wants to contribute to standard procedure for recycling of solar panels in Norway, and have this on the agenda for our meetings with the industry.

Emissions

We achieved our 100MWp mark in 2023, installing more in one year than our previous installed capacity combined. Our total contribution ramps up to 160 000 MWh in 2023 equalling 64 800 tonnes of CO₂ avoided.



Map: completed residential projects with installation in 2023

Total GHG emissions in 2023 was 479 tons of CO₂e.

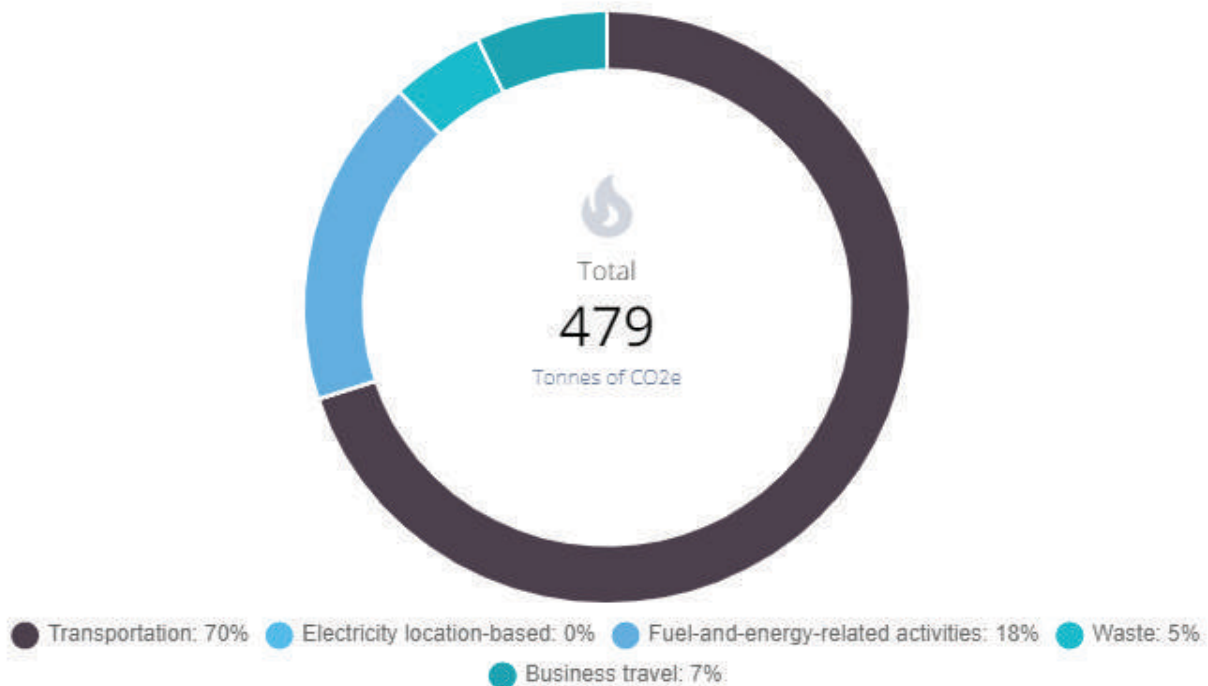


Figure 4: Total GHG emissions 2023 (location-based)

Calculated emissions per turnover (scope 1–3) were 0,796 tons per mill NOK in 2023, up from 0,767 tonn pr mill NOK in 2022 (Miljøfyrtårn). Part of the increase can be attributed to business travels, which increased significantly from 2022 to 2023. Strengthened routines on value chain control is part of the new standard in ESG follow-up work implemented in Solcellespesialisten in 2023. We expect that business travels, especially those relying on air travel, will be at a higher level going forward than in previous years, as close monitoring of suppliers is necessary to carry out satisfactory value chain control.

The work to refine internal goals is continuously evolving and must be seen in conjunction with increased knowledge of the level of detail on Scopes 1–3 that we are conducting in collaboration with CEMAsys. The aim is to have a complete overview of Scope 3 in 2024.

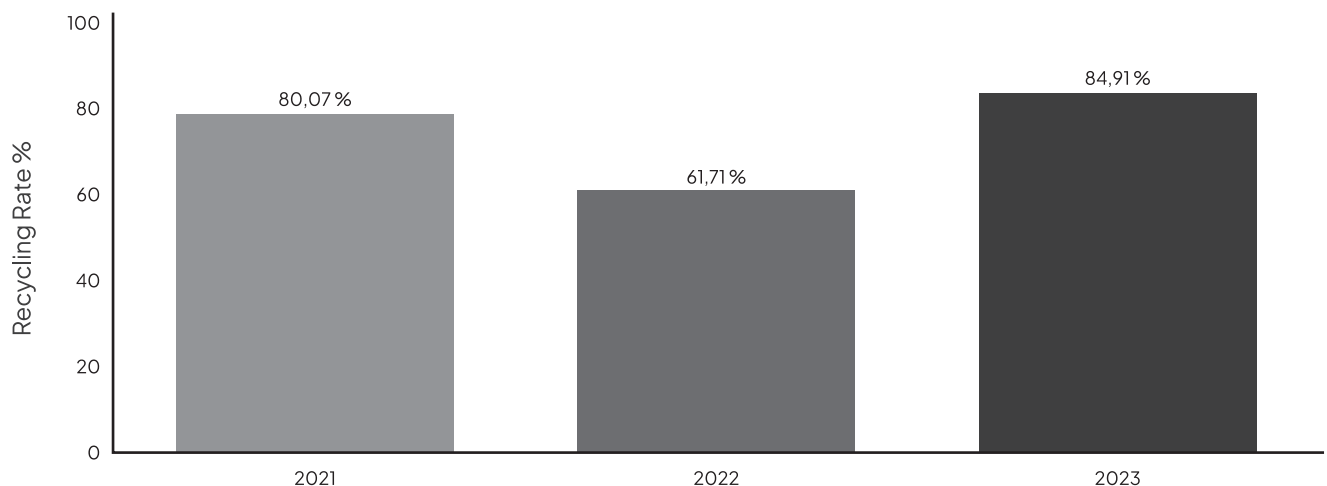
In the latter part of 2023, Solcellespesialisten transitioned to biofuel for all deliveries from Chinese suppliers. New premises were taken in 2023 for the head office with transition to district heating, and we increased the electrification of the vehicle fleet.

Waste management

Solcellespesialisten improved our waste management in 2023; the sorting rate increased from 61.7% to 84.9%.

Waste and Recycling

Recycling Rate



Graph 1: Recycling rate in Solcellespesialisten 2021–2023

Adverse impact – environmental risks 2023

Solcellespesialisten has identified the following major environmental risks:

- Emissions and pollution from mineral extraction
- Emissions and pollution from production
- Combustion of fossil fuels for transport of goods and personnel
- Construction activities related to the establishment of solar parks / utility scale projects

Solcellespesialisten has established or continued the following measures in 2023 to mitigate for or hinder environmental risks and negative impacts:

- Convince additional panel producers and other suppliers to produce Environmental Product Declarations on their products
- Transition to greener fuels
- Increase share of electrical vehicles in company vehicle fleet
- Set goal to increase focus on biodiversity
- Increased reporting focus beyond Eco-Lighthouse certification
- More supply chain in depth research

Social Responsibility

Solcellespesialisten aims to be both the best place to work and to contribute positively to the communities we operate in. This means we want to have a positive impact on all the people engaged with us directly or indirectly. Solcellespesialisten supports diversity and equality, both in the

workplace and in society at large. Employees and customers should recognize the company's positive values and trust that doing business with us is contributing to a renewable and just future. We support work that promotes human rights, both in our communities and in our value chain.

Working environment

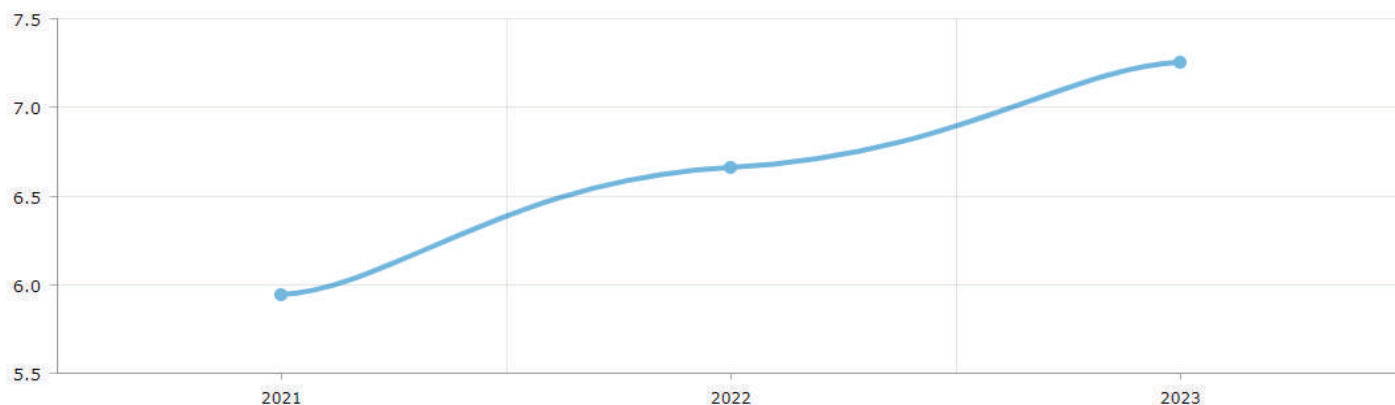
Solcellespesialisten aims to be one of Norway's most innovative workplaces. We are inspired by people's delight in renewable energy and actively work to ensure that our employees, customers, and partners are involved in good collaboration and an inclusive atmosphere.

Solcellespesialisten encourages its employees to dare to try. Initiative is crucial for the development of new technology and processes. Making mistakes is allowed here. We focus on finding solutions, both to societal and internal challenges.

Absenteeism

The level of absenteeism due to sickness of either short, medium or long term character increased in 2022 to 2023. The numbers are affected by the highest number of short term sickness in January,

november and december recorded so far. To mitigate the health impact of Covid, influenza and colds the company provided free flu shots to all employees.



Graph 2: Percentage of employees absent YoY 2021–2023

Health and safety

Solcellespesialisten had 4 minor injuries leading to sick leave in 2023. None of the employees were absent from work for more than 4 weeks as a result of their injury.

To ensure health and safety as a primary concern of our operations all employees undergo HSE

training. Safety measure are mandatory to document before commencing any installation and all personnel involved in any project share the responsibility of implementing and documenting the measures. To strengthen the company's focus on safety two FTE working on HSE were added and hired for the fiscal year 2024.

Diversity and inclusion

Solcellespesialisten strives to be an inclusive workplace. Situated between the traditionally male dominated building, engineering, electro and energy industries we seek to employ as diverse staff as available. In total, however, only 29 out of 267 FTE were female in 2023. In the office 22,4% of our coworkers were female, and in upper management only one member is female.

However, women on average earn more than men in Solcellespesialisten, also within the same position level.

Solcellespesialisten proudly consisted of more than 20 nationalities in 2023, all represented in the office as well as in the installation base.

Employee satisfaction

Employees at Solcellespesialisten share a common interest in our goals to be the best place to work and help save the environment with renewable energy. Our eNPS in 2023 was measured to

17,2. Of our employees as many as $\frac{3}{4}$ think Solcellespesialisten is a business to be proud of, and we agree! Even better, 85% of our employees feel the job they do is important.

Adverse impact – social risks – 2023

Solcellespesialisten has identified the following major social risks:

- 4 minor injuries
- Increased level of absenteeism
- Lack of female representatives in management
- Higher than target, but not alarming, stress levels among employees

Solcellespesialisten has established or continued the following measures in 2023 to mitigate for or hinder social risks and negative impacts:

- Increased focus on HSE training
- Hired to FTE to work with HSE system, training and risk starting winter 2024
- Reduced pressure through better organization moving into 2024

Supply Chain Management

Solcellespesialisten regularly assesses our suppliers and partners in terms of their work on human rights, working conditions, and the environment, as well as systemic performance on ESG. Companies and partners who do not meet our requirements are not considered for procurement and contracts. At the same time, we take responsibility for raising the sustainability standards of existing suppliers. Our ultimate goal is to make the industry as a whole as sustainable as possible.

Solcellespesialisten strongly condemns the use of forced labor. We closely monitor all our suppliers and go through ESG procedures and routines with them before making purchases or entering into agreements. A thorough assessment of specific human rights violations is included here.

We have been working for several years to develop and ensure a comprehensive overview of all our suppliers. This includes an evaluation of their social responsibility, value chain documentation, and environmental promotion efforts. Based on the information available to us publicly, through research, third parties, and from the supplier, we conduct an overall risk assessment. This includes an evaluation of the supplier's social responsibility, environmental and climate work, and governance. We request insight into suppliers' value chain of subcontractors, routines, employment agreements, and compliance with local laws and regulations.

Based on this compliance assessment, the Chief ESG Officer will present a verdict and recommendation to the Company.

Solcellespesialisten will not proceed with a new supplier if we believe the risk is too high, that they do not take their social or environmental responsibility, or if there is a risk that one of their subcontractors does not meet the criteria on social or environmental responsibility.

In cases of elevated risk with existing suppliers or generally for our key suppliers, we work on mitigating measures based on the principle of 'do no harm.' By this, we aim to contribute to a sustainable development of the value chain. In our due diligence efforts, we place a strong emphasis on stakeholder dialogue. This is crucial for identifying risks in the value chain and serves as a platform for valuable feedback on the consequences of our operations and how we can improve.

Solcellespesialisten visited key suppliers in China in October 2023. We aim to continue annual supplier visits with all our key suppliers in the years to come. Supplier visits is key to our triangulation process: research and documentation (internally and externally conducted, including an own researcher engaged by SCS), supplier visits and third party verification of supply chains.

Adverse impact – Supply chain management risks 2023

Solcellespesialisten has identified the following major risks in our supply chain:

- Forced labor risks in polysilicone supply chains in Xinjiang region of China
- Poor working conditions in production facilities in non-European countries
- Unknown value chains for non European metals

Solcellespesialisten has established or continued the following measures in 2023 to mitigate for or hinder social risks and negative impacts in the supply chain:

- Improved stakeholder dialogue
- Extensive suppliers visits down to polysilicone level of the solar supply chain
- One supplier suspended following a supplier visit
- Collaboration with a supplier to increase the compensation level
- Main contributor to the completion of guidelines for risk assessments in the Norwegian solar industry.

Governance

Solcellespesialisten has undergone significant growth in recent years. Successful operations and further expansion require us to continuously

develop robust systems for process and management across all aspects of our operations.

Ethical guidelines and code of conduct

Solcellespesialisten is committed to good business ethics, transparency, and integrity throughout the company. The principles are outlined in our ethical guidelines, which all employees in the company are familiar with. The ethical guidelines and procedures are regularly updated based on due diligence assessments of our operations. The board of directors and management also have a dedicated set of ethical guidelines.

In 2023, we enhanced the collaboration between the ESG team and the HR department with the goal of raising awareness of, and promoting good measures for, the work environment. The ESG team

at Solcellespesialisten was strengthened with 2 new employees, increasing capacity in these areas of expertise. In collaboration with the sustainability team at FSN, several workshops and dialogue meetings have been conducted to set short- and long term ESG targets.

Supplier Code of Conduct was updated in 2023, as well as the procedures to ensure that the suppliers adhere to these guidelines. To ensure we were on the right path with our ESG focus we also had KPMG revise our and provide inputs for improvement. A report of this work is available upon request.

Adverse impact – Governance risk – 2023

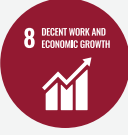
Solcellespesialisten has identified the following major governance risks:

- The number of employees nearly doubled from 2022 to 2023.
- One concerning case reported through whistleblowing
- Despite satisfied employees there was unsatisfactory scores on management availability and feedback

Solcellespesialisten has established or continued the following measures in 2023 to mitigate for or hinder governance risks:

- Updated ethical guidelines and SCoC
- Updated Whistleblower policy and routine
- New rules for social events
- Increased capacity in the ESG team
- Enhanced collaboration between ESG team and HR department

ESG focus areas in 2024

ESG Focus Area	SDGs	Short term target (2024)
1. <i>Leading the Industry in ESG and Supply chain management</i>	   	1a. 80% of suppliers signed SCoC 1b. 100% of solar panel orders are verified with Certisolis 50% with other 3rd party verification 1c. >95% of main suppliers are certified by ISO14001 1d. 100 % of key suppliers have undergone comprehensive DD and visits 1e. Implement further environmental management systems
2. <i>Best place to work, great governance and highest ethical standards</i>	 	2a. No H1 or H2 2b. All employees are trained in CoC. 2c. No ethical violations 2d. Perform eNPS.
3. <i>Zero Environmental Impact</i>	 	3a. No environmental deviances 3b. Promote biodiversity in applicable projects 3c. Recycle rate of waste and packaging: 90% 3d. Contribute to, and support, initiatives that promote recycling of solar panel
4. <i>Driving climate sustainability</i>	 	4a. Installed 130MWp/yr. BTO: 170MWp 4b. Set Science Based Targets. Develop a carbon reduction plan. 4c. Complete logistics overview with emissions (reducing scope 3)
5. <i>Community engagement</i>	 	5a. Local responsible partnerships 5b. Apprenticeships 5c. No serious land-use conflicts (included involvement in activities that can reduce future food production)