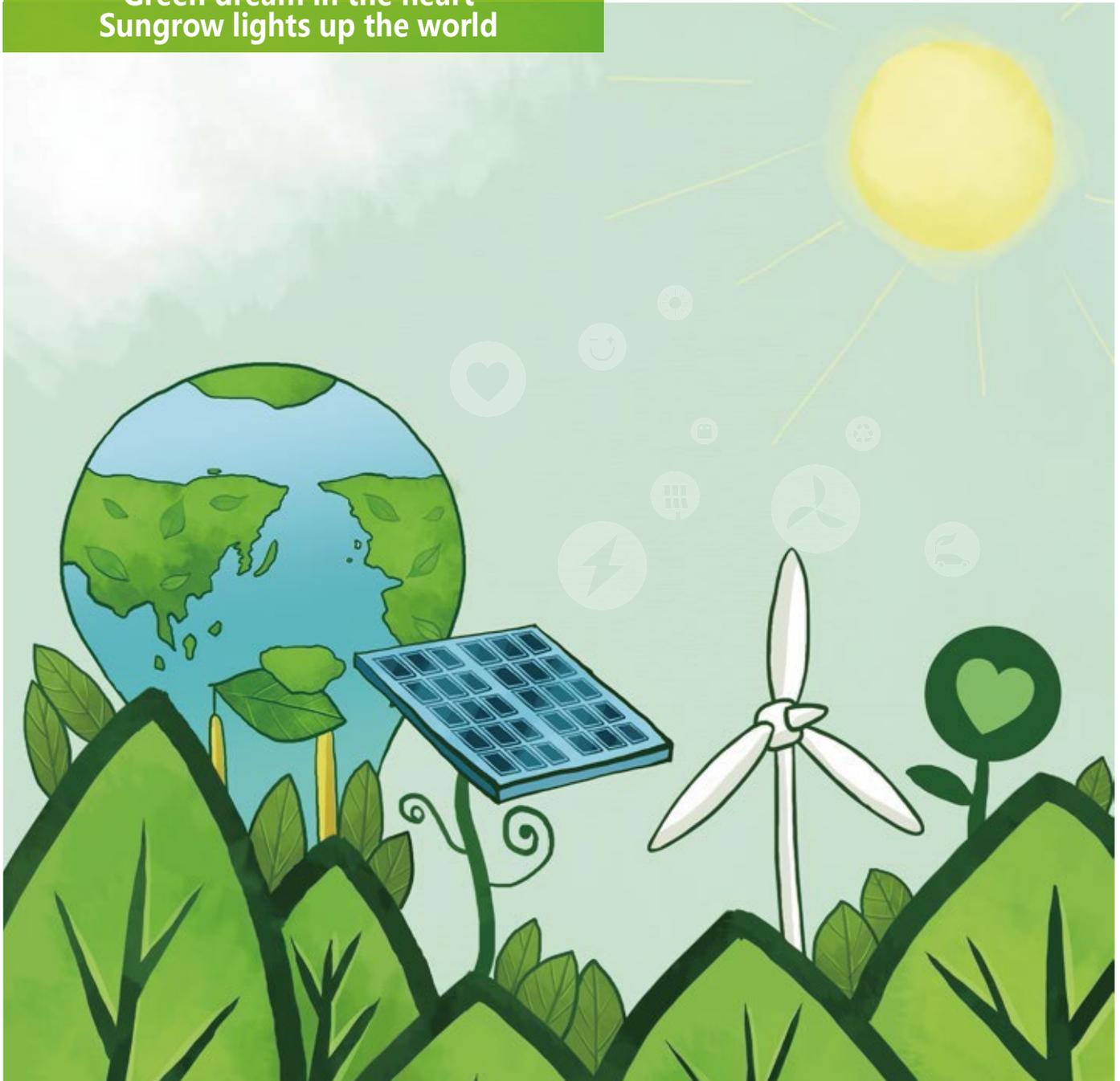




# Sungrow Power Supply Co., Ltd. 2015 Corporate Social Responsibility Report

Green dream in the heart  
Sungrow lights up the world





# Chairman's Speech

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Dear friends from all:

In 2015, with the slowdown of global economy and the rugged road of economic recovery, new energy industry is also facing great challenges. Sungrow Power Supply Co., Ltd. (hereinafter referred to as SUNGROW) is committed to the mission of “Green and Effective” as well as “giving clean power to more people”. SUNGROW strives to develop the new energy business and provides clean energy products to the society in such a difficult situation. Meanwhile, it attaches great importance to the business activities involved in the society, environment, health and safety (known as EHS work), and keeps on social welfare.

SUNGROW strategy system includes social responsibility; in the future we will actively promote the long-term mechanism of corporate social responsibility and regularly to the public. Thank you for supporting and understanding the high standards of SUNGROW social responsibility system, we firmly believe that performing the international standard social obligations will certainly help SUNGROW to achieve sustainable development.

CAO Renxian  
Chairman of Sungrow Power Supply Co., Ltd.

# Foreword

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"2015 Corporate Social Responsibility Report" was released to the public by Sungrow Power Supply Co., Ltd. and it is also the first social responsibility report of SUNGROW.

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This report aims to give a true reflection of SUNGROW's development and practice of corporate social responsibility over 2015 and give a public report of its operational information to its shareholders, employees, the government, its customers and consumers, partners, community people and other stakeholders, thus helping the said stakeholders have an in-depth perspective of SUNGROW's social responsibility practices.

This report covers the period from January 1, 2015 to December 31, 2015 and it is disclosed in A shares. The financial data involved in and the scope covered by this report are consistent with "2015 Annual Report of Sungrow Power Supply Co., Ltd." that was released in the A shares market. The amounts referred to in this report, unless otherwise stated, are denominated in RMB.

This report shows stakeholders SUNGROW's data, actions taken and cases in the aspects of strategic development, corporate governance, economic responsibility, environmental protection, product and service quality, occupational health and safety, employee development, and social welfare. The next corporate social responsibility report of SUNGROW will be published together with SUNGROW's annual report in 2017.

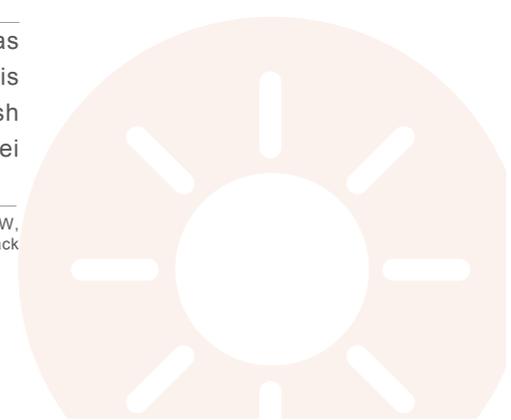
SUNGROW had followed the G4 core program of "The GRI Sustainability Reporting Guidelines" (G4) in preparing this report. This report also referred to the CSR certification requirements of "Guideline for Chinese Enterprises to Prepare Social Responsibility Reports" of Chinese Academy of Social Sciences.

To facilitate presentation and reading, SUNGROW in this report is also called "the Company", "SUNGROW" or "the listed company"; SUNGROW and its member enterprises contained in the consolidated statements are called "the Company", "SUNGROW"; the controlled subsidiary/unit under SUNGROW is called "member enterprise" in this report. And the enterprise names appearing in this report are defined with full name and shortened name with details in "Enterprise Name Definition Table" appended to this report.

This report is printed in simplified Chinese and English languages. When there is any conflict between the Chinese version and the English version, the simplified Chinese version shall prevail. To facilitate the stakeholders to read and understand this report, a definition list of the terms involved in this report is appended to this report.

SUNGROW entrusts the external organization SGS that works independently and has no conflict of interest with SUNGROW to implement independent verification of this report in simplified Chinese and issue a verification statement in Chinese and English languages. The verification scope of the 2015 Report is SUNGROW Hefei Headquarters and Shanghai Subsidiary.

If you want to learn more information concerning the social responsibility concept, strategy and related practices of SUNGROW, please log on the SUNGROW website ([www.sungrowpower.com](http://www.sungrowpower.com)) or contact the report preparing organization (see the back cover).



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# Annual Milestones

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SUNGROW officially launched "iSolarCloud" together with Ali Cloud to push forward new energy to develop towards "Internet +". At SNEC, it released China's first centralized PV inverter —SG500MX with the efficiency more than 99%, marking that the Company's centralized and string inverters have entered the era of 99%.

SUNGROW launched China's first model of "selling power in the neighborhood", a valuable exploration in China's new power reform.

April

SUNGROW entered into a strategic cooperation agreement with the world's largest solar energy developer Conergy.

SUNGROW was assessed as "National Demonstration Enterprise in Development of Industrial Brand" in 2014 by the Ministry of Industry and Information Technology.

May

SUNGROW shook hands with SDI for official registration of a joint venture on energy storage equipment.

June

China's first PPP project made a debut that SUNGROW paved the way for more than 5000 poor households in Yuexi to get rich.

SUNGROW launched the series of 3300V medium voltage full power wind energy converters at PVCEC 2015, starting a new time of medium voltage converters.

October

SUNGROW Detection Center passed the CNAS laboratory accreditation, indicating that the detection reports presented by SUNGROW Detection Center in the range of accreditation will be acceptable to the authoritative organizations in nearly 100 countries. SUNGROW electric vehicle controller won the national design Oscar "Red Star Award" again and such product has been extensively applied in mainstream vehicle manufacturers.

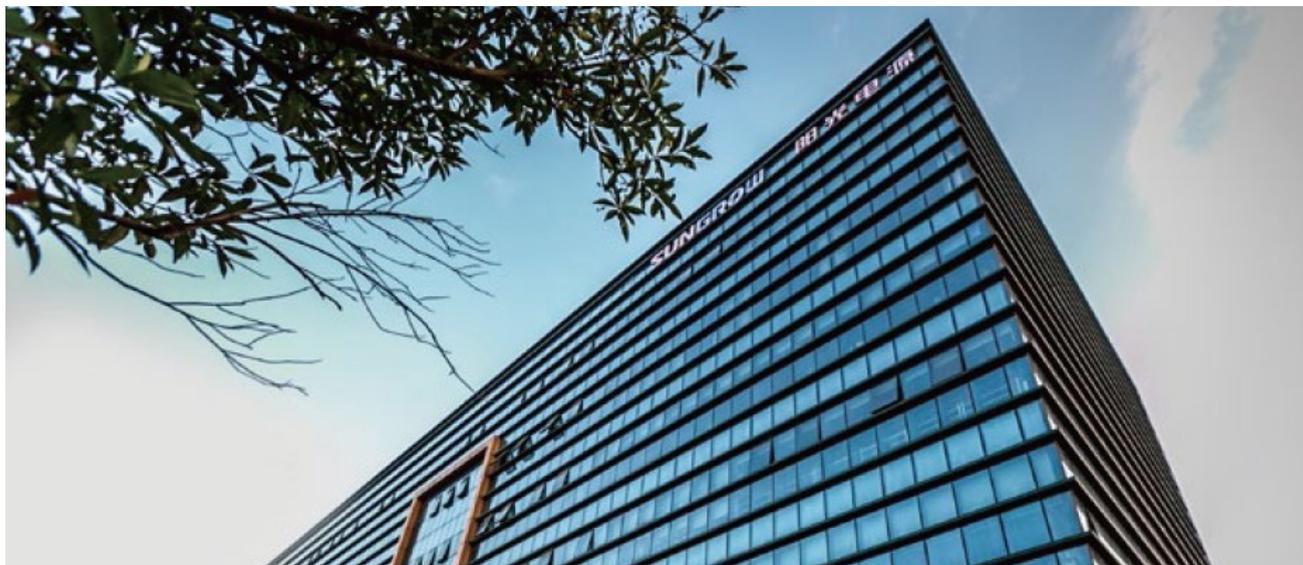
November

"SunAccess" was accredited as China's Well-Known Trademark and it is the Company's second Well-Known Trademark.

December

# Company Profile

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## Mission

We are always devoting ourselves to “Green and Effective”, giving clean power to more people.

## Vision

Become the world's leading renewable energy generating equipment and system access solution supplier.

## Core Values

Sincere & Pragmatic    Precise & Open    Customer Oriented

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Incorporated in 1997, SUNGROW is China's key high-tech enterprise on research and development, production, sales and services of the equipment for solar energy, wind energy and stored energy. Its main products are solar inverters, wind converters, energy storage systems, electric vehicle motor controllers, and the Company is committed to providing world-class solutions for photovoltaic power stations. It began to be listed in the Growth Enterprises Market of Shenzhen Stock Exchange in November 2011 (stock code: 300274).

SUNGROW has always adhered to the values of “Sincere & Pragmatic, Precise & Open, Customer Oriented” since its incorporation and it has achieved a proud achievement. In recent years, SUNGROW has won a series of honors such as "National Key New Product", "National Energy Technology Progress First Prize", "National High-tech Industrialization Demonstration Base", and "Global Top 500 New Energy Enterprises". Thanks to the wisdom and efforts of everyone, SUNGROW has been accredited as "National Post-Directorial Research Station", "National Accredited Enterprise Technology Center" and its comprehensive strength has made it among the best players of the world's

new energy power generation industry. As of the end of 2015, SUNGROW photovoltaic inverters installed throughout the world had totaled more than 24,000,000kW, can produce clean power of 31,000,000,000kwh and reduce emission of carbon dioxide of more than 25,000,000t annually.

In the future, adhering to the development mission of "We are always devoting ourselves to “Green and Effective”, giving clean power to more people" and based on the PV and wind power business, SUNGROW will innovate and explore new business items in the new energy power generation field, take an active part in the global competition and strive to develop itself a respected "world-class enterprise".

# Strategy and Management

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## SUNGROW Development Strategy

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The basic business of SUNGROW is PV energy. Therefore its strategic direction also closely surrounds its core business new energy, expands its business horizontally and vertically based on its core competitiveness and it also places stress on the synergistic effect of business items to gradually form the overall solution of smart new energy. The development strategy of SUNGROW can be briefly summarized as the SUPRE strategy:

Smart Energy

User Oriented

PV Industry

Electronic Power Technology

Renewable Energy

## Strategic Goal

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Surrounding the core competitiveness in new energy and electronic fields and through collaborative development of new business packages, we will drive the Company to maintain rapid, steady, sustainable and healthy development in the next five years, make it become a group company valuing about 20 billion yuan by 2020, become a domestically first and internationally leading provider of smart new energy system solutions to promote the rapid development of applications of clean energy throughout the world.

## Sustainable Development Strategy

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SUNGROW's sustainable development goals can be divided into short-term goal, medium-term goal and long-term goal (vision).

Short-term goal: Become a leading enterprise that performs best in shouldering social responsibility and implementing sustainable development in China's new energy field by continually pushing forward sustainable development under the guidance of the general vision and strategic goals of the Company.

Medium-term goal: Become one of the Chinese enterprises that perform best in shouldering social responsibility and gear with the international practice to become a member of the global sustainable development system by continually adhering to the concept of sustainable development.

Vision: Become one of the most respected international enterprises in the new energy field; make social responsibility and sustainable development penetrate in every aspect of business of SUNGROW and make them become the basic norms of behavior for all the staff.



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## Breakdown of the Sustainable Development Strategy

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### **Applying new energy power generation**

- Apply photovoltaic power generation system in the west area without electricity to solve the power supply issue;
- Apply PV/diesel/energy storage and other hybrid micro-grid systems in the west regions and sea islands with power shortage, thus reducing the consumption of diesel oil and other fossil energy under the premise of supplying sufficient power;
- Vigorously promote the application of new energy power generation in China to raise the share of new energy power generation in China and reduce fossil energy consumption and carbon dioxide emission;
- Popularize photovoltaic, micro-grid and other new energy power generation systems and applications in Southeast Asia, Central Asia and Africa in combination of China's "One Belt and One Road" strategy to bring electric power to the poverty-stricken areas in the said regions;

- Based on the application of new energy power generation in the said areas, train and cultivate relevant repair, maintenance and service personnel to improve the local people's technology capability.

### **Developing the smart new energy**

- Research and develop various critical technologies for new energy power generation, place stress on the collative application of technologies and energies to improve the comprehensive energy efficiency of the systems;
- Resort to the energy Internet instrument to popularize distributing type new energy to promote the matching and exchange of information and energy between the power generation side and the power utilization side, raise the energy distribution and utilization efficiency of the region and even the community;
- Consider fully user experience to make new

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energy power generation closely combine with the power utilization of enterprises and residents to raise the people's acceptability of new energy power generation;

-As an important part of smart city and smart community, smart energy resorts to the matching and management of the power generation side and the power utilization side to change the people's power utilization habit and save energy smartly, thus improving the whole society's efficiency of energy utilization.

#### **Popularizing green power**

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-Keep improving new energy power generation products, researching and developing critical technologies for new energy power generation to make more people enjoy green power;

-Keep exploring the applications of new energy power generation and vigorously popularize photovoltaic power generation and other types of new energy power generation through a wide range of new type application technologies such as complementation of fishery and PV, hydropower and PV, agriculture and PV, subsidizing area reconstruction, integrated PV building;

-Take an active popularization of distributing type new energy power generation, push forward construction of smart new energy communities, popularize application of PV technology in rural areas to make more roofs and wastelands become the sites for new energy power generation and

make more people access to new energy and get to know it;

-Shake hands with environmental protection organizations/non-profit organizations to give publicity to the concept of environmental protection and energy conservation for use of green power and reduction of carbon emissions and air pollution.

#### **Pushing forward green development**

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-Improve the management level of EHS and SA8000 social responsibility management systems and make the concept and image of social responsibility popularized to all related parties of SUNGROW;

-Popularize PPP as PV power generation is environmentally friendly and it is effective to aid the poor;

-Produce top new energy power generation products, build top new energy power generation stations, explore cutting-edge smart new energy technologies, and take actions to implement the concept to drive the green development;

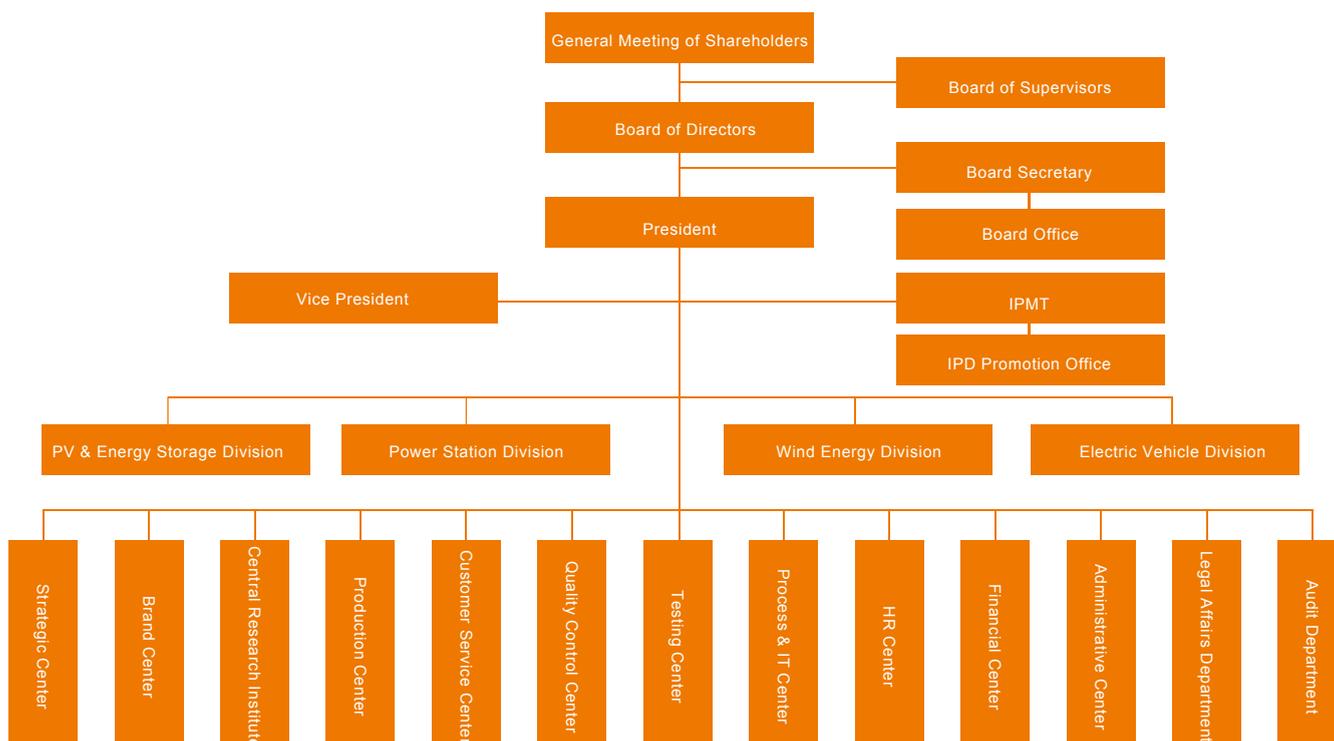
-Actively popularize the application of smart new energy to gradually improve China's energy structure and reduce the fossil energy consumption, thus reducing environmental pollution while promoting economic development and realizing sustainable development of the community in a true sense.

## Efficient Management

In order to better respond to the fierce market competition, promote the rapid expansion of the PV, energy storage, power station and wind energy business, and achieve the strategic objective "becoming a world-class enterprise and creating 10 billion value" earlier, and create larger development space for future innovation business, SUNGROW decided to promote the process-based organizational transform of grouping that it has set up the PV & Energy Storage Division by integrating the business of PV inverters and energy storage in an effort to make the PV & Energy Storage Division, Power Station Division, Wind Energy Division, Electric Vehicle Division become the engines to drive the group to develop at high speed.

The Company has developed the corporate governance structure that consists of the general meeting of shareholders, the board of directors and its special committees, the Board of Supervisors and the management in accordance with the modern enterprise system. It governs four divisions and 11 first-tier departments. The company goal is to establish the group operation mechanism to make each department have clear function positioning, make divisions operate in a more independent manner and be closer to the market and make the brand and service sectors operate in a more specialized manner.

## SUNGROW Organizational Chart, 2015



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## Corporate Governance

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For the report period, the Company had kept improving its corporate governance structure and its internal control system to further realize standardized operation in accordance with “Company Law”, “Securities Law”, “Code of Corporate Governance for Listed Companies in China”, and “Stock Listing Rules of Shenzhen Stock Exchange”.

For the report period, the Company had wholly operated in compliance with relevant requirements with strong independence and conforming information disclosure and its actual operations basically conformed to the requirements in the regulatory documents on listed company governance of China Securities Regulatory Commission.

### **(I) Shareholders and general meeting of shareholders**

The shareholders of the Company hold equal status according to the shares held and undertake corresponding obligations in accordance with the Articles of Association; the Company convenes and holds general meetings of shareholders according to the provisions and requirements of "Rules for General Meeting of Shareholders of Listed Companies" and "Rules of Procedure for General Meeting of Shareholders" to ensure its shareholders to lawfully exercise the rights and interests, it treats all shareholders fairly and strives to provide convenience for shareholders to participate in the general meeting of shareholders and make them fully exercise the rights as shareholders.

### **(II) Company and its controlling shareholders**

The Company's controlling shareholder Cao Renxian regulates his behavior in strict accordance with the provisions and requirements of "Rules for Governance of Listed Companies", "Shenzhen Stock Exchange GEM Listing Rules", "Guidelines of Shenzhen Stock Exchange for Standardized Operation of GEM Listed Companies", and "Articles of Association". He has no behavior to directly or indirectly intervene the Company's decision-making and operation

activities by avoiding the general meeting of shareholders or do damage to the interests of the Company and its other shareholders, and he has no behavior of occupying the company funds and the Company has not tendered any guarantee for the controlling shareholder. The Company has independent and complete ability in business and independent operation, it is independent from its controlling shareholders in business, assets, staff, organization and finance, and its board of directors, Board of Supervisors and internal organs operate independently.

### **(III) Directors and the board of directors**

The board of directors contains eight directors including three independent directors and the number of board directors and the board composition conform to the requirements of relevant laws and regulations and the Articles of Association. The directors can work in accordance with "Rules of Procedure of Board of Directors", "Independent Director System", "Guideline for Standardized Operation of GEM Listed Companies" of Shenzhen Stock Exchange, attend the meetings of directors and the general meetings of shareholders, perform their duties and obligations diligently and take an active part in relevant training to get familiar with relevant laws and regulations.

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#### **(IV) Supervisors and the board of supervisors**

The Company's Board of Supervisors consists of three supervisors including two employee representative supervisors. The number of members and the composition of the Board of Supervisors conform to relevant statutory and regulatory requirements. The supervisors could seriously perform their duties in accordance with the requirements of "Rules of Procedure of the Board of Supervisors" and they exercise supervision in compliance with laws and regulations for the Company's major transactions, related party transactions, financial status and performance of duties for directors and top ranking officers.

#### **(V) Performance evaluation and incentive binding mechanism**

The Company has a Remuneration and Assessment Committee under the Board of Directors, it has developed "Working Rules of Remuneration and Assessment Committee", established and implemented the performance assessment system and set up a scientific assessment indicators system. The centers, product lines and departments make full use of the performance managements tools for planning and management of objectives and performance. Each leader-in-charge is the first responsible person of each responsible department in realizing the annual objective and performance indicator plan. Each department breaks down the work plan to month and week and each specific task in accordance with the sub-objective and performance plan requirements, and strives to promote the achievement of the performance indicators in the required quality and quantity as scheduled, thus ensuring the completion of the Company's annual objectives. The Company carries out regular assessment and objective evaluation of the performance of each responsible

unit inside the Company and all the staff, uses the assessment results as the basis for determination of employee remuneration, promotion, demotion, appraisal of the excellent and shift of post.

#### **(VI) Information disclosure and transparency**

The Company discloses relevant information in a true, accurate, timely, fair and complete manner in accordance with relevant laws and regulations, "Information Disclosure Management System" and "Investor Relationship Management System"; and the Company appoints the board secretary to take charge of information disclosure, coordination of the Company's relations with its investors, receive visiting investors, answer investor questions and provide information for that has been disclosed by the Company for investors; furthermore, it designates the website [www.cninfo.com.cn](http://www.cninfo.com.cn) as the specific website to disclose its information, designates "China Securities Journal", "Securities Times", "Securities Daily", "Shanghai Securities News" as the specific newspapers for disclosure of its periodic reports to ensure all its shareholders to have the equal opportunity to get information.

#### **(VII) Stakeholders**

The Company fully respects and maintains the stakeholders' lawful rights and interests, makes emphasis on its corporate social responsibility, actively cooperates with stakeholders, strengthens communication and exchange of information with all parties concerned to realize the coordination and balance the interests of shareholders, employees and the community, thus jointly pushing forward the Company to develop in a continual and healthy manner.

Good corporate governance is the footstone and guarantee for corporate development. The Company will continually consolidate and improve its governance capability to increase its competitiveness, thus returning the investors with good operation performance.

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## Internal Control Construction

In order to strengthen the Company's system construction, improve its internal control measures, enhance its immune function, guide employees to practice honestly, improve its clean construction capability, prevent employees from using their power to exercise any action against laws and regulations so as to prevent the breeding of corruption from the source, the Company made its anti-corruption construction focus on the construction of the anti-corruption system and the internal control system in 2015.

In 2015, the Audit Department speeded up its establishment and improvement of the punishment and corruption prevention system under the leadership of the board of directors in accordance with the principle of "exercise effective supervision to prevent operating risks; improve the systems, supervise and urge to standardize management", particularly making emphasis on the significance to prevent corruption from the source. The Company developed employees' declaration of integrity and integrity undertaking since 2015 and has strengthened integrity undertaking and surveillance of employees of key departments and holding key posts; and the Company also developed the integrity undertaking and informing system for the supplier system and gives publicity to its integrity policy and informing ways to suppliers in the aspects of popularization of the relevant system, contract implementation, and meeting communication and its firm attitude towards maintaining an integrity atmosphere at the

annual meeting of suppliers; and as a result, the Company has won the suppliers' understanding, support, and highly recognized; the suppliers could show their trust and support of our policy by their actions, thus killing some acts that may infringe the integrity system in the initial stage and created a clean and efficient external environment.

A number of reports and complaints received by the Audit Department in 2015 involved the procurement of production materials, project purchase by invitation to bid, and some construction projects. The verification showed that the problems were mainly caused by the lack of preciseness in flow control and operational details in the bidding and tendering practice. Such problems have been rectified, ensuring the company operations to be executed within the regulatory scope of rules and regulations. The fairness and impartiality of procurement and invitation to bid has been fully reflected.

## 2015 SUNGROW Informatization Construction and Implementation

The Company has put a lot of manpower and material sources in corporate informatization, its basic system of informatization has basically constructed and it adopts "ERP-based full operation flow IT management" for corporate business. The building or upgrading of "SAP ERP system, electronic distribution system, EHR system" and other IT platforms have put the Company's physical distribution and information flow under strict control, thus

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ensuring the effective operation of company business. The management optimization in these aspects has brought the company management to a higher level. In terms of the Company's internal operation management indicators, the labor productivity has been raised by more than 7%, the customer satisfaction has risen by 3%, the product conforming rate and the delivery timeliness rate have basically met the requirements, the circulation conforming rate the product reliability have get considerable improvement. In a word, the series of inputs have guaranteed the smooth advancement of R&D, production and operation management.

## SUNGROW Social Responsibility Management

The Company has established a sound social responsibility management system to guide and plan the practices of its member enterprises in economic, social and environmental aspects and it resorts to its sound indicator assessment system and promotion system to ensure the execution.

### Concept of Social Responsibility

The Company actively shoulders its due social responsibility and raised its social responsibility policy of "abiding by laws and regulations, protecting the interests of employees and building a green and harmonious homestead". The company keeps developing with gratitude and let the society, the government, the employees, the shareholders and other related parties be satisfied by utmost effort.



### Social Responsibility System Structure

It has set up a social responsibility leading team headed by the president and such leading team is responsible for the operation of the social responsibility management system in the Company. It has made the social responsibility structure operate smoothly and strengthened supervision and control for continual improvement of such structure.

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## Social Responsibility Working Group

SUNGROW has set up a social responsibility working group whose members are company executives, and responsible persons of the brand center, the strategy center, the administrative center, the HR center, the production center (including Procurement Department), the quality control center, and the financial center; such working group is responsible for guiding and practicing the social responsibility affairs of SUNGROW and improving the criteria for evaluation to ensure the implementation of the social responsibly work.



## Social Responsibility Report

In order to better display the Company's practice and development in corporate social responsibility, the brand center leads in establishment of a report preparation party with members from the strategy center, the administrative center, the HR center, the financial center and the quality control center.





### Shareholders (investors)

Daily information disclosure of listed company\telephone, mail, website communication\general meeting of shareholders\investor meeting;  
 SUNGROW Office of the Board is responsible for feeding back investors' views and appeals;  
 Institutional investors and other middle and small investors can feed back their views and appeals to the Company through mails, telephone calls or the Company's website;  
 In 2015, SUNGROW held 11 meetings of the board of directors, 6 meetings of the Board of Supervisors and 5 general meetings of shareholders;

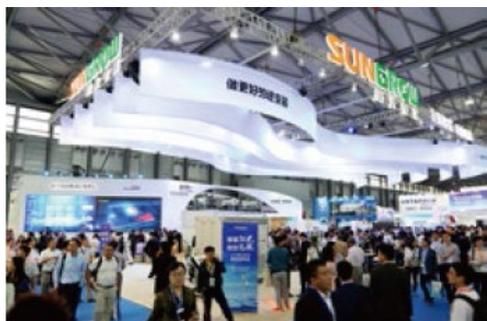
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In 2015, the Office of Board arranged and received twice site surveys and Chairman Cao Renxian, Vice President & Board Secretary Xie Leping, et al. communicated with investors personally.

## Customers

### Exhibitions\industry seminars\customer satisfaction\customer service process\customer complaint handling

SUNGROW attaches great importance to trade exchanges and it takes an active part in various trade shows and seminars. In 2015, the Company had participated in the Japan Photovoltaic Energy Exhibition, American Solar Power International, InterSolar China, and other International&Domestic Exhibitions.



SUNGROW carries out customer satisfaction survey every year and the customer satisfaction reached 87.36% in 2015.

The Company provides product training and site services for users regularly; establish the service tour mechanism that the Company assigns persons to visit users to give service support; establish a country-wide service hotline, providing free 24h telephone support for users;

Establish a multi-level complaint process with on-site complaint and telephone complaint available. The site service personnel receive customer complaints, record them and feed them back to the Company; for telephone complaint, the service hotline operator receives customer complaint and records the complaint particulars, and make effective complaint informed to relevant department for settlement; feedback the handling result to the customer; dial a service phone to follow up whether the customer complaint is settled and whether the customer is satisfied with the handling result.

## Suppliers

### Supplier management flow system\power station engineering subcontractor management

In 2015, SUNGROW developed/revised "Supplier Development Operation Specifications", "Supplier Review and Incubation Operation Specifications", "Supplier Management Regulations", "Supplier Performance Assessment Operation Specifications". The Company has realized overall process management for principal control points including supplier selection, invitation to bid scope, way of purchase, release of announcement, supplier access, evaluation of bids and award of bid; the invitation to bid is executed in an open and transparent manner and the purchase is implemented through the unified channel to effectively reduce the procurement costs.

The Company has established and released "Regulations of Power Station Division on Construction Design and Construction Subcontractor Procurement Business Management" and "Procedure of Power Station Division for Construction Design, Construction Subcontractor Selection, Evaluation and Confirmation"; the Company's communication with subcontractors are mainly made at the project level or at the company level. Currently the Company has ten projects under construction with the representatives of the construction subcontractors and SUNGROW at the site and the information to exchange adopts project-level communication or company-level communication according to specific circumstances. Project-level communication mainly adopts the way of on-the-spot meeting; company-level communication mainly adopts the ways of telephone or mail. In the cooperation process, the Company observes and assesses the subcontractor by scoring the subcontract performance. When the assessment is completed, we will send the assessment score sheet to the subcontractor to facilitate his self-improvement. In 2015, Power Station Division had implemented 37 times of assessment with various cooperation organizations.



## Trade Communication

### Trade Communication

SUNGROW attaches great importance to participation in the exchange of industry. It participated in nearly one hundred industry information exchange meetings and seminars including China PV Power Station Annual Meeting and the declaration for the Second China PV Power Station Annual Award, TÜV Forum, China PV Power Station Top 20 and Pujiang Talk, April 2015, PV Inverter China Weight Efficiency Seminar, 2015 China PV Testing Forum, 2015 AsiaSolar.

## List of Some Associations and Societies That SUNGROW Has Participated in

Name	Title	Name	Title
China Power Supply Society	Vice Chairman	China Power Supply Society New Energy Power Conversion Technical Committee	Chairman of Committee

## Community\NGO

### Community services\donations

SUNGROW shook hands with Guanting Town, Feixi County in organizing the energy conservation publicity on June 19, 2015. At the site, "Citizens' Saving Behavior Charter" was announced including the contents "set the summer air-conditioner at 26 °C to save energy effectively", "replace bulbs with energy conservation lamps to save energy by nearly 80%", "build a power station on the household roofing to get long-term benefit and protect the environment" that combine the energy saving behavior and the energy saving benefit.

The Company had invested about 40 million yuan in building photovoltaic power stations totaling 4800kW for poor village collectives and poor households in Yuexi County, Lingbi County, Sixian County, Xiaoxian County, Dangshan County in Anhui Province, Yilong County and Yingshan County in Sichuan Province in 2015; these power stations can increase income of about 5 million yuan for poor households each year.



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## Government Relations

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### Government visits and guidance

SUNGROW had get the concerns and supports form the national/provincial/municipal leaders in 2015 and they gave full attention and praise to SUNGROW's innovation and development.



In March, Deputy Chief Shu Guozeng of the Office of the Central Leading Group on Financial and Economic Affairs and his party came to SUNGROW for survey and study on innovation and development, and energy transformation and upgrading; Vice Chairman Zhang Xiaoqin of Guangxi Zhuang Autonomous Region and his party visited SUNGROW; in May, Nur Bekri, director of the National Energy Administration, visited Sungrow; in August, Vice Chairman & Secretary of Secretariat of China Association for Science and Technology and his party visited SUNGROW; in September, Deputy Secretary Li Guoyikng of Anhui Provincial Party Committee and his party visited SUNGROW for survey and study on the clustering development of strategic emerging industries; in December, Secretary Luo Huining of Qinghai Provincial Party Committee visited SUNGROW (Qinghai); Secretary Wang Dongming of Sichuan Provincial Party Committee visited the PPP power stations of SUNGROW in Sichuan.

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## The Public

### **Information disclosure\media communication mechanism\public opinion monitoring**

SUNGROW seriously performs his duties in information disclosure in strict accordance with the laws and regulations for listed companies; it periodically updates its official website information, strengthens communication with the public and regulates its information disclosure;

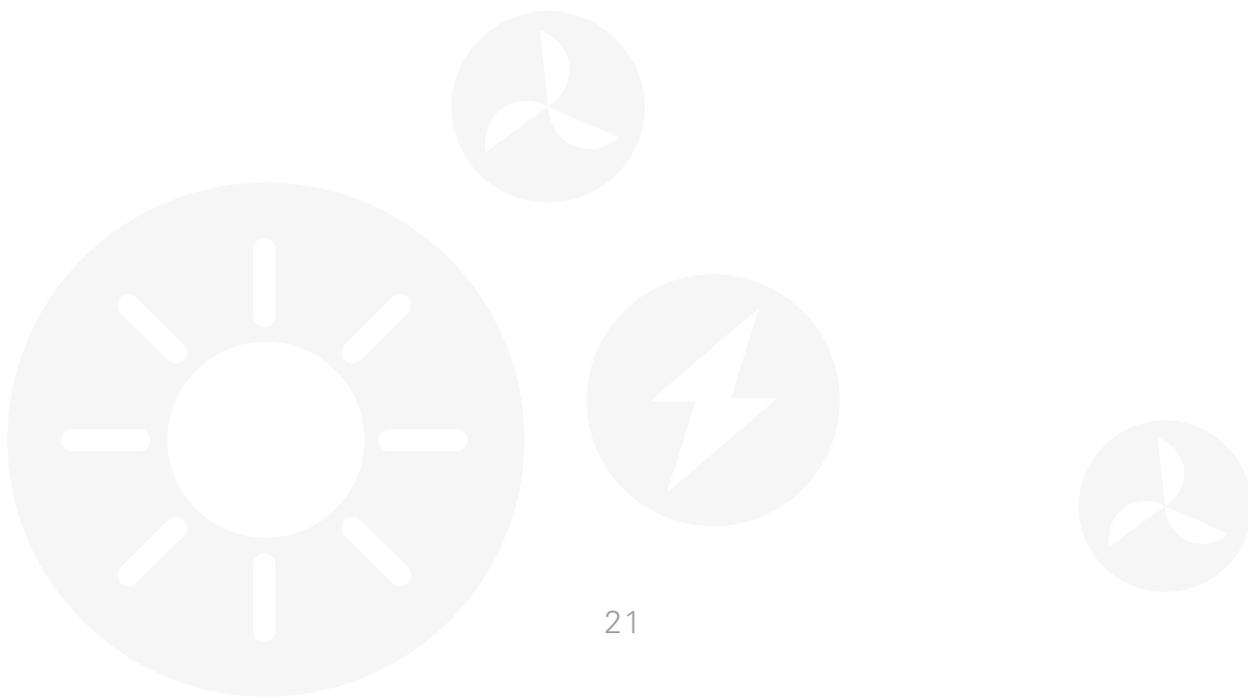
SUNGROW has set up an independent brand center to take charge of the management of relations and communication with the media so as to better render information services; it has launched its official WeChat "SUNGROW" to help the public know the honors and information of SUNGROW in innovation, internationalization and social responsibility;

## Employees

SUNGROW has established its employee forum where the employees can give opinions and suggestions concerning the current development of company, and personal development. SUNGROW also regularly publishes quarterly "SUNGROW" to its employees for introduction of the development of SUNGROW and its member enterprises;

The Company and its member enterprises encourage employees to reflect information to the company management and departments, guide employees to concern about the corporate and its development, take an active part in giving opinions and suggestions, thus giving a true display of the cohesive affinity and creativity of employees; push forward coordination and cooperation among departments, seek after solutions for issues while promoting communication to improve the management performance.

The Company has maintained a favorable overall safety situation and shouldered its responsibility to push forward its member enterprises to maintain work safety and protect personnel safety and property safety.

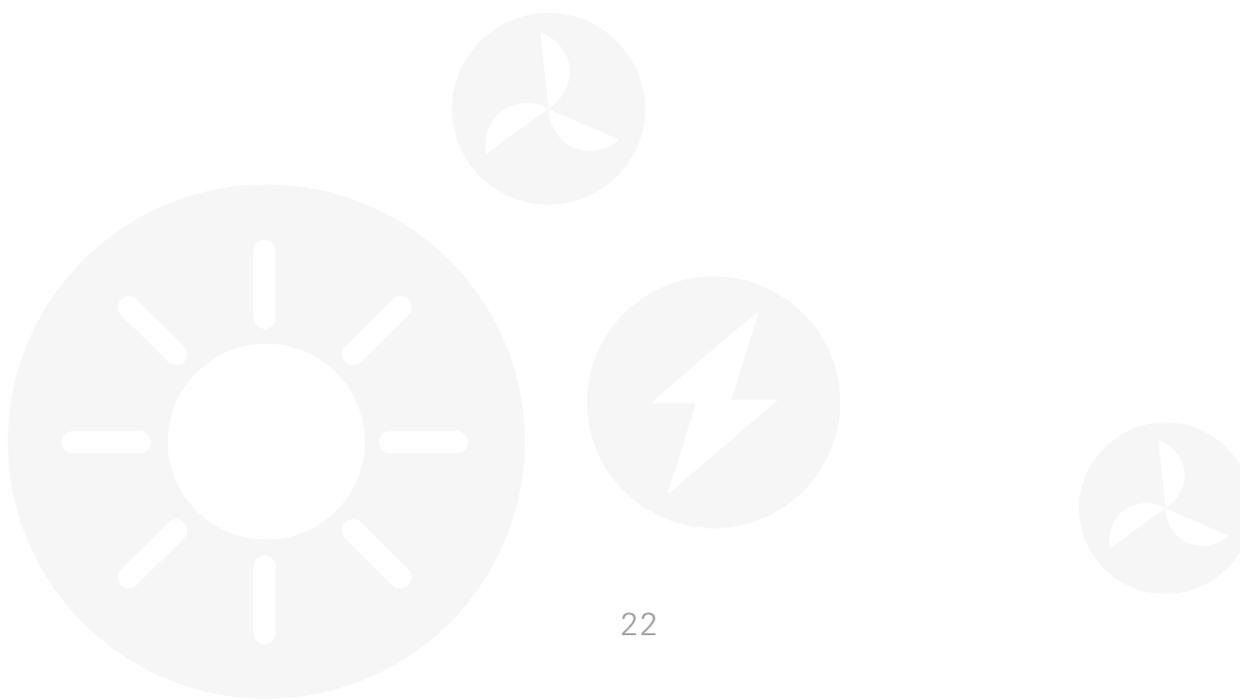


## Stakeholder Feedback

Source	Name	Stakeholder feedback
Customer	Some project department in Jilin of NARI Group Corporation	The members of the Customer Service Department of Sungrow Power Supply Co., Ltd. expressed us deeply for their devotion and hard work and the customer-oriented concept and they have won the high appraisal of the employer and other related parties.
Customer	Some Project Department in Hami of Xinjiang Tonghui Sanchuang Energy Technology Co., Ltd.	SUNGROW's employees had no complaint in the poor construction site. They helped us with cabling and gave us many reasonable suggestions so as to ensure the construction schedule and the construction quality. They could consider issues from our perspective and have helped solve many issues beyond the range of services. SUNGROW products boast good quality and appearance. We have used the inverters of your company and other manufacturers many years and based on the comparison we found SUNGROW inverters perform better. Therefore we would like to give our gratitude to SUNGROW.

## Individual Investors

Investors can get the development information of SUNGROW in a timely and transparent manner via the official website of SUNGROW and the bulletins of SUNGROW on the designated website ([www.cninfo.com.cn](http://www.cninfo.com.cn)) and they can also communicate with the Investor Relations Department of SUNGROW.



# Economy

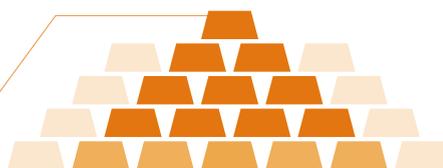
According to the annual operation plan developed by the board of directors at the year beginning and adhering to the philosophy of "hardworking, innovative, persistent and customer-oriented", the company management speeded up the construction of the marketing network and corporate informatization, actively introduced new products and improved existing products and had get improvement in the core technology of the main products, and it also achieved rapid development in PV power station system integration in 2015.



## Business Performance

Archived the Operating Profit of RMB

**443,563,764.78** yuan



the Gross Profit of RMB **492,510,149.42** yuan

	2015	2014	the Rate of Declining
Operating Income (yuan)	4,569,247,182.81	3,062,247,398.82	49.21%
The Net Profit Attributable to the Shareholders of the Listed Company (yuan)	425,402,044.47	283,286,368.62	50.17%
Net Profit Attributable to the Shareholders of the Listed Company After Deduction of the Non-recurrent Profit and Loss of RMB (yuan)	389,228,649.47	244,403,323.52	59.26%

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## Product Innovation

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SUNGROW has been devoted to the independent innovation in electrical and electronic technology in the new energy field and many of its technologies have reached the internationally leading level. In recent years, it has accessed to the fields of micro-grid energy storage, energy Internet, critical components for new energy vehicles and it has achieved considerable development.



SUNGROW adopts advanced IPD product integrated development management flow to analyze customer demands, technological development direction and competitive tactics to guide technical reserve and product development, and all steps from concept, planning, development, verification, trial manufacturing to final mass production of new products are set with phased quality indicators to ensure the developed products to have excellent quality. And SUNGROW has continually improved the ISO9001: 2008 quality management system. The Company's products have passed many international authoritative certifications and tests including TÜV, CE, Enel-GUIDA, AS4777, CEC, CSA. SUNGROW has been pursuing technical improvement and scheme optimization in all aspects. From the pursuit of the target rod of efficiency 90% achieved by the European and American counterparts a decade ago to the supply of all inverters with the efficiency of 99%, SUNGROW has kept abreast with the advanced international standards and get ahead of many peers stably and it has won the trust of many PV power station investors.

SUNGROW has cooperated with Samsung SDI in establishing two companies SUNGROW Samsung (Samsung SDI contributes capital by 35%, SUNGROW contributes capital by 65%), and Samsung SUNGROW (Samsung SDI contributes capital by 65% and SUNGROW contributes capital by 35%). Samsung SDI is one of the core members of the Samsung Group. It is the worldwide leader in lithium-ion battery business and it has been ranking first in the world in lithium battery business over the years. By shaking hands with Samsung SDI, SUNGROW Samsung can give full play to the advantage of Samsung SDI in the lithium-ion battery field and the advantage of SUNGROW in energy storage inverters, PV, and wind power fields. The earlier layout in the energy storage industry will help seize the technological high ground. In the next few years, with the active guidance of the public

## Product Innovation

policy and the considerable improvement in the energy storage technology and the sharp decline in the costs of energy storage, SUNGROW's energy storage business is hopeful to get explosive growth in the fields of PV and wind power storage, reduction of power consumption in peak hours and increase of power consumption in valley hours and micro-grid power generation.

Its R&D expenditure was **146,877,000** yuan in 2015, increased by **31.96%** over the previous year.

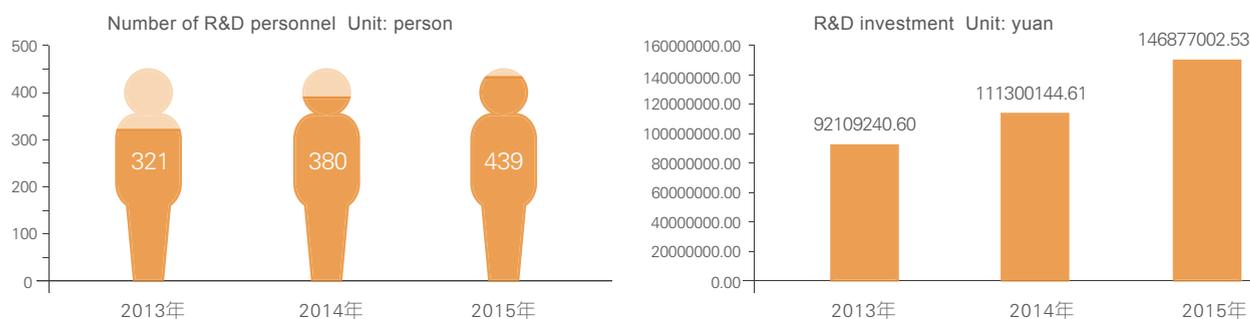


## R&D Progress

S/N	Project Name	Project Name	Time for Completion
1	99% series Inverter Technical Study	Through theoretical calculation and simulation demonstration, and after long-term verification with the operating modes of high/low temperature and high/low voltage, the scheme for breaking the efficiency 99% is becoming mature and stable. Under the premise of ensuring product reliability, the scheme gives full play to the performance of the power module. To address current development of new products, the magnetic devices design team, in addition to using conventional magnetic circuit simulation, focuses on analysis of magnetic-flux leakage, distribution of high frequency loss and eddy loss to find the efficiency improvement point and attempts to use new type magnetic materials.	2015.6
2	1500V HV Inverter Technical Research and Development	As a high voltage endurance system, 1500V can make more components connected in series to save the overall BOS cost (cost of system excluding components) and reduce AC/DC line losses and the winding loss of the low voltage side of the transformer; the rise in the power density of equipment (inverter, transformer) and the reduction in volume also facilitate to reduce the labor cost of the photovoltaic system. This product is China's first 1500V inverter and it took the lead in passing GB/T19964 test and certification.	2015.10
3	VSG virtual synchronous power generation technology	This technology can solve the power grid stability problem of complex micro-grids and it can ensure reliable access to grid for various new energy generating equipment sets in compliance with power supply safety requirements. And it can work together with the micro-grid energy management system to realize the network linear rating control between the micro-grid and the power grid, new energy optimization and adjustment and economical operation, seamless switch of contact line with large power, and other micro-grid control strategy or operating mode.	2015.9
4	PV station management solution iSolar smart PV cloud system research and development	This system has four major functions including full control, automatic operation and maintenance, intelligent diagnosis and aid decision making. The application of calculation + big data and energy Internet in the operating management of terminal power stations can not only build a complete management platform to regulate the power station management system and develop a platform-based standardized operation and maintenance team, but also can improve the operation and maintenance efficiency of power stations, reduce LCOE (levelized cost of energy), promote the power station asset management to be standardized, real-time control of station state, deep mining of station operation data, support of decision making, financing operation and securitization of power stations.	2015.11

S/N	Project Name	Project Name	Time for Completion
5	3300V medium-voltage wind energy converter research and development	MV technical route is the best choice for the wind generating set with unit capacity of 5MW or more. It can greatly reduce the rating current of the system, thus reducing the system loss to the utmost and improving the system efficiency. This product adopts advanced innovative control architecture platform, self-adapting software control algorithm and intellectualized remote data processing platform to fully meet the national standard requirements of power grid adaptability, power grid fault ride through and quality of electric power.	2015.11
6	Permanent magnet synchronous motor sensor-less vector control	The permanent magnet synchronous motor adopts sensor-less vector control for high control precision to meet the control of the auxiliary power of on-board steering pump, inflation pump, air conditioning compressor, and increase controller applicability for control of on-board stand-by motor.	2015.11

## 2013-2015 SUNGROW Number of R&D Personnel and R&D Investments



## SUNGROW's Main Holding Enterprises in 2015

### Hefei SUNGROW New Energy Technology Co., Ltd.

SUNGROW established Power Station Division in 2013 to take charge of the development, design and system integration of PV power generation projects as well as power station-level performance optimization and operating maintenance services. And it invested 500 million yuan in establishing Hefei Sungrow New Energy Technology Co., Ltd. at the end of 2014. Relying on the solid financing strengthen, outstanding research and development capability of system core equipment, leading system integration design capability, Hefei SUNGROW provides overall solutions covering the full life cycle of PV power stations from development, design, construction, transaction, to smart operating maintenance.

### SUNGROW (Shanghai) Co., Ltd.

SUNGROW (Shanghai) Co., Ltd., incorporated in 2011, is responsible for the research and development of some string and household-used PV product items, software items and advanced research items, as well as the sales and business management of the group in the Jiangsu-Zhejiang-Shanghai region.

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SUNGROW (Gansu) Co., Ltd.

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SUNGROW (Gansu) Co., Ltd., incorporated in 2012, takes full advantage of the local resources and supports to raise SUNGROW's marketing capability and market share in the Gansu region and carries out power station project construction and product production.

SUNGROW (Qinghai) Co., Ltd.

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SUNGROW (Qinghai) Co., Ltd., incorporated in 2013, takes full advantage of the local resources and supports to raise SUNGROW's marketing capability and market share in the Qinghai region and carries out power station project construction and product production.

## Return to Shareholders

With good faith, SUNGROW actively creates value for its shareholders. Since being listed, SUNGROW has won the extensive recognition of investors with its social image and internal investment value. While making efforts in creating value, SUNGROW also actively repays its shareholders.

As of the end of 2015, the shareholders' equity of the Company had increased by **56%** over 2011 when it was listed in the stock market and SUNGROW has distributed dividends to its shareholders for four consecutive years since being listed. SUNGROW was included in "**Global top 500 new energy enterprises**" in 2015 again. It had been included in it for five consecutive times since the setup of such list in 2011 and SUNGROW's rank rose by **66** positions over the previous year.

## Tax Payment under the Law

The Company is proud of its tax-paying performance. The group paid taxes totaling RMB **159,958,600** yuan in 2015. The good growth in the tax paid by SUNGROW also reflects the improvement of the Company in the operating performance for continual optimization of management.

## Remuneration and Benefits System

Reasonable remuneration policies are an important basis to mobilize employees' enthusiasm and creativity so as to ensure sound and sustainable development. In consideration of the need of the development strategy and with a reference to the external market remuneration situation, SUNGROW has established its compensation and benefits system integrating internal fairness and external competitiveness; it has set different salary standards and evaluation standards for different posts and different levels and carried out employee assessment monthly, quarterly and yearly and gives awards according to the assessment results. The Company also adjusts the remuneration in time in accordance with the national laws and regulations on personnel management, market conditions and employees' posts and working performance so as to make employees get reasonable return.

## 2014-2015 Sungrow Power Supply Co., Ltd. Labor Cos

Year	Salaries, bonuses, allowances and subsidies	Social insurance premiums	Housing fund	Labor Union funds, employee education funds	Employee benefits	Total
2014	137,363,814.78	5,756,425.42	5,691,443.00	3,281,899.88	10,682,593.06	5,756,425.42
2015	204,638,610.86	6,617,066.15	7,082,384.50	3,467,770.76	11,732,177.06	6,617,066.15

## Comparison of Per Capita Annual Incomes of Sungrow Power Supply Co., Ltd. for Years 2013-2015 (Remuneration paid to and for employees) Unit: yuan

Year	2013	2014	2015
Annual income per capita	133,149.46	139,842.08	158,009.48

\*Note: Per capita annual income, including wages, bonuses, subsidies, allowances, and the Company's borne social insurance premiums, housing fund and employee education expenses, and welfare expenses.



## Product and Service Quality

We take quality as the lifeline of SUNGROW under the guideline of "resorting to quality to compete in the market and resorting to innovation to usher the future". The Company has kept improving its technologies and processes in new product R&D, raw material purchase, production and manufacturing, product sales and customers services to reduce the costs, thus contributing to the development of the renewable energies in the world. We work down to earth and in a precise and open manner to continually improve customer satisfaction in an effort to become a respected world-class enterprise.

## Management System Construction

SUNGROW implements ISO9001 quality management system, collects a wide range of laws and regulations and regulatory documents, carries out internal audit, management review, strategic seminars, department communication meetings, quarterly and annual assessment of KPI and applies PDCA or 8D for improvement. It proposed the quality strategy of "using outstanding quality to make SUNGROW a first-class brand" in 2012.

It passed the environmental, occupational health and safety management system certifications in 2010, developed a set of objectives and indicators, rules and regulations suitable for itself and passed SA8000 management system certification in 2015.

Item of certification	Time of certification	Certification organization
Quality Management System	First certification: July 26, 2002, current certification: August 7, 2015	SGS
Environmental Management System	First certification: February 9, 2010, current certification: March 1, 2016	CQC
Occupational Health and Safety Management System	First certification: February 9, 2010, current certification: March 1, 2016	CQC
Hazardous Substance Process Management System	First certification: October 23, 2012, current certification: September 15, 2015	SGS
Social Responsibility Management System	First certification: April 28, 2015	SGS
ISO17025 General requirements for the competence of testing and calibration laboratories	First certification: 2015	CNAS

## Product Certification

SUNGROW's products have passed many international authoritative certifications and tests including TÜV, CE, Enel-GUIDA, AS4777, CEC, CSA.

## Customer Complaint Handling

SUNGROW attaches great importance to deal with customer complaints. It has established a rapid reaction mechanism to address customer complaints and developed a good marketing service network boasting small radius of service, short time to arrive at the service site and rapid response to customer calls. In order to receive and handle customer complaints and raise customer satisfaction in time, SUNGROW has developed "Regulations on Customer Complaints" and established a sound customer complaint handling mechanism. Its customer complaint handling process is shown below.

To address a customer complaint, the Quality Control Department and the Customer Service Center organize to handle it. After having completed investigation and analysis of the complained issue, the Company will develop a solution including preparation of rectification scheme and claim settlement scheme and organize implementation of them upon the confirmation of the customer till satisfying the customer finally. On the other hand, SUNGROW will organize to develop an internal rectification plan to address the issue and organize its implementation, feedback the internal rectification plan and the implementation performance to the customer when necessary to get customer recognition.

## Marketing in Compliance with Requirements

In 2015, SUNGROW had exercised product marketing and advertising in strict accordance with the laws and regulations. It makes emphasis on its customers' true delivery demands and potential technical demands; with good faith, it has continually given audience to customer feedback and strived to improve product quality. It firmly

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lover performance of contract and rendering of services for major projects to ensure delivery of goods as contracted and rendering of excellent site services. It could make a timely reply to customer questions and its products and services have won the customers' recognition. It aims to achieve win-win.

## Supplier Management

Supplier management is an important link for an enterprise to implement the supply chain management. SUNGROW has been devoted to building an excellent procurement organization and channel chain featuring sustainable development, performance of social responsibility, and since performance of contract.

SUNGROW has developed a rigorous supplier access system. Before a new supplier begins to supply, the Supplier Management Department organizes review of such supplier's qualification, quality system, quality process, product process, etc., testing of samples and trial manufacture on a small batch basis, and verification of process and stability; in order to control the risk to the utmost, SUNGROW will request the new supplier to sign "Supply Agreement", "Quality Agreement", "Commitment on RoHS", as so on.

In terms of choice of suppliers, the Company has brought social responsibility in supplier assessment in an effort to initiatively push forward suppliers to introduce SA8000 social responsibility system gradually.

During the supplier's supply, the Company carries out statistics and evaluation in the aspects of quality of products received, speed of supply, attitude of service, etc. According to the degree of risk of the impact that the supplier's supplied materials on product quality, the Company exercises graded control of suppliers. The Company will feed back any nonconformity found in inspection or application to the supplier in time for analysis and improvement. The Company carries out flight inspection of suppliers; if any problem is identified, it will require the supplier to make a rectification. It carries out quality assessment for major suppliers quarterly and will provide tutorship for the suppliers who fail to pass the assessment and require them to rectify.

## Power Station Project Subcontractor Management

SUNGROW adopts EPC for power station projects, so the subcontractor management becomes particularly important. In order to regulate the labor procurement of the power station works, effectively reduce construction costs and choose excellent suppliers, the Supply Chain Department under the Power Station Division released "Regulations of Power Station Division on Construction Subcontract Procurement" in October 2015 and carried out invitation to bid in accordance with the requirements of such Regulations. As of the end of 2015, it had organized more than 60 times of invitations to bid in the three months and effectively implemented the institutionalized and flow control for choice of subcontractors.

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In order to continually choose more competitive subcontractors and ensure the chosen subcontractors to continually meet the requirements, Supply Chain Management Department completed the construction of the assessment management flow for principal suppliers in 2015. Supply Chain Management Department completed 16 times of subcontractor assessment in 2015. Assessment is carried out according to the size of the cooperated workload between the subcontractor and SUNGROW and assessment is implemented twice a year. For subcontractors of the construction category, the top ten subcontractors in annual cooperated workload are assessed; for subcontractors of the design and survey category, the top six subcontractors are assessed. Other cooperative organizations are assessed when necessary.

## The Customer-oriented After-sales Services

Currently, the market has entered a period of intense competition. The service has become an important factor to support the brand to stand firm on the market; by raising services to a proper height and in line with the service tenet of "satisfying customers", we advocate the service concept of "since and pragmatic" and "customers are always right" to improve customer satisfaction. In order to provide a better service to customers, we are concentrate on every single detail and formed a unique after-sales service management system:

1. Ensure the information exchange channels to work.

1) The customer service personnel shall help customers solve problems in the shortest time within the extent of ability and competence; 2) Find the corresponding department to solve the customer problem according to the category of such problem with no prevarication or shift of responsibility; ensure every customer issue to be addressed; 3) The departments can always check the status of problem handling and make a feedback to the customer service staff so as to notify the customer concerned in time and improve the customer's service experience.

2. Increase the channels to accept customer problems.

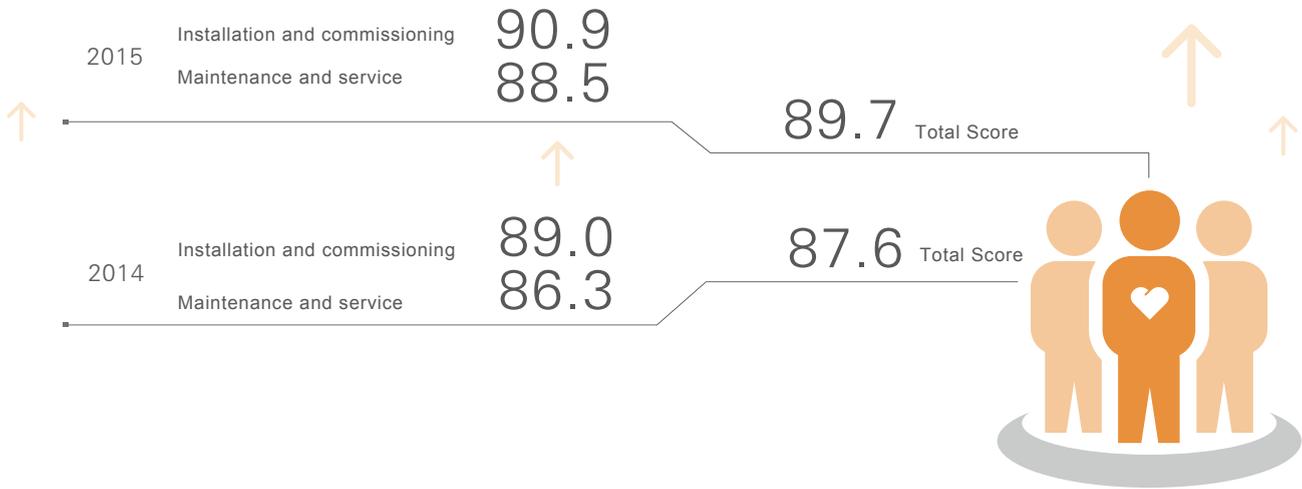
With the booming of the information technology, the customer service hotline has become insufficient to meet customer demand in the Internet era. The Company's website, WeChat account or mailbox are all used to receive customer feedback. In this way, it not only brings convenience to customers and improve their service experience but also provides channels for advertising the enterprise.

3. Do a good job in collection and filing of customer information, and analysis of customer problems.

Divide customers into different levels, collect customer information and form independent files to facilitate future follow-up; the Customer Service Center from time to time receives fault complaints and assignments of work through the mobile phone APP and achieves the reply within half a hour and the assigned staff goes to the customer site within 24h; the mobile phone positioning system helps accurately identify the completion status of the project site, the service management platform (SMP) can provide precise and effective services for global fault reporting, installation and commissioning, upgrading, training of manpower and data statistics to better adapt to the market and meet the true market demand so that services can work as a strong competitive factor for the enterprise to advertise.

## Feedback in the Aspect of Services

2014-2015 After-Sales Service Satisfaction Survey

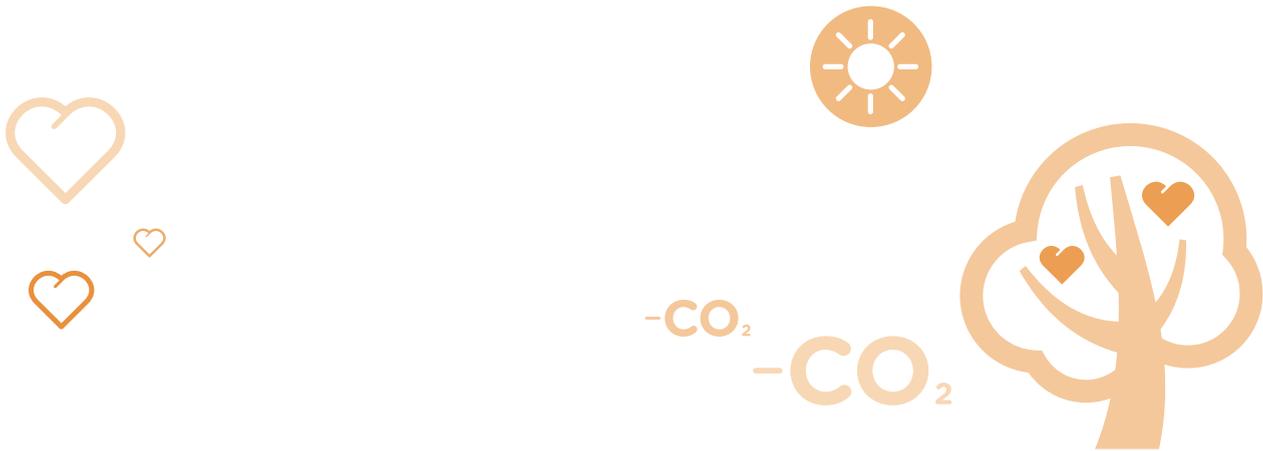


To address the customer evaluation of after-sales services from the 2015 Customer Satisfaction Survey, the Company analyzed and summed up the following two outstanding issues, exercised timely response by analyzing the causes and developing the rectification actions, and implemented the rectification.

Customer feedback content	Analysis of causes	Rectification plan/countermeasure
The timeliness of after-sales services can not be guaranteed.	The existing employees can not be assigned properly to match the increase in the number of distributing type projects and larger service area; the service outlets were not distributed properly.	Improve the configuration of human resources for the after-sales service post properly and improve the construction of the service network.
Some spare parts and fittings were supplied slowly.	The reasonability of storage of fittings and the logistic adjustment of fittings are insufficient.	Establish a sound fittings management mechanism, give full play to the demonstration role of the service outlet fittings warehouse, sum up the machines of old versions, organize and promote the implementation of the maintenance scheme to shorten the service response time.

# Environment, Health and Safety (EHS)

In order to protect our planet, the Company insists: green energy, pollution prevention, cleanness and efficient consumption of energy; and we adhere to the policy of people orientation, safety and prevention first to promote the harmonious development. We are committed to cleanness and effective energy consumption and continual supply of green energy to drive the improvement in the living environment.



## EHS Management System Construction and Improvement

The Company attaches great importance to the impact of the environmental, health and safety (EHS) management system on corporate development and social responsibility and it is the due social responsibility of a corporate citizen to protect the environment and safeguard the health and safety of own employees. Under the premise of strict observance of the national and local EHS laws and regulations, SUNGROW has made efforts in continual improvement of environmental protection, occupational health and safety, energy conservation, reduction of energy consumption, reduction of pollutant emissions and strengthening of health and safety training and it has performed well. The Company passed the review of Hefei Environmental Protection Bureau on its clean production review technical proposal.

As of 2015, the Company and its member enterprises had passed the following certifications and accreditations:

Name of Enterprise	Category of Certification
Sungrow Power Supply Co., Ltd.	ISO14001, OHSAS18001, SA8000, second-grade enterprise in standardization of work safety
SUNGROW (Shanghai) Co., Ltd.	SA8000
Hefei SUNGROW New Energy Technology Co., Ltd.	ISO14001, OHSAS18001

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## Energy Conservation and Reduction of Pollutant Emissions

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The Company's environmental protection policy is "environment-friendly, energy-effective, prevention of pollution, effective supply of clean energy". Environmental protection is one of the important social responsibilities of a corporate citizen. SUNGROW resorts to process optimization and source control and other clean production measures to reduce the consumption of electricity, other energy sources and resources and reduce the impacts of the corporate operations on the environment. It vigorously promotes green office and low carbon travel to create an environment-friendly society. It is enthusiastic with environmental protection, actively guides stakeholders to concern about the environment and the nature, thus driving the entire industry to develop in a sustainable manner.



SUNGROW has been devoted in the new energy power generation industry for nearly two decades. So far, it has installed a total of more than 24MkW inverter devices in the world with the annual production capacity of clean power of 31,000,000,000kwh, reduction of emission of more than 25,000,000t carbon dioxide, equivalent to annual increase of 1,380,000,000 trees. With the Company's development and growth, such data will rapidly expand year after year!

## Pollution Treatment and Environmental Protection

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The impacts of the Company's operations on the environment are mainly reflected in the consumption of relevant resources such as electricity, natural gas, water, raw and auxiliary materials. The main sources of environmental pollution are domestic sewage discharge (major pollutants COD, NH<sub>3</sub>-N, SS, animal and vegetable oils), atmospheric emissions (process emissions, major pollutants are: particulates, non-methane hydrocarbons, etc.) and solid waste discharge (hazardous waste include waste active carbon, waste soldering flux, waste cleaning agent, waste rags and gloves, etc. and the general waste include recycled materials and discarded objects generated in the production and living processes, such as household garbage and kitchen waste).

The domestic sewage of SUNGROW and SUNGROW (Qinghai) is treated in own septic tank and then transported to the municipal pipe network for the local sewage treatment plant to be treated to meet the relevant requirements before being discharged finally; the sewage of SUNGROW (Gansu) is treated in the septic tank first and then in the A/O anaerobic-aerobic process sewage treatment station in the plant area to meet the relevant requirements before being discharged; the waste gases of SUNGROW generated in the production process are absorbed by active carbon to meet the requirements before being emitted, its hazardous wastes are collected in a unified manner before being delivered to some qualified treatment organization for ultimate disposal such as incineration or landfill.

SUNGROW invested about 600,000 yuan in environmental protection in 2015. The continual input of funds in environmental protection has played a vital role in facilitating the company's sustainable development and protecting the community environment.

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## Some Environmental Improvement Cases

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### Technology introduction

The former three proofing paint painted on the circuit boards contained benzene (20% toluene), some volatile organic compounds, which can cause VOCs gaseous contamination and severe occupational hazard. Replace the three proofing paint ingredients by using the low toxicity alkyd resin paint to reduce benzene emissions so as to protect the environment.

### Coverage

The PCB workshop has two painting lines in the second floor.

### Environmental prediction

For the previous years, there was a consumption of 2t alkyd resin a year; if the volatilization is calculated by 80%, the replacement can reduce methylbenzene emission of 0.32t a year.

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For 2015, the Company and its member enterprise had no environmental pollution event or any of them had been or ever included in the name list of severe pollution enterprises declared by the national or local environmental protection authorities and there was no receipt of any administrative penalty for environmental protection problems by the local environmental protection authorities.

## Resource Utilization or Consumption

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Resource utilization or consumption data for the report period:

(1)Water resource: **63,168** cubic meters/year

(2)Electric energy: **8336454**kWh/year, converted into standard coal: **1024545**kg standard coal/year;

(3)Other energy consumption converted into standard coal: 48467kg standard coal/year

(4)Comprehensive energy consumption over 2015: Electric energy + other energies = **1073012**kg standard coal/year

## Environmental Protection Management in Compliance with Requirements

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The Company emphasizes compliance with the environmental protection laws and regulations and it carries out the environmental impact assessment and the three synchronous environmental factor inspection system for all newly built, rebuilt and expansion projects. Each production member enterprise brings itself under the legitimate supervision and control of the local environmental protection administration authority in accordance with the environmental laws and regulations and the treatment, discharge and emissions of waste water, waste gas and waste solid are effectively implemented under the supervision. The member enterprises of the Company regularly carry out the environmental monitoring of the waste water, waste gas and waste solid pollutant emissions. The local environmental monitoring authorities or third parties' issued environmental monitoring reports showed that all member enterprise could make their waste pollutants discharged or emitted in steady compliance with relevant requirements in 2015.

## Resource Utilization and Consumption

### SUNGROW's and Its Member Enterprises' Energy Consumption

Year	Total water consumption (Unit: Cubic meters/year)	Total power consumption (Unit: kWh/year)	Electric energy converted into standard coal (unit: Kg/year)	Total consumption of other energies other than electricity (converted into standard coal) (Unit: Kg/year)	Comprehensive energy consumption (converted into standard coal) (Unit: Kg/year)	Energy consumption per 10,000 yuan output value (in terms of standard coal) (Kg/10,000 yuan)	Water consumption per 10,000 yuan output value (cubic meters/10,000 yuan)
2014	49309	5595560	687694	185426	873120	2.85	0.16
2015	63168	8336454	1024545	48467	1073012	2.34	0.14

The water and energy consumption of SUNGROW and its member enterprises in 2015 was stated in the above table and such statistics contain SUNGROW and its four member enterprises. On comparable basis, the water consumption and the power consumption in 2015 increased by 13859t (28.1%) and 2740894kwh (48.9%) over 2014 respectively but the water consumption intensity and the electricity consumption intensity declined by 0.023t/10,000 yuan (14.3%) and 0.56t standard coal /10,000 yuan (17.8%). The increase in the total water consumption and the total electricity consumption was because the output increase of the Company and some of its member enterprises but the member enterprises raised the utilization efficiency of water and electricity, thus gradually reducing the water consumption intensity and the power consumption intensity.

### 2015 Energy Consumption by Category of SUNGROW and Its Member Enterprises

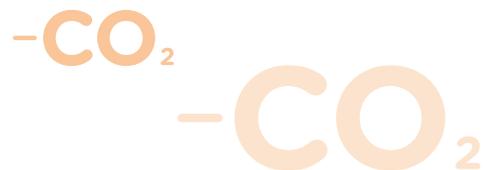
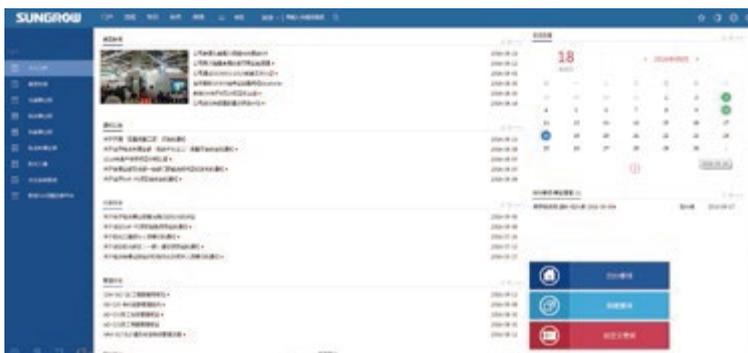
Name of Enterprise	Category of energy consumed for production								
	Power consumption (kWh)	Natural gas (m <sup>3</sup> )	LPG (Kg)	City gas (m <sup>3</sup> )	Steam (Kg)	Raw coal (Kg)	Diesel oil (Kg)	Gasoline (Kg)	Fuel oil (Kg)
SUNGROW	8128358	36441	0	0	0	0	0	0	0
SUNGROW (Shanghai)	96114	0	0	0	0	0	0	0	0
SUNGROW (Gansu)	22420	0	0	0	0	0	0	0	0
SUNGROW (Qinghai)	89562	0	0	0	0	0	0	0	0

Statement of SUNGROW and Its Member Enterprises in Purchase, Use and Reuse of Materials in 2015

	Category of material	Name of material	Materials purchased	Amount of materials used	Amount of materials recycled	Recycling rate (%)	Unit
SUNGROW	Production material	Chassis	22651	21086	0	0	pcs
	Production material	Cabinet	11303	11075	0	0	pcs
	Production material	Electric reactor	775681	700292	0	0	pcs
	Production material	Transformer	647198	629961	0	0	pcs
	Production material	Chip	3500112	2939152	0	0	pcs
	Production material	Module	584610	542895	0	0	pcs
	Production material	Cable	5541339	5198063	0	0	m
	Auxiliary production material	Cleaning agent	860	780	0	0	kg
	Auxiliary production material	Anti-corrosion paint	4050	3273	0	0	kg
	Auxiliary production material	Solder flux	6221	5876	0	0	kg
	Auxiliary production material	Tin bar	7800	7808	0	0	kg
	Auxiliary production material	Tin soldering paste	615	595	0	0	kg

Energy Conservation and Reduction of Pollutant Emissions

The Company has introduced the concept of green office that paperless OA is basically applied, which has reduced the amount of paper used. The Company focuses on cultivating employees' awareness of energy conservation in office practices that it has developed "Regulations on Conservation" to advocate employees to close computers and other office equipment, turn off air conditioners and lighting facilities before leaving the office; and carry out casual inspection of faucets and toilet tanks, organize prompt repair for any damage found to avoid water leakage. It continued efforts in energy conservation in 2015. On the one hand, it was active in applying new-type energy-saving technologies and devices in production equipment and utilities to replace high power consumed aging facilities. For example, it adopts feedback type aging oven for commissioning of aging to reduce energy consumption.



## 2015 SUNGROW Energy-Saving and Water-Saving Measures

Name of Enterprise	Energy-saving and water-saving measures	Renovation investment (10,000 yuan)	Energy amount saved (10,000 yuan)
SUNGROW	Change PV100 to be the mode of constant voltage source (PV100 formerly adopted the curve mode). The PV100 DC side has the output voltage of 500V, it can connect three sets of SG 30KTL simultaneously; and the DSP software is set to be the operating mode of constant voltage source, the serial ohm resistances are removed, thus the entire system energy begins to circulate, which greatly reduces energy consumption.	35	20.6 (The power rate is calculated by 0.95 yuan/KWH.)
	1. The solar panel washing water is used for watering the plants. 2. The water for rain experiments is recycled. 3. The cooling water of the ageing oven is recycled. 4. Develop the conservation regulations.	15	2.4

## Environmental Pollutant Control and Emission

The Company attaches importance to environmental protection and all its member enterprises operate in conformity with relevant statutory and regulatory requirements. The sewage discharge, atmospheric pollutant emissions, plant boundary noise and industrial waste (general waste & hazardous waste, hereinafter the same) must fully comply with all relevant national and local regulations. Besides the synchronized construction of pollution control devices and facilities in the primary construction stage of the project, the Company also requires sufficient organizational guarantee and technical guarantee for personnel safety, operation specifications, monitoring control and environmental emergency response plans to ensure the sustainable development and prevent the occurrence of any pollution event.

### 2015 SUNGROW's and Some Member Enterprises' Water Pollutant Discharge Statement

Year	Total waste water discharge (Unit: tons/year)	Total COD discharge (unit: ton)	Total NH3-N discharge (unit: ton)	Total exhaust emissions (Unit: cubic meters/year)	Nitrogen oxides (Unit: tons/year)	Sulfur oxides (Unit: tons/year)	Soot particles (Unit: tons/year)	Total amount of solid waste (Unit: tons/year)
2014	39447	13	0.807	-	0	0	-	-
2015	50459	16.78	1.04	4771	0	0	0.626	0.966

Summary Sheet of Newly Built Treatment Facilities for Waste Water, Waste Gas and Waste Solid by SUNGROW and Some Member Enterprises

Member enterprise	Sewage treatment and discharge	Atmospheric emission and pollution control measures	Waste treatment and discharge status
SUNGROW	The domestic sewage is treated in the septic tank and then piped to the municipal sewage pipe network to the sewage treatment plant of the development area and finally discharged after having met the requirements.	Waste soldering flux, waste cleaning agent and waste three proofing paint are absorbed by active carbon to meet the requirements before being discharged. Canteen soot is purified by the soot purifier to meet the requirements before being discharged.	Waste soldering flux, waste cleaning agent, waste rags, waste emulsions and other hazardous waste are treated by eligible organizations. Other household garbage is treated by the relevant sanitation sector.
SUNGROW (Shanghai)	The domestic sewage is treated in the septic tank and then piped to the municipal sewage pipe network to the sewage treatment plant of the development area and finally discharged after having met the requirements.	There is no industrial waste gas.	The household garbage is treated by the urban sanitation administration.
SUNGROW (Gansu)	The domestic sewage is treated in the septic tank and then piped to the municipal sewage pipe network to the sewage treatment plant of the development area and finally discharged after having met the requirements.	There is no industrial waste gas.	Emulsions and other hazardous wastes are treated by eligible organizations. Other household garbage is treated by the relevant sanitation sector.
SUNGROW (Qinghai)	The domestic sewage is treated in the septic tank and then piped to the municipal sewage pipe network to the sewage treatment plant of the development area and finally discharged after having met the requirements.	There is no industrial waste gas.	Emulsions and other hazardous wastes are treated by eligible organizations. Other household garbage is treated by the relevant sanitation sector.

Member enterprise	Current year total water discharge (t)	Current year total COD emissions (t)	Current year total ammonia nitrogen emissions (t)	Be transported to the urban pipe network for discharge or not (yes/not)	Be discharged in conformity with relevant requirements or not (yes/no)	Discharge destination and mode
SUNGROW	48543	16	0.97	Yes	Yes	Be discharged to the sewage treatment plant through the municipal pipe network.
SUNGROW (Shanghai)	802	0.4	0.0328	Yes	Yes	Be discharged to the sewage treatment plant through the municipal pipe network.
SUNGROW (Gansu)	320	0.015	0.0333	Yes	Yes	Be discharged to the sewage treatment plant through the municipal pipe network.
SUNGROW (Qinghai)	794	0.365	0.0050	Yes	Yes	Be discharged to the sewage treatment plant through the municipal pipe network.

SUNGROW member enterprises achieved water pollutant discharge in conformity with relevant requirements and standards in 2015 and the Company received no report for pollution to the surrounding environmental.

#### 2015 SUNGROW Total Emission of Waste Gases, Soot/Dust and Other Major Waste Gases

Member enterprise	Total annual emissions of waste gases (10,000 cubic meters)	Nitrogen oxides (NOx)	Sulfur oxides (SOx)	Soot particles	NMHC Total annual emissions (tons)	VOC (volatile organic compounds) Total annual emissions (tons)	Emission source type and manner
		Total annual emissions (tons)	Total annual emissions (tons)				
SUNGROW	4771	0	0	0.626	0.34	0	Organized emission
SUNGROW (Shanghai)	0	0	0	0	0	0	-
SUNGROW (Gansu)	0	0	0	0	0	0	-
SUNGROW (Qinghai)	0	0	0	0	0	0	-

For 2015, SUNGROW member enterprises achieved the emissions of atmospheric pollutants in conformity with relevant requirements and standards and had no pollution event that exhaust emission resulted in change to the atmospheric environment quality.

For 2015, the majority of the waste packages of the general solid waste of the Company and its member enterprise got comprehensive utilization, which reduced the discharge and avoid the secondary pollution to the environment. For hazardous waste, the member enterprises could complete the procedure of application, examination and approval, transfer and destroying according to the requirements of the environmental authorities and all them were treated by eligible organizations in conformity with relevant requirements.

## 2015 SUNGROW's and parts of Member Enterprises' Solid Waste Disposal Statement.

Member enterprise	Total solid waste of current year(t)	Including household garbage amount (t)	Including industrial solid waste (non hazardous waste) (t)	Including package amount (t)	Total hazardous waste (t)	Hazardous waste disposal ways				Waste treatment and comprehensive utilization Or comprehensive utilization
						Recycled (t)	Incineration (t)	Landfill (t)	Other (t)	
SUNGROW	90	75	3	5	7	0	7	0	0	0
SUNGROW (Shanghai)	5	0	5	5	0	0	0	0	0	0
SUNGROW (Gansu)	3.81	3.6	0.01	0.2	0	0	0	0	0	0
SUNGROW (Qinghai)	4.4	4	0.2	0.2	0	0	0	0	0	0

## 2015 SUNGROW Member Enterprises' Investments in Environmental Protection

Member enterprise	Current year investment in environmental protection facilities (10,000 yuan)	Current year operational costs of environmental protection facilities (10,000 yuan)	Use of fund
SUNGROW (Shanghai)	52	10	Greening, cleaning of septic tanks and oil traps, operation of waste gas disposal plant, environmental testing, hazardous waste disposal, cleaning of solar panels
SUNGROW (Gansu)	2	0	Septic tank cleaning, cleaning of solar panels
SUNGROW (Qinghai)	3	1	Oil trap cleaning, septic tank cleaning, greening, environmental testing, operation of sewage treatment facilities
SUNGROW (Qinghai)	3	1	Oil trap cleaning, septic tank cleaning, greening, environmental testing

## Occupational Health and Safety

The Company undertakes to provide a healthy and safe office space for its employees. The Company including the group headquarters and the member enterprises carried out the health and safety practices in a continual and comprehensive manner in 2015. Each enterprise also actively carried out health and safety hazard identification, evaluation and control in consideration of respective operational risks and took various engineering improvements and administrative control measures for control and removal of hazards. The member enterprises carried out diversified flow optimization and improvement actions in process safety management, mechanical protection, work safety analysis, emergency preparation and response, fire control, visualization, 5S, health and safety knowledge education and publicity in 2015, and as a result all the staff have improved their awareness of health and safety in a continual manner.

For the period covered by the 2015 annual report, the Company and its member enterprises received no report on general work safety accident, major safety accident, major occupational disease event or fire event (statutory classification of accidents by the Chinese government), and showed a good trend in health and safety overall.

#### 2015 Main Health and Safety Performance

Year	Total number of employees	General accident rate	Severe injury rate	Minor injury rate	Loss time injury rate	Recordable work injury rate	Occupational disease exposure percentage	Health and safety investment (10,000 yuan)	Total duration of training (hours)	Duration of training per capita (h)
2015	1478	0	0	0	0.14%	0.27%	0	443	3052	2.1

In 2015, the Company enhanced its investment in the safety facilities among its member enterprises that its investment in safety facilities and operational safety reached 4.43 million yuan. The continual investment in safety played a vital role in ensuring the provision of safe working spaces for employees and achieving the sustainable development of the Company.

#### 2015 Safety Indicators Schedules of SUNGROW and Its Member Enterprises

Name of Enterprise	Total number of employees	Total hours of service	Domestic work injury statistical indicator						International work injury statistical indicator				Total of confirmed occupational disease events
			Major accident	Number of major work injuries	Number of minor work injuries	Number of work injuries	200,000 man-hour injury rate	200,000 man-hour mortality rate	Number of lost time injuries	Number of recordable injuries	Lost time injury rate	Recordable injury rate	
SUNGROW	1372	2173044	0	0	1	6	0.5	0	2	4	0.13%	0.25%	0
SUNGROW (Shanghai)	65	130000	0	0	0	0	0	0	0	0	0	0	0
SUNGROW (Gansu)	10	19600	0	0	0	0	0	0	0	0	0	0	0
SUNGROW (Qinghai)	20	39200	0	0	0	0	0	0	0	0	0	0	0

#### 2015 SUNGROW's and Member Enterprises' Health and Safety Investment Statement

Member enterprise	Input of safety facilities		Operation of safety facilities	
	Project description	Sum (10,000 yuan)	Project description	Sum(10,000 yuan)
SUNGROW	Renovation of central fire control and safety protection facilities, and purchase of emergency materials	133	Safety inspection and rectification costs; equipment maintenance, repair, calibration and testing; testing and evaluation of occupational hazards	282
SUNGROW (Shanghai)	Laboratory fire sprinklers	2	Safety inspection and rectification costs; purchase of safety protection supplies	4
SUNGROW (Gansu)	Purchase of emergency materials	5	Costs for purchase of firefighting equipment and for safety inspection and rectification	6
SUNGROW (Qinghai)	Purchase of emergency materials, occupational disease prevention facilities	5	Safety inspection and rectification costs, purchase of labor protection equipment, testing and evaluation of occupational hazards	6

## 2015 SUNGROW's and Member Enterprises' Occupational Health Performance

Member enterprise	Number of persons exposed to occupational hazards	Percentage of employees exposed to occupational hazards in total employees	Number of employees who should receive occupational disease examination in the current year	Occupational disease examination completion rate	Number of abnormal physical examination for occupational exposure	Occupational health examination abnormal percentage (%)	Number of employees receiving industrial examination in current year	Percentage of number of employees receiving industrial examination in current year in total of employees	List of Major Occupational Hazards
SUNGROW	80	5.8%	80	100%	0%	0%	1372	100%	Noise, silica
SUNGROW (Shanghai)	0	0	0	-	-	-	65	100%	-
SUNGROW (Gansu)	0	0	0	-	-	-	10	100%	-
SUNGROW (Qinghai)	10	50%	10	100%	0%	0%	20	100%	Noise, silica

## EHS Training and Education

The Company attaches great importance to providing EHS training and education for its employees as it is essential for sustainable development of the Company and it focuses on improving the EHS awareness of all the staff and the whole community. Besides meeting the statutory requirement for mandatory training, each member enterprise enhanced the course development and expanded the training scope of EHS training in 2015. The Company provided the training courses on mechanical protection, control of hazardous operations (fire work, work high above the ground, etc.), identification of hazards, employee safety observation, Red Cross primary first aid in combination with the advancement of the management systems.

The member enterprises under SUNGROW achieved EHS training of 4,459 hours and EHS training participation of 2,314 person-times in 2015, including the per capita training participation person-time of 1.6 and the per capita training duration of 3.0 hours.

## 2015 SUNGROW's and Some Member Enterprises' EHS Training Activities

Member enterprise	Statutory training				Awareness training			Special training		
	Required participation person-times	Completion rate %	Time (hours)	Training course	Participation person-times	Time (hours)	Training course	Participation person-times	Time (hours)	Training course
SUNGROW	1372	95.4	1.5	Three-level safety education	308	2	EHS basic concepts and requirements	441	3	Hazards and first aid
SUNGROW (Shanghai)	65	100	2	Three-level safety education	50	1.5	Fire and electric shock emergency knowledge	50	1	Emergency first aid skills and drills
SUNGROW (Gansu)	10	100	2	Three-level safety education	10	2	EHS basic concepts and requirements	10	3	PPE, first aid training, emergency evacuation, mechanical and electrical knowledge
SUNGROW (Qinghai)	20	100	2	Three-level safety education	20	3	EHS basic concepts and requirements	20	3	PPE, first aid training, emergency evacuation, mechanical and electrical knowledge

## Staff Participation

The Company advocates its employees to take an active part in health and safety activities and management, encourages them to hold colorful self-governance activities in various forms so as to ensure them to enjoy the rights and interests in health and safety. The majority of the member enterprises assigned corresponding full-time or part-time EHS personnel in 2015. The member enterprises carried out continual improvement regularly. Furthermore, the Company has been actively pursuing improvements in the aspects of safety responsibility system, safety inspection, hazard identification and evaluation, emergency drills, standardized personal protection operations, its health and safety management has been advancing towards specialization and refinement and its safety culture is evolving from "passive execution" to "initiative self-governance".

# Employees

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The Company attaches importance to the sustainable development of human resources. As early as the startup, the Company proposed the human resource concept "growing together with SUNGROW". So far, the Company has provided the development space for many excellent personnel while achieving rapid development, it has launched the human resource reservation plan, strengthened the HR echelon construction and created a platform for employees to find their values and improve themselves. The Company's current salary and incentive system has fully covered R&D, technical and management backbones at all levels, which effectively supports the company operations in the strategic aspect, pushes forward the achievement of the long-term and short-term performance objectives and helps to achieve the management objectives of stimulating employee incentive, motivating and retaining excellent personnel.



## Sustainable Development of Human Resources

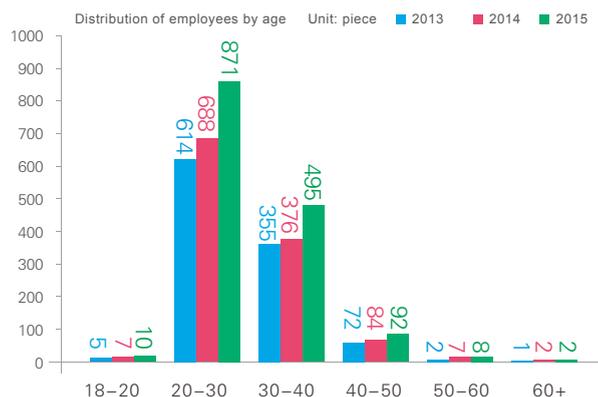
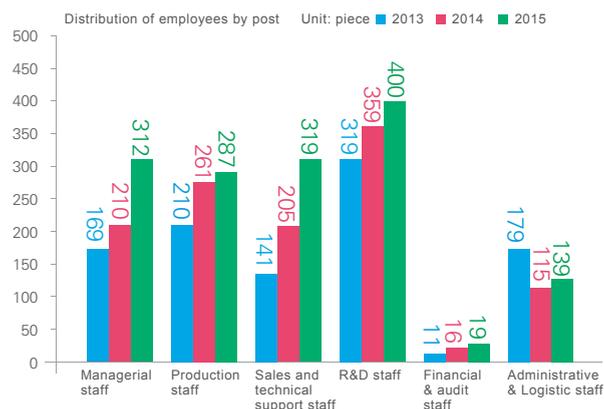
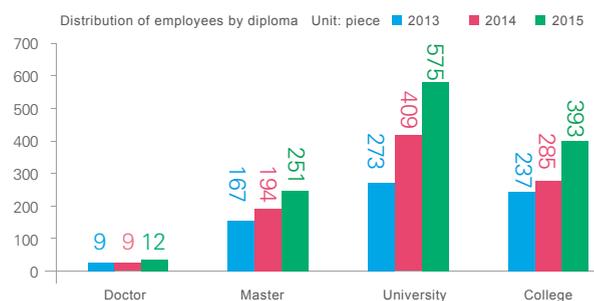
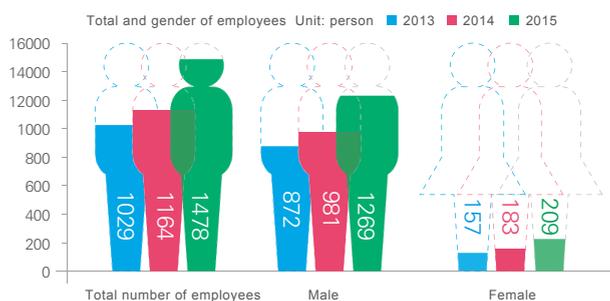
Sustainable development of human resources is an important guarantee for achieving the Company's strategy. While actively recruiting excellent people from the outside and strengthening internal cultivation and promotion of employees, the Company has developed one human resources echelon that acknowledges the corporate culture and has the entrepreneurship, thus making a solid foundation for the company development. The Company places stress on the recruitment and cultivation of human resources in the locality of the member enterprises and the male, female, ethnic minority and disabled employees enjoy the equal rights in recruitment, cultivation and promotion.

## Optimizing the Structure

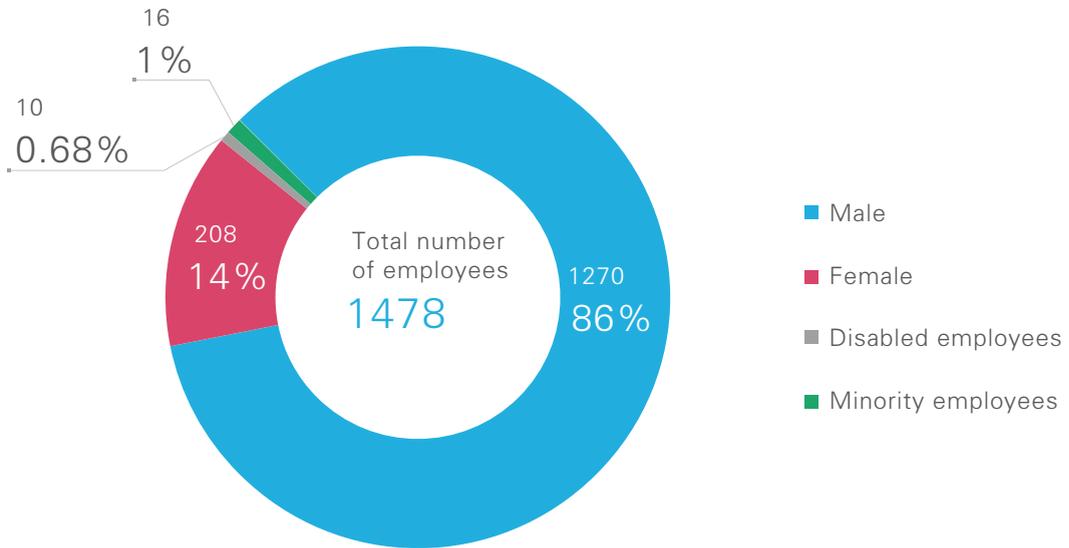
By the number of employees, the Company had a total of 1,478 employees as of December 31, 2015, an increase of 26% over 2014.

By age, the number of employees aging less than 40 in the Company exceeded 93.0% in 2015 and the young people were the backbone of the Company.

By education received, the Company continually enhanced its recruitment of highly educated professionals in 2015 with a total of 14 doctors, up by 56% over the previous year and the increase in the number of masters by 35%. The Company paid more attention to improving the overall staff education received that its employees with the diploma of junior college or above accounted for 85% of the total.



The Company's Female Employees, Disabled Employees and Employees of Ethnic Minority Statistical unit: person



### Organizing the Development Activities

The Company has always attached importance to employee training, encouraged and supported employees to pursue advanced studies in the course of their work. In 2015, the Company organized more than 20 specific training themes of external courses for specialized technical personnel on research and development system,



marketing series, and excellence in the production; it launched the cultivation initiative "cultivating backbone-excellent managers" for the managerial staff; it launched a series of activities to improve its R&D personnel's business English capability and other capabilities so as to improve their professional competitiveness to cater to the Company's going-global trend; the Company launched the specific course construction project for new comers, vigorously popularized excellent courses to diversify the training contents in shorter class hours and in a more flexible manner (mobile end interaction) for employees, and more employees were involved in the training that the employees of various positions and levels for different aspects and contents took an active part in the training.

Continually based on the corporate culture, the Company's training system provided the training courses/projects in four series: "new employee series", "leadership development series", "professional development series" and "general work skills series".

SUNGROW Training Items Table

Category of item	Name of training item	Content of item
New employee series	Sunflower Program	In order to help the graduates know the company, let them transform the role and attitude as soon as possible, understanding the development of product process, adapt to the transition from the campus to society. The program will take 6 months which are included Military Training, Corporate Culture Training, On-the-job Training and Pre-post Training.
	Pre-post training	Provide pre-post tutorship for new comers checking in weekly, including post instructions, personnel system, introduction of environmental, occupational health and safety, and fire awareness for new comers.
	Centralized entry training	Provide entry guidance training for new comers recruited from time to time, assign an entry tutor for each new comer to help the new comer get to know the Company's profile, rules and regulations, provide training on work skills and professional capabilities and help the new comer to adapt to the post quickly.
SUNGROW classroom	General courses	SUNGROW general capabilities course include: Project management, office software operating skills, time management, etc. The courses are designed to improve the employees' accumulation of knowledge in general capabilities.
The project of cultivating the backbone	Centralized training	In order to broaden the managerial staff's thinking, improve their capabilities in managerial expertise and help them implement business control in a better manner, the Company cooperated with KeyLogic and chose its excellent courses "A+ Managers", "Innovation Gene", etc. to organize special topic training classes for improving the management capabilities.
Marketing training series	Training and learning	To address the actuality that the marketing and power station personnel work non-locally for a long term, the Employee Development Group organizes centralized training according to the business nature before and after the Spring Festival and the National Day, and in other time the business department will adopt different forms to improve employee skills such as sharing experience during a regional meeting, tutor guidance, internal reading and so on.
R&D training series	Training and learning	In order to strengthen the design and development capabilities of the R&D personnel, enhance the management capability of the R&D team and improve the product reliability, the Company advocates the innovative thinking that it organized more than 300 person-times to participate in a series of training on three proofing design, resistance to dust and water for electronic (electrical) products, software product planning, product roadmap planning and new product marketing management, research and development performance management.
Outstanding production series	Training and learning	Provide on-the-post training and professional capability training for employees of the production system, solve the personnel capability problem to drive the improvement in the capability of the manufacturing system personnel, help department and workshop managers know work among departments, promote coordination and cooperation among departments and make a solid foundation for promotion of personnel.
Safety training	Safety education	The new comers will receive three-level safety training from the Company, the workshop (department), and the group/shift in accordance with the EHS system documents. Every year the Company organizes twice drills concerning the fire emergency response plan.



## Case: SUNGROW "Cultivating the backbone- excellent managers"

The middle management are the backbone force for company development and they shoulder duty-bound responsibilities and tasks. Through the current cultivation, the Company expects the middle management to be able to apply scientific management theories and methods in practices and go ahead with the opportunities and challenges to finally grow into qualified tolerant and insightful managers who perform well in leading, advocating and encouraging employees. The training proved a success as it helped improve the persons' theoretical attainment, broaden their vision of work, expand their innovative thinking.



Some representatives shared the training acquisition

Trainee	Training acquisition
Liu Lei	"The cultivating the backbone activity has given me a new perspective. Now I can adopt quite different methods to deal with issues, consider the environment and our job and have a clear thinking at different levels. Just like the creation of the heaven and the earth, the training has made me have clear thinking and achieved the transition of the way of thinking in a structural and organizational manner."
Wang Dingyi	"The training and the course have helped me easily identify department problems, make an in-depth analysis and develop solutions. The department needs implementing real-time reform to cater to the corporate development, continually mobilize each member's work enthusiasm and improve their work efficiency, and make personal ability match the post requirements so as to maximize the individual performance and the organizational performance."



## Case: SUNGROW Internal Trainers Team Construction Project

The micro-lecture development project was officially launched in June and it has cultivated the first batch of 27 "micro-lecture teachers" of SUNGROW. They are motivated and willing to share with others with good faith for improving themselves and sharing their knowledge. They are expected to arm themselves with expertise and enrich themselves with knowledge and perform well in teaching.



## Performance Management

The Company resorts to performance management to convey its strategic objective and resorts to the breakdown of the company objective to realize the unification of the organizational performance and the employee performance, resorts to the continual improvement in employee performance to improve the organizational performance and the Company's overall performance, thus enhancing its core competitiveness.

The company pay attention to the performance process management. The middle-level managers is required to know the two-way communication , they should strengthen their management responsibility and promote guide, help, restrain to the staff; they should improve the management ability and effect in the process. The current performance system could evaluate the business , employee performance and contribution objectively and fair; continue to strengthen the " share values according to their contributions", and provide a base for the adjustment of salary, post adjustment, training and development, variable pay distribution, and stock option incentive.

## Sungrow Power Supply Co., Ltd. Staff Outflow Statement

Year	2013	2014	2015
Outflow rate	12.69%	16.32%	10.14%
Loss rate	10.99%	14.04%	7.34%

Note: Outflow rate = number of former employees \*2/ (total number of employees at period beginning + total number of employees at period end); loss rate = number of employees initiatively leaving the company \*2/ (total number of employees at period beginning + total number of employees at period end)

### Employee incentive

SUNGROW has established its excitation mechanism to share the fruits of development with its employees, thus meeting the employees' basic material needs, safety needs, to final career development needs. So the employees are willing to do their due contributions for achieving the joint development of the Company and the individual.

### Long-term incentive

The Company has built a long-term incentive system framework to address its business development characteristics and future strategic direction. It has implemented "Sungrow Power Supply Co., Ltd. Stock Option and Restricted Stock Incentive Plan", "SUNGROW Employee Stock Ownership Plan (draft)" since 2013 and it also plans to introduce other long-term incentive patterns to continually improve the long-term incentive system, thus achieving the strategic support for business development. After three years' management practices, the Company's current salary and incentive system has fully covered R&D, technical and management backbones at all levels, which effectively supports the company operations in the strategic aspect, pushes forward the achievement of the long-term and short-term performance objectives and helps to achieve the management objectives of stimulating employee incentive, motivating and retaining excellent personnel.





## Employees' rights and interests

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The Company advocates fair competition and resists any discrimination. In its staff structure in 2015, female employees accounted for 14%, disabled employees accounted for 0.68% and the employees of ethnic minority accounted for 1%.

The Company's employees in all its places of operation enjoy a salary level higher than the local minimum wage standard, which conforms to the local labor laws, regulations and policies. The Company has always held to the principle of fairness and resistance of any discrimination, it has realized equal starting salary for employees of same gender, observed the equal minimum wage standard and made equal pay for equal work.

The Company abides by the labor laws and regulations of the operation locality, pays social insurance premiums and housing fund for all the staff and provides holidays under the law. Its employees enjoy statutory paid annual leave and home leave, etc. under the law.

The Company signs a collective labor contract with all the staff through the labor union. The collective contract contains the terms on advance notice for negotiating and bargaining that the Company will issue an advance notice to employees and their representatives before implementing significant operating changes that may have a strong impact on employees.

The Company supports employees to take an active part in the activities of the Party, the labor union and the Youth League, the employees' rights to participate in and organize the labor union under the law are entered in the company's rules and regulations and executed accordingly, and the Company also provides necessary convenience and activity funds. The Company actively cares for its employees by arranging physical examination regularly, holding health consultation activities or lectures to push forward improvement in employee health.

The Company places stress on protecting employees' personal information and privacy and assign persons specially to manage basic employee information and keep it confidential properly. The Company respects its employees' right to hear witnesses and right of petition and it provides smooth channels for employees to appeal or give opinions, including mails and discussion meetings, and it has also developed relevant measures to keep secrets and avoid attack and retaliation. When some employee appeal appears, the Company will organize coordination and communication in strict accordance with relevant procedure under the premise of protecting the employee privacy and give a satisfactory reply to the said employee.

The Company has always recruited labor lawfully with no illegal use of child labor or forced labor.

## Labor Union

SUNGROW has a labor union that provides services and guarantees for all the staff. SUNGROW has a SUNGROW cultural ambassador team of more than 40 employees who are practitioners of the SUNGROW culture, mainly take charge of the guidance and spreading of the SUNGROW culture and take an active part in the Company's cultural activities. In 2015 the labor union exercised active organization and coordination to make all the departments and member enterprises shake hands in organizing a variety of activities to enrich employees' cultural life and push forward the corporate culture construction. The Labor Union led to organize physical examination of employees, home carnival on the Company's anniversary celebration, skills contest, green growth journey, star alliance, basketball contest, badminton tournament, bands, dance lessons, Women's Day activity, annual meeting of the Company and other theme events, which won the employees' favors.



The Company has an employee development center that contains canteen, dormitory, leisure and entertainment place to enrich the employee life and create a warm and comfort work environment for the employees.



# Community

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by developing the photovoltaic power stations, encouraging the youth to start business and it has archived good social benefits. SUNGROW passed the SA8000 Social Responsibility Management System Certification in August 2015.

In order to protect our home planet, SUNGROW has always been committed to cleanness and efficiency and supply of green energy to drive the improvement on the living environment. In the end of the year 2015, Sungrow has installed more than 24GW inverter around the world, which could generate 31 billion kWh green electricity and reduce more than 25 million tons of CO<sub>2</sub> emission every year. The figure will increase annually with development of SUNGROW year by year. Meanwhile, SUNGROW has never forgotten its social responsibility that it has invested handsomely in the Project Hope, aiding the poor



## Social Welfare and Donations



We initiated using photovoltaic power stations to aid the poor and such initiative has been popularized throughout the country. Its main form is to help the peasant households to construction photovoltaic power facilities and make power generated access to the power grid; in the past the country allotted aid funds to the peasant households and now the aid funds are invested to build photovoltaic power stations to generate electricity and earn return as continual subsidy to farmers. And the Company also built some photovoltaic power stations in a centralized manner for some poor villages. When the project concerned is completed, generating income will replace the financial subsidy and the village's financial income increase can invest in construction and maintenance of the village's infrastructure. It can be said that we gift a net or fishing pole instead of fish for continual acquisition of return.



The Company had invested about 40 million yuan in building photovoltaic power stations totaling 4800kW for poor village collectives and poor farmers in Yuexi County, Lingbi County, Sixian County, Xiaoxian County, Dangshan County in Anhui Province, Yilong County and Yingshan County in Sichuan Province in 2015; and such photovoltaic power stations can create total income of about 4.80 million yuan for the poor households per year.

In order to further promote the practice of the youth of Hefei in starting business and fully arouse the enthusiasm of young entrepreneurs, help ambitious youth realize their business dreams, SUNGROW contributed 500,000 yuan in sponsoring the Third Session China Hefei Youth Startup Contest in September 2015. The contest received more than 200 application projects involving e-commerce, Internet + service, modern agriculture, software development, etc. The contest had aroused the enthusiasm of the entrepreneurs hugely.



## Community Services

In order to make the youth of Hefei to get more knowledge of electronic and electric components and green energy, SUNGROW shook hands with Guanting Town, Feixi County in organizing the energy conservation publicity. At the site, "Citizens' Saving Behavior Charter" was announced including the contents "set the summer air-conditioner at 26℃ to save energy effectively", "replace bulbs with energy conservation lamps to save energy by nearly 80%", "build a power station on the household roofing to get long-term benefit and protect the environment" that combine the energy saving behavior and the energy saving benefit.

The fifteenth session of technological activity week is approaching, SUNGROW and Hefei High Tech District Social Service Bureau develop an activity about "Kebaoyou high-tech explore the mystery of new energy". More than 200 students from different schools study in the high-tech enterprises, the activity makes the students further understand the high-tech industry and the New Energy Resources.

SUNGROW actively built its green laboratory for the youth and made it open to the outside world in April 2015. The green laboratory has received 200 person-times and it has helped the young get knowledge of parts and components, and common applications of green energy.



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## Social Contribution Value per Share

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SUNGROW achieved the social contribution value per share of **1.31** yuan in 2015.

## Corporate Citizenship Commitment

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In order to strengthen the Company's system construction, improve its internal control measures, enhance its immune function, guide employees to practice honesty, improve its clean construction capability, prevent employees from using their power to exercise any action against laws and regulations, thus preventing the breeding of corruption from the source, the Company has developed employees' declaration of integrity and integrity undertaking since 2015 and strengthened integrity undertaking and surveillance of employees of key departments and holding key posts; and the Company also developed the integrity undertaking and informing system for the supplier system and gave publicity to its integrity policy and informing ways to suppliers in the aspects of popularization of the relevant system, contract implementation, and meeting communication and its firm attitude towards maintaining an integrity atmosphere, and as a result, the Company has won the suppliers' understanding, support and high degree of recognition and the suppliers could use their practices to show their confidence and support for our policy, thus avoiding some acts that may infringe the integrity system in infancy and the Company and its suppliers have jointly developed clean and efficient external environment. In the daily audit process, the auditing department, in combination with the information obtained from the grievance channel, found some evidences proving some employees accepted commercial bribes after sufficient investigation, and the Company delivered the persons concerned to national jurisdictions for legal sanctions.



# Rewards and Recognitions

## SUNGROW Social Indicators

Date	Issuing Authority	Award Name
January	TÜV	"Star of Rhine" PV Inverter Award
February	Anhui Office of Project Hope	the Certificate of "Charitable Organization"
April	Photovoltaic Brand Lab and the website www.NE21.com.	Certificate of "2014 China PV Brand Rank Inverter Comprehensive Brand Value No. 1"
May	the Organizing Committee of China International Energy Storage Station Congress and China Energy Storage Website (www.escn.com.cn).	Certificate "Advanced Manufacturer of New Energy Core Parts" from China Energy Conservation and New Energy Vehicle Innovation Evaluation Committee; SUNGROW won the title "2015 China Best Inverter Supplier of Energy Storage Industry"
July	Electrical Vehicle Committee of China Electrotechnical Society and Electric Vehicle Branch of Society of Automotive Engineering of China;	"2015 Electric Vehicle Technology Award of Excellence"
September	the Magazine of China Machinery & Electric Industry.	"2015 Equipment China Innovation Pioneer Rank Technology Innovation Award"
October	China Energy News and China Institute of Energy Economics	"Global Top 500 New Energy Enterprises Independent Innovation Award" and "Global Top 500 New Energy Enterprises Outstanding Contribution Award"
November	China Design Red Star Award committee CNAS	DMC2950 won the national design Oscar Red Star Award CNAS Accreditation Certificate
December	State Intellectual Property Office State Administration for Industry and Commerce	"National Major Enterprises of Intellectual Property" "SunAccess" was accredited as China's Well-Known Trademark and it is the Company's second Well-Known Trademark.

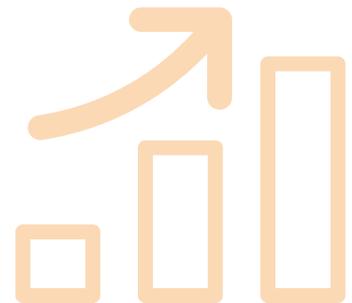
# Performance Indicators

Major Accounting Data and Financial Indicators in SUNGROW Annual Report Unit: yuan

Item	2011	2012	2013	2014	2015
Net assets attributable to shareholders of the listed company	1,809,720,345.66	1,846,463,710.01	2,048,194,320.51	2,366,511,464.91	2,814,074,093.06
Basic earnings per share (yuan/share)	1.22	0.23	0.56	0.43	0.65
Diluted earnings per share (yuan/share)	1.22	0.23	0.56	0.43	0.64
Weighted average return on net assets	25.81%	4%	9.37%	13.04%	16.35%

SUNGROW Comparison of Economic Indicators

	2011	2012	2013	2014	2015
Operating income					
Investment income	873,644,321.24	1,083,332,609.01	2,120,396,019.63	3,062,247,398.82	4,569,247,182.81
Operating profit	-3,958,980.91	-581,303.70	1,860,800.61	-15,924,362.35	-1,414,851.65
Add: Non-operating income	176,827,490.16	54,346,182.03	175,818,625.00	278,788,487.53	443,563,764.78
Less: Non-operating expenses	24,153,417.69	31,823,808.87	33,571,505.09	47,175,526.60	56,510,321.80
Including: Loss on disposal of non-current assets	50,250.25	244,248.35	512,951.16	305,631.54	7,563,937.16
Total profit	18,844.67	52,126.46	121,493.97	187,475.91	2,263,928.72
Less: Income tax expense	200,930,657.60	85,925,742.55	208,877,178.93	325,658,382.59	492,510,149.42
Net profit	28,382,588.29	13,124,039.78	27,845,930.18	42,371,859.53	66,399,300.95
Net profit attributable to shareholders of parent company	172,548,069.31	72,801,702.77	181,031,248.75	283,286,523.06	426,110,848.47
Minority interests	172,548,069.31	72,801,702.77	181,031,995.32	283,286,368.62	425,402,044.47
Tax paid	-	-	-746.57	154.44	708,804.00
	68266158.30	55555582.59	63565751.04	97771694.89	159959586.77



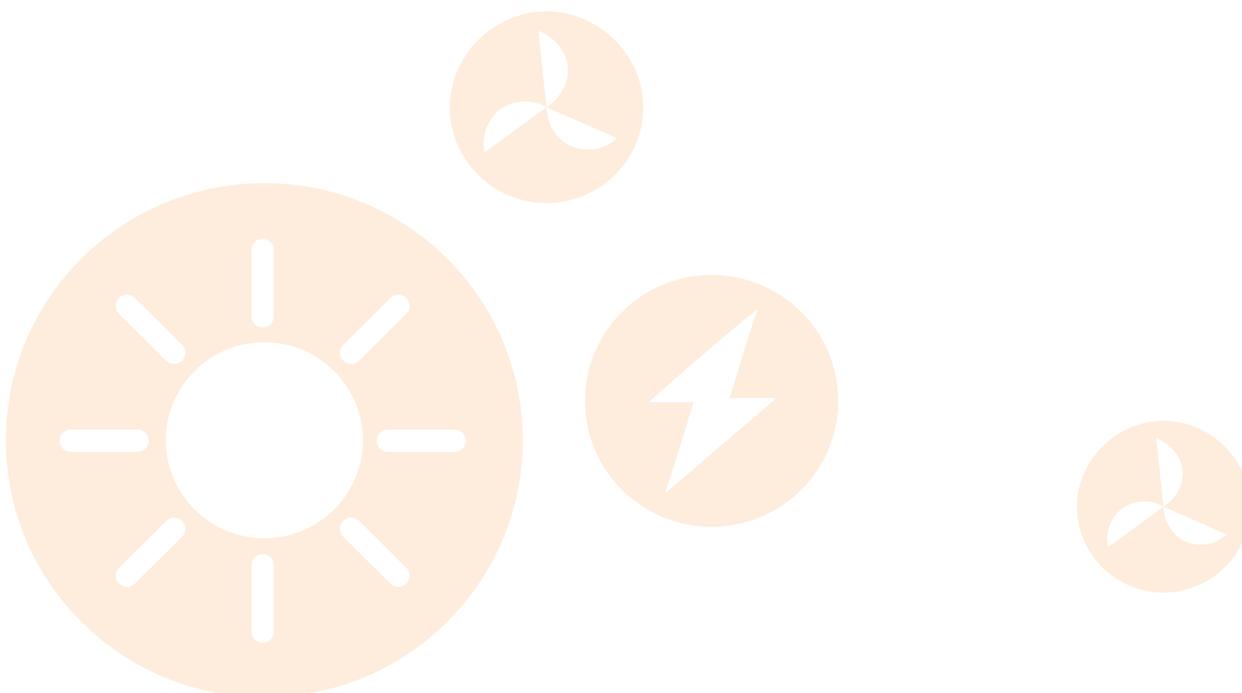
# Social Indicators

## SUNGROW Social Indicators

Item	2013	2014	2015
Social contribution value per share	0.91	0.85	1.31
Total number of employees	1029	1164	1478
Total number of male employees	872	981	1269
Total number of female employees	157	183	209
Labor contract signing rate	100%	100%	100%
Fund paid to and for employees (yuan)	137,143,944.00	162,776,176.14	233,538,009.33
Labor union coverage percentage	100%	100%	100%
Employment rate of the disabled	0.38%	0.41%	0.68%
Total investment in employee training (10,000 yuan)	182	224	272
Staff outflow rate	12.69%	16.32%	10.41%
Return to work and retention rate of female employees after parent leave	100%	100%	100%

## SUNGROW R&D Indicators

Item	2011	2012	2013	2014	2015
Number of projects under research	14	20	52	63	45
Number of patents applied for	95	114	89	185	216
Number of patents granted	37	54	64	100	128
R&D persons	230	327	321	380	439
Number of projects under research	14	20	52	63	45



# List of Major Enterprises Disclosed in this Report

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Enterprise Name Definition Table

Full Name of Enterprise	Shortened Name of Enterprise
Sungrow Power Supply Co., Ltd.	SUNGROW
Hefei Sungrow New Energy	SUNGROW New Energy or Power
SUNGROW (Shanghai) Co., Ltd.	SUNGROW (Shanghai)
SUNGROW (Gansu) Co., Ltd.	SUNGROW (Gansu)
SUNGROW (Qinghai) Co., Ltd.	SUNGROW (Qinghai)

## Other Name Definitions Table

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"Company Law": "Company Law of the People's Republic of China"
"Securities Law": "Securities Law of the People's Republic of China"
CSRC: China Securities Regulatory Commission
SZSE: Shenzhen Stock Exchange
"Listing Rules" of SZSE: "Shenzhen Stock Exchange Stock Listing Rules" (2014 Revision)
SZSE "Listed Companies' Information Disclosure Management System Guidelines ": "Listed Companies' Information Disclosure Management System Guidelines of Shenzhen Stock Exchange"
"Articles of Association": "Articles of Association of Sungrow Power Supply Co., Ltd."
"Information Disclosure Management System": "Information Disclosure Management System of Sungrow Power Supply Co., Ltd."
"Disclosed Information Reporting and Usage Management System": "Disclosed Information Reporting and Usage Management System of Sungrow Power Supply Co., Ltd."
"Insider Registration Management System": "Insider Registration Management System of Sungrow Power Supply Co., Ltd."
"Major Errors in Annual Report Disclosure Accountability system": "Major Errors in Annual Report Disclosure accountability system of Sungrow Power Supply Co., Ltd."
CASS: Chinese Academy of Social Sciences

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# Definitions of Glossaries

## SUNGROW Social Indicators

Glossary	Definition
GRI	Global Reporting Initiative
EHS	Acronym of Environment, Health, Safety, meaning the environmental, health and safety standards.
ERP	Enterprise Resource Planning
CSR	Corporate-Social-Responsibility
IT	Mean Information Technology, a general term of technologies that are mainly used for managing and processing information.
NGO	Non-Governmental Organization
CE	CE is the abbreviation of "Communauté Européenne" in French, meaning "European Community" in English. "CE" certification is kind of safety certification. It is considered a passport for a manufacturer to open and enter the European markets. The commodity with the CE mark means the commodity complies with the requirements of a series of European directives on safety, health, environmental protection and consumer protection.
TüV	TüV is a mark of safety certification for components and parts by Germany TüV and it has been widely accepted in Germany and Europe.
Flight inspection	A form of follow-up inspection, meaning site inspection with no advance notice to the inspected organization.
Social contribution value per share	Mean the value added per share for the society by the company on the basis of the basic earnings per share, plus the tax paid, the wages paid to employees, the loan interest paid to banks and other creditors, external donations for other stakeholders, and deducted by the company's other social costs due to environmental pollution. Social contribution value per share = earnings per share + (tax paid + staff costs + interest expense + total public interest investment)/total equity at period end. The calculation formula: Social contribution value per share = earnings per share + value added per share Value added per share = (tax paid during the year + employee wages paid + loan interest paid to creditors + the company's external donations - other social costs caused by environmental pollution, etc.)/number of shares
OA System	It adopts the Internet/Intranet technology based on the concept of workflow to make the internal staff of an organization to quickly and easily share information and work together efficiently; it changes the past complex and inefficient manual office mode, achieves rapid and comprehensive information collection and information processing to provide scientific basis for enterprise management and decision-making.
Public opinion monitoring	Mean integrating the Internet information collection technologies and the intelligent information processing technologies to implement automatic acquisition of the vast Internet information, automatic classification and clustering, topic detection, and topic focus to achieve online monitoring of public opinions, news feature tracking and other information needs, form briefings, reports, charts and other analysis results to provide the analysis basis for the user to comprehensively grasp the masses' ideological trends and make the correct guidance of public opinions.
Internal control audit	Mean the process to confirm and evaluate the enterprise's internal control effectiveness, including confirmation and evaluation of the enterprise's control design and control operation defects and defect grades, analysis of causes to form defects, and proposal of suggestions for improvement of internal control.
Piped discharge	The pollution generating organization brings the sewage in the sewage collection pipeline for centralized treatment before being discharged.
ISO14001	Mean the environmental management system which was developed to address the worsening global environmental pollution and ecological damage, ozone depletion, global warming, disappearance of the biodiversity and other major environmental issues that threaten future human survival and development, to conform to the development of international environmental protection and to cater to the international economic and trade development needs.
OHSAS18001	Mean the Occupational Health and Safety Management System, an international standard launched jointly by 13 organizations including British Standards Institution (BSI), Det Norske Veritas (DNV) in 1999.
Standardization of work safety	Mean establishing the safe production responsibility system, developing safety management rules and operation specifications, identifying and removing governance hazards and monitoring major hazards, developing the prevention mechanism, regulating the act of production to make all the production links conform to the requirements of work safety laws and regulations, standards and specifications, make the labor, machinery, materials, processes, environment, measurement in good production state and under continual improvement in a manner to continually strengthen standardized construction of work safety.

# External inspection statement

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## ASSURANCE STATEMENT

### **SGS-CSTC STANDARDS TECHNICAL SERVICES CO., LTD. SHANGHAI BRANCH'S REPORT ON SUSTAINABILITY ACTIVITIES IN THE SUNGROW POWER SUPPLY CO., LTD.'S CORPORATE SOCIAL RESPONSIBILITY REPORT FOR 2015**

#### **NATURE AND SCOPE OF THE ASSURANCE**

SGS-CSTC Standards Technical Services Co., Ltd. Shanghai Branch was commissioned by Sungrow Power Supply Co., Ltd. (hereafter as "SUNGROW POWER") to conduct an independent assurance of the 2015 Corporate and Social Responsibility Report (2015 CSR Report). The scope of the assurance, based on the SGS Sustainability Report Assurance methodology, included the text and data in accompanying tables, contained in the Chinese version of the 2015 CSR Report. Data and information for companies other than the two companies including located at No.1699, Xiyou Road, New&High Technology Industrial Development Zone, Hefei City, P. R. China named Sungrow Power Supply Co., Ltd. (Headquarter) and another located at Building 4, No.78, 887 Lane, Zuchongzhi Road, Zhangjiang High Tech Park, Shanghai City, P. R. China named Sungrow Power (Shanghai) Supplier Ltd.were not included in this assurance process.

The information in the 2015 CSR Report of and its presentation are the responsibility of the directors and the management of SUNGROW POWER. SGS has not been involved in the preparation of any of the material included in the 2015 CSR Report.

Our responsibility is to express an opinion on the text, data, graphs and statements within the scope of assurance set out below with the intention to inform all SUNGROW POWER's stakeholders.

The SGS protocols are based upon internationally recognized guidance, including the Principles contained within the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines (2013) for accuracy and reliability and the guidance on levels of assurance contained within the AA1000 series of standards and guidance for Assurance Providers.

This report has been assured at a moderate level of scrutiny using our protocols for:

- evaluation of content veracity;
- evaluation of the report against the Global Reporting Initiative Sustainability Reporting Guidelines (G4 2013).

The assurance comprised a combination of pre-assurance research, site assurance, and interviews with relevant employees at Sungrow Power Supply Co., Ltd and Sungrow Power (Shanghai) Supplier Ltd. Documentation and record review and assurance with external bodies and/or stakeholders where relevant.

Financial data drawn directly from independently audited financial accounts has not been checked back to source as part of this assurance process.

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### **STATEMENT OF INDEPENDENCE AND COMPETENCE**

The SGS Group of companies is the world leader in inspection, testing, verification and certification, providing services including management systems and service certification; quality, environmental, social and ethical auditing and training; environmental, social and sustainability report assurance. SGS affirm our independence from SUNGROW POWER, being free from bias and conflicts of interest with the organization, its subsidiaries and stakeholders.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment, and comprised auditors registered with Sustainability Reporting Assuror, SAI Registered SA 8000 Lead Auditor, CCAA ISO 14001 Lead Auditor, CCAA OHSAS 18001 Lead Auditor etc.

### **ASSURANCE OPINION**

On the basis of the methodology described and the verification work performed, we are satisfied that the information and data contained within 2015 CSR Report verified is accurate, reliable and provides a fair and balanced representation of SUNGROW POWER's sustainability activities in 2015. The assurance team is of the opinion that the Report can be used by the Reporting Organization's Stakeholders.

Regarding 2015 CSR report, it was the first version and released for public use, Assurance team think this is a good practice.

In our opinion, SUNGROW POWER has chosen an appropriate level of assurance for this stage in their reporting.

### **GLOBAL REPORTING INITIATIVE REPORTING GUIDELINES (G4 2013) CONCLUSIONS, FINDINGS AND RECOMMENDATIONS**

#### **Materiality**

SUNGROW POWER has considered reasonably disclosing issues and indicators with materiality to reflect the organization's significant economic, environmental and social impact or substantively influencing the assessments and decisions of stakeholders. SGS recommended that SUNGROW POWER should consider the combination impact of internal and external factors when prioritizing material aspects and indicators.

#### **Stakeholder Inclusiveness**

SUNGROW POWER had effectively identified the stakeholder who affected by activities. Established the channel and platform for stakeholder's communication and inclusiveness and took different ways to communication and exchange information. SGS recommended that SUNGROW POWER's identification of stakeholders could be more optimized and communication could be more systematized.

#### **Sustainability Context**

SUNGROW POWER had presented the efforts on sustainability development related to economic, environmental and social conditions and combined the performance in the wide context. SGS recommended to best frame overall organizational performance in the broader context of sustainability.

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**Completeness**

SUNGROW POWER's report included coverage of material aspects and boundaries, complete to reflect significant economic, environmental and social impacts, to enable stakeholders to assess the organization's performance in the reporting period. SGS recommended that the organization should include the coverage of external entities with significant impacts while collected and disposed information.

**Balance**

SUNGROW POWER's report respected the balance principle with negative aspects revealing. SGS recommended that the organization should evaluate the negative aspects' impact on self sustainability development.

**Comparability**

SUNGROW POWER had disclosed performance indicators in 2015, many over years' data were disclosed, which could help stakeholders to understand the improvement performance year by year. SGS recommended that the organization should describe the significant data changing to ensure stakeholders understand the overall performance.

**Accuracy**

SUNGROW POWER's information in the report was accurate, enable to reveal more qualitative and quantitative information for stakeholders. SGS recommended that the organization should clearly define the data summary methodology and rule, and execute the internal training to assure the data accuracy.

**Timeliness**

Assurance to know that the data and information was on a regular schedule and available in time. SUNGROW POWER will report on a regular schedule with one year to assure the good timeliness.

**Clarity**

Report was presented different ways with words, charts, graphics and pictures, also describe with actual cases as well to ensure the stakeholders understanding easily. SGS recommended that the organization reported with much more graphics and charts with briefing and clearly ways, to better ensure the report readability in future.

**Reliability**

Through information and data collecting, recording, analyzing and disclosing methods managing and controlling in CSR report, the data and information was reliable. SGS recommended that the SUNGROW POWER should enhance the internal verification reliability with data and information by itself.

**Signed:**

**For and on behalf of SGS-CSTC Standards Technical Services Co., Ltd. Shanghai Branch**



Ben Tsang  
Director, China and Hong Kong  
Certification and Business Enhancement  
20 Sep. 2016

B-11/F, No.900, Yishan Road, Xuhui District, Shanghai, China  
**WWW.SGSGROUP.COM.CN**



# Feedback Form

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Dear Readers:

Thank you for reading this report! It is the first time for SUNGROW to publicize its corporate social responsibility report. So we sincerely hope you could evaluate this report and give your feedback to help us achieve continual improvement of such kind of report.

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You can choose the following ways to give your feedback:

Contact person: Zhou Yanli; +86 551 65327878-5318

Mail to: Brand Center of Sungrow Power Supply Co., Ltd. (recipient), 1699 Xiyou Rd., New & High Tech Zone, Hefei, Anhui

Postcode: 230088

Email: zhouyl@sungrowpower.com Website: www.sungrowpower.com

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Feedback Form for "2015 Corporate Social Responsibility Report of Sungrow Power Supply Co., Ltd."

Name: \_\_\_\_\_

Employer: \_\_\_\_\_

Position: \_\_\_\_\_

Contact Phone: \_\_\_\_\_

Email: \_\_\_\_\_

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## Feedback Form

1. Have you gotten the information you want to know from this report?
2. Do you think that this report gives a full reflection of the financial responsibility assumed by Sungrow Power Supply Co., Ltd.?
3. Do you think that this report gives a full reflection of the EHS responsibilities assumed by Sungrow Power Supply Co., Ltd.?
4. Do you think that this report gives a full reflection of the social responsibility assumed by Sungrow Power Supply Co., Ltd.?
5. Do you think that this report gives a full reflection of the product and service responsibilities assumed by Sungrow Power Supply Co., Ltd.?

We are expecting your feedback for "2015 Corporate Social Responsibility Report of SUNGROW".

# GRI4 Index of General Standard Disclosures

Code	Indicator	Page no
<b>Strategy and Analysis</b>		
G4-1*	Provide a statement from the most senior decision-maker of the organization (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and the organization's strategy for addressing sustainability.	P02
G4-2	Provide a description of key impacts, risks, and opportunities.	P02
<b>Organizational Profile</b>		
G4-3*	Report the name of the organization.	P06
G4-4*	Report the primary brands, products, and services.	P06
G4-5*	Report the location of the organization's headquarters.	P06
G4-6*	Report the number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report.	P26
G4-7*	Report the nature of ownership and legal form.	P06,P10-12
G4-8*	Report the markets served	P06
G4-9*	Report the scale of the organization	P06
G4-10*	a. Report the total number of employees by employment contract and gender. b. Report the total number of permanent employees by employment type and gender. c. Report the total workforce by employees and supervised workers and by gender. d. Report the total workforce by region and gender. e. Report whether a substantial portion of the organization's work is performed by workers who are legally recognized as self-employed, or by individuals other than employees or supervised workers, including employees and supervised employees of contractors. f. Report any significant variations in employment numbers (such as seasonal variations in employment in the tourism or agricultural industries).	P46-47
UNGC		
G4-11* OECD/UNGC	Report the percentage of total employees covered by collective bargaining agreements.	P52
G4-12*	Describe the organization's supply chain.	P18
G4-13*	Report any significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain.	P18
G4-14*	Report whether and how the precautionary approach or principle is addressed by the organization.	P21
G4-15*	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.	P19
G4-16*	List memberships of associations (such as industry associations) and national or international advocacy organizations.	P19
<b>Identified Material Aspects and Boundaries</b>		
G4-17*	a. List all entities included in the organization's consolidated financial statements or equivalent documents. b. Report whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report.	P03,P26
G4-18*	a. Explain the process for defining the report content and the Aspect Boundaries. b. Explain how the organization has implemented the Reporting Principles for Defining Report Content.	P03,P26
G4-19*	List all the material Aspects identified in the process for defining report content.	P04
G4-20*	For each material Aspect, report the Aspect Boundary within the organization.	P03
G4-21*	For each material Aspect, report the Aspect Boundary outside the organization.	P03,P26
G4-22*	Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements.	N/A
G4-23*	Report significant changes from previous reporting periods in the Scope and Aspect Boundaries.	N/A
<b>Stakeholder Engagement</b>		
G4-24*	Provide a list of stakeholder groups engaged by the organization.	P16
G4-25*	Report the basis for identification and selection of stakeholders with whom to engage.	P16-22
G4-26*	Report the organization's approach to stakeholder engagement, including frequency of engagement	P16-22

Code	Indicator	Page no
G4-27*	Report key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting. Report the stakeholder groups that raised each of the key topics and concerns.	P16-22
<b>Report Profile</b>		
G4-28*	Reporting period (such as fiscal or calendar year) for information provided.	P03
G4-29*	Date of most recent previous report (if any).	N/A
G4-30*	Reporting cycle (such as annual, biennial).	P03
G4-31*	Provide the contact point for questions regarding the report or its contents.	P68
G4-32*	a. Report the 'in accordance' option the organization has chosen (core or comprehensive). b. Report the GRI Content Index for the chosen option (see tables below). c. Report the reference to the External Assurance Report, if the report has been externally assured. (GRI recommends the use of external assurance but it is not a requirement to be 'in accordance' with the Guidelines.)	P03
G4-33*	a. Report the organization's policy and current practice with regard to seeking external assurance for the report. b. If not included in the assurance report accompanying the sustainability report, report the scope and basis of any external assurance provided. c. Report the relationship between the organization and the assurance providers. d. Report whether the highest governance body or senior executives are involved in seeking assurance for the organization's sustainability report.	P03
<b>Governance</b>		
G4-34*	Report the governance structure of the organization, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts.	P10
G4-35	Report the process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees.	P10-11
G4-36	Report whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body.	P10-14
G4-37	Report processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics. If consultation is delegated, describe to whom and any feedback processes to the highest governance body.	N/A
G4-38	Report the composition of the highest governance body and its committees by.	N/A
G4-39	Report whether the Chair of the highest governance body is also an executive officer (and, if so, his or her function within the organization's management and the reasons for this arrangement).	N/A
G4-40	Report the nomination and selection processes for the highest governance body and its committees, and the criteria used for nominating and selecting highest governance body members, including:	N/A
G4-41	Report processes for the highest governance body to ensure conflicts of interest are avoided and managed. Report whether conflicts of interest are disclosed to stakeholders,	N/A
G4-42	Report the highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts.	N/A
G4-43	Report the measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics.	N/A
G4-44	a. Report the processes for evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics. Report whether such evaluation is independent or not, and its frequency. Report whether such evaluation is a self-assessment. b. Report actions taken in response to evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics, including, as a minimum, changes in membership and organizational practice.	N/A
G4-45	a. Report the highest governance body's role in the identification and management of economic, environmental and social impacts, risks, and opportunities. Include the highest governance body's role in the implementation of due diligence processes. b. Report whether stakeholder consultation is used to support the highest governance body's identification and management of economic, environmental and social impacts, risks, and opportunities.	N/A

Code	Indicator	Page no
G4-46	Report the highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics.	N/A
G4-47	Report the frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities.	N/A
G4-48	Report the highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material Aspects are covered.	N/A
G4-49	Report the process for communicating critical concerns to the highest governance body.	N/A
G4-50	Report the nature and total number of critical concerns that were communicated to the highest governance body and the mechanism(s) used to address and resolve them.	N/A
G4-51	a. Report the remuneration policies for the highest governance body and senior executives for the below types of remuneration. b. Report how performance criteria in the remuneration policy relate to the highest governance body's and senior executives' economic, environmental and social objectives.	N/A
G4-52	Report the process for determining remuneration. Report whether remuneration consultants are involved in determining remuneration and whether they are independent of management. Report any other relationships which the remuneration consultants have with the organization.	N/A
G4-53	Report how stakeholders' views are sought and taken into account regarding remuneration, including the results of votes on remuneration policies and proposals, if applicable.	N/A
G4-54	Report the ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country.	N/A
G4-55	Report the ratio of percentage increase in annual total compensation for the organization's highest-paid individual in each country of significant operations to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) in the same country.	N/A
<b>Ethics and Integrity</b>		
G4-56*	Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.	P06
G4-57	Report the internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity, such as helplines or advice lines.	P13
G4-58	Report the internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity, such as escalation through line management, whistle blowing mechanisms or hotlines.	P13
<b>Disclosures on Management Approach</b>		
G4-DMA	a. Explain why this aspect is substantial. Explain the impact to make such aspect become a substantial aspect. b. Explain how the organization manages the substantial aspect or its impact. c. Explain the evaluation of the management approach, including: The mechanism for evaluation of effectiveness of the management approach The result of evaluation of the management approach Any related adjustment to the management approach	N/A
<b>ECONOMIC</b>		
<b>Economic Performance</b>		
G4-EC1	DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED	P23
G4-EC2	FINANCIAL IMPLICATIONS AND OTHER RISKS AND OPPORTUNITIES FOR THE ORGANIZATION'S ACTIVITIES DUE TO CLIMATE CHANGE	N/A
G4-EC3	COVERAGE OF THE ORGANIZATION'S DEFINED BENEFIT PLAN OBLIGATIONS	N/A
G4-EC4	FINANCIAL ASSISTANCE RECEIVED FROM GOVERNMENT	N/A
<b>Market Presence</b>		
G4-EC5	RATIOS OF STANDARD ENTRY LEVEL WAGE BY GENDER COMPARED TO LOCAL MINIMUM WAGE AT SIGNIFICANT LOCATIONS OF OPERATION	N/A
G4-EC6	PROPORTION OF SENIOR MANAGEMENT HIRED FROM THE LOCAL COMMUNITY AT SIGNIFICANT LOCATIONS OF OPERATION	N/A
<b>Indirect Economic Impacts</b>		
G4-EC7	DEVELOPMENT AND IMPACT OF INFRASTRUCTURE INVESTMENTS AND SERVICES SUPPORTED	N/A

Code	Indicator	Page no
G4-EC8	SIGNIFICANT INDIRECT ECONOMIC IMPACTS, INCLUDING THE EXTENT OF IMPACTS	N/A
Procurement Practices		
G4-EC9	PROPORTION OF SPENDING ON LOCAL SUPPLIERS AT SIGNIFICANT LOCATIONS OF OPERATION	N/A
ENVIRONMENTAL		
Materials		
G4-EN1	MATERIALS USED BY WEIGHT OR VOLUME	P37
G4-EN2	PERCENTAGE OF MATERIALS USED THAT ARE RECYCLED INPUT MATERIALS	P37
Energy		
G4-EN3	ENERGY CONSUMPTION WITHIN THE ORGANIZATION	P35-36
G4-EN4	ENERGY CONSUMPTION OUTSIDE OF THE ORGANIZATION	N/A
G4-EN5	ENERGY INTENSITY	P35-36
G4-EN6	REDUCTION OF ENERGY CONSUMPTION	P35-36
G4-EN7	REDUCTIONS IN ENERGY REQUIREMENTS OF PRODUCTS AND SERVICES	P35-36
Water		
G4-EN8	TOTAL WATER WITHDRAWAL BY SOURCE	P35
G4-EN9	WATER SOURCES SIGNIFICANTLY AFFECTED BY WITHDRAWAL OF WATER	N/A
G4-EN10	PERCENTAGE AND TOTAL VOLUME OF WATER RECYCLED AND REUSED	N/A
Biodiversity		
G4-EN11	OPERATIONAL SITES OWNED, LEASED, MANAGED IN, OR ADJACENT TO, PROTECTED AREAS AND AREAS OF HIGH BIODIVERSITY VALUE OUTSIDE PROTECTED AREAS	N/A
G4-EN12	DESCRIPTION OF SIGNIFICANT IMPACTS OF ACTIVITIES, PRODUCTS, AND SERVICES ON BIODIVERSITY IN PROTECTED AREAS AND AREAS OF HIGH BIODIVERSITY VALUE OUTSIDE PROTECTED AREAS	N/A
G4-EN13	HABITATS PROTECTED OR RESTORED	N/A
G4-EN14	TOTAL NUMBER OF IUCN RED LIST SPECIES AND NATIONAL CONSERVATION LIST SPECIES WITH HABITATS IN AREAS AFFECTED BY OPERATIONS, BY LEVEL OF EXTINCTION RISK	N/A
Emissions		
G4-EN15	DIRECT GREENHOUSE GAS (GHG) EMISSIONS (SCOPE 1)	N/A
G4-EN16	ENERGY INDIRECT GREENHOUSE GAS (GHG) EMISSIONS (SCOPE 2)	N/A
G4-EN17	OTHER INDIRECT GREENHOUSE GAS (GHG) EMISSIONS (SCOPE 3)	N/A
G4-EN18	GREENHOUSE GAS (GHG) EMISSIONS INTENSITY	N/A
G4-EN19	REDUCTION OF GREENHOUSE GAS (GHG) EMISSIONS	N/A
G4-EN20	EMISSIONS OF OZONE-DEPLETING SUBSTANCES (ODS)	N/A
G4-EN21	NOX, SOX, AND OTHER SIGNIFICANT AIR EMISSIONS	N/A
		P40
Effluents and Waste		
G4-EN22	TOTAL WATER DISCHARGE BY QUALITY AND DESTINATION	P38-40
G4-EN23	TOTAL WEIGHT OF WASTE BY TYPE AND DISPOSAL METHOD	P38-40
G4-EN24	TOTAL NUMBER AND VOLUME OF SIGNIFICANT SPILLS	N/A
G4-EN25	WEIGHT OF TRANSPORTED, IMPORTED, EXPORTED, OR TREATED WASTE DEEMED HAZARDOUS UNDER THE TERMS OF THE BASEL CONVENTION <sup>2</sup> ANNEX I, II, III, AND VIII, AND PERCENTAGE OF TRANSPORTED WASTE SHIPPED INTERNATIONALLY	N/A
G4-EN26	IDENTITY, SIZE, PROTECTED STATUS, AND BIODIVERSITY VALUE OF WATER BODIES AND RELATED HABITATS SIGNIFICANTLY AFFECTED BY THE ORGANIZATION'S DISCHARGES OF WATER AND RUNOFF	N/A
Products and Services		
G4-EN27	EXTENT OF IMPACT MITIGATION OF ENVIRONMENTAL IMPACTS OF PRODUCTS AND SERVICES	N/A
G4-EN28	PERCENTAGE OF PRODUCTS SOLD AND THEIR PACKAGING MATERIALS THAT ARE RECLAIMED BY CATEGORY	N/A
Compliance		
G4-EN29	MONETARY VALUE OF SIGNIFICANT FINES AND TOTAL NUMBER OF NON-MONETARY SANCTIONS FOR NON-COMPLIANCE WITH ENVIRONMENTAL LAWS AND REGULATIONS	P40

Code	Indicator	Page no
<b>Transport</b>		
G4-EN30	SIGNIFICANT ENVIRONMENTAL IMPACTS OF TRANSPORTING PRODUCTS AND OTHER GOODS AND MATERIALS FOR THE ORGANIZATION'S OPERATIONS, AND TRANSPORTING MEMBERS OF THE WORKFORCE	N/A
<b>Overall</b>		
G4-EN31	TOTAL ENVIRONMENTAL PROTECTION EXPENDITURES AND INVESTMENTS BY TYPE	P41
<b>Supplier Environmental Assessment</b>		
G4-EN32	PERCENTAGE OF NEW SUPPLIERS THAT WERE SCREENED USING ENVIRONMENTAL CRITERIA	N/A
G4-EN33	SIGNIFICANT ACTUAL AND POTENTIAL NEGATIVE ENVIRONMENTAL IMPACTS IN THE SUPPLY CHAIN AND ACTIONS TAKEN	N/A
<b>Environmental Grievance Mechanisms</b>		
G4-EN34	NUMBER OF GRIEVANCES ABOUT ENVIRONMENTAL IMPACTS FILED, ADDRESSED, AND RESOLVED THROUGH FORMAL GRIEVANCE MECHANISMS	N/A
<b>Social</b>		
<b>LABOR PRACTICES AND DECENT WORK</b>		
<b>Employment</b>		
G4-LA1	TOTAL NUMBER AND RATES OF NEW EMPLOYEE HIRES AND EMPLOYEE TURNOVER BY AGE GROUP, GENDER AND REGION	P45-47
G4-LA2	BENEFITS PROVIDED TO FULL-TIME EMPLOYEES THAT ARE NOT PROVIDED TO	N/A
G4-LA3	TEMPORARY OR PART-TIME EMPLOYEES, BY SIGNIFICANT LOCATIONS OF OPERATION RETURN TO WORK AND RETENTION RATES AFTER PARENTAL LEAVE, BY GENDER	P52
<b>Labor/Management Relations</b>		
G4-LA4	MINIMUM NOTICE PERIODS REGARDING OPERATIONAL CHANGES, INCLUDING WHETHER THESE ARE SPECIFIED IN COLLECTIVE AGREEMENTS	N/A
<b>Occupational Health and Safety</b>		
G4-LA5	PERCENTAGE OF TOTAL WORKFORCE REPRESENTED IN FORMAL JOINT MANAGEMENT WORKER HEALTH AND SAFETY COMMITTEES THAT HELP MONITOR AND ADVISE ON OCCUPATIONAL HEALTH AND SAFETY PROGRAMS	N/A
G4-LA6	TYPE OF INJURY AND RATES OF INJURY, OCCUPATIONAL DISEASES, LOST DAYS, AND ABSENTEEISM, AND TOTAL NUMBER OF WORK-RELATED FATALITIES, BY REGION AND BY GENDER	P41-42
G4-LA7	WORKERS WITH HIGH INCIDENCE OR HIGH RISK OF DISEASES RELATED TO THEIR OCCUPATION	P43
G4-LA8	HEALTH AND SAFETY TOPICS COVERED IN FORMAL AGREEMENTS WITH TRADE UNIONS	P44
<b>Training and Education</b>		
G4-LA9	AVERAGE HOURS OF TRAINING PER YEAR PER EMPLOYEE BY GENDER, AND BY EMPLOYEE CATEGORY	N/A
G4-LA10	PROGRAMS FOR SKILLS MANAGEMENT AND LIFELONG LEARNING THAT SUPPORT THE CONTINUED EMPLOYABILITY OF EMPLOYEES AND ASSIST THEM IN MANAGING CAREER ENDINGS	N/A
G4-LA11	PERCENTAGE OF EMPLOYEES RECEIVING REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEWS, BY GENDER AND BY EMPLOYEE CATEGORY	N/A
<b>Diversity and Equal Opportunity</b>		
G4-LA12	COMPOSITION OF GOVERNANCE BODIES AND BREAKDOWN OF EMPLOYEES PER EMPLOYEE CATEGORY ACCORDING TO GENDER, AGE GROUP, MINORITY GROUP MEMBERSHIP, AND OTHER INDICATORS OF DIVERSITY	P46-47
<b>Equal Remuneration for Women and Men</b>		
G4-LA13	RATIO OF BASIC SALARY AND REMUNERATION OF WOMEN TO MEN BY EMPLOYEE CATEGORY, BY SIGNIFICANT LOCATIONS OF OPERATION	N/A
<b>Supplier Assessment for Labor Practices</b>		
G4-LA14	PERCENTAGE OF NEW SUPPLIERS THAT WERE SCREENED USING LABOR PRACTICES CRITERIA	N/A
G4-LA15	SIGNIFICANT ACTUAL AND POTENTIAL NEGATIVE IMPACTS FOR LABOR PRACTICES IN THE SUPPLY CHAIN AND ACTIONS TAKEN	N/A

Code	Indicator	Page no
Labor Practices Grievance Mechanisms		
G4-LA16	NUMBER OF GRIEVANCES ABOUT LABOR PRACTICES FILED, ADDRESSED, AND RESOLVED THROUGH FORMAL GRIEVANCE MECHANISMS	N/A
HUMAN RIGHTS		
OCED/UNGC		
G4-HR1	TOTAL NUMBER AND PERCENTAGE OF SIGNIFICANT INVESTMENT AGREEMENTS AND CONTRACTS THAT INCLUDE HUMAN RIGHTS CLAUSES OR THAT UNDERWENT HUMAN RIGHTS SCREENING	N/A
G4-HR2	TOTAL HOURS OF EMPLOYEE TRAINING ON HUMAN RIGHTS POLICIES OR PROCEDURES CONCERNING ASPECTS OF HUMAN RIGHTS THAT ARE RELEVANT TO OPERATIONS, INCLUDING THE PERCENTAGE OF EMPLOYEES TRAINED	N/A
Non-discrimination		
OCED/UNGC		
G4-HR3	TOTAL NUMBER OF INCIDENTS OF DISCRIMINATION AND CORRECTIVE ACTIONS TAKEN	Null
Freedom of Association and Collective Bargaining		
OCED/UNGC		
G4-HR4	OPERATIONS AND SUPPLIERS IDENTIFIED IN WHICH THE RIGHT TO EXERCISE FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING MAY BE VIOLATED OR AT SIGNIFICANT RISK, AND MEASURES TAKEN TO SUPPORT THESE RIGHTS	N/A
Child Labor		
OCED/UNGC		
G4-HR5	OPERATIONS AND SUPPLIERS IDENTIFIED AS HAVING SIGNIFICANT RISK FOR INCIDENTS OF CHILD LABOR, AND MEASURES TAKEN TO CONTRIBUTE TO THE EFFECTIVE ABOLITION OF CHILD LABOR	Null
Forced or Compulsory Labor		
OCED/UNGC		
G4-HR6	OPERATIONS AND SUPPLIERS IDENTIFIED AS HAVING SIGNIFICANT RISK FOR INCIDENTS OF FORCED OR COMPULSORY LABOR, AND MEASURES TO CONTRIBUTE TO THE ELIMINATION OF ALL FORMS OF FORCED OR COMPULSORY LABOR	N/A
Security Practices		
G4-HR7	PERCENTAGE OF SECURITY PERSONNEL TRAINED IN THE ORGANIZATION S HUMAN RIGHTS POLICIES OR PROCEDURES THAT ARE RELEVANT TO OPERATIONS	N/A
Indigenous Rights		
G4-HR8	TOTAL NUMBER OF INCIDENTS OF VIOLATIONS INVOLVING RIGHTS OF INDIGENOUS PEOPLES AND ACTIONS TAKEN	Null
Assessment		
G4-HR9	TOTAL NUMBER AND PERCENTAGE OF OPERATIONS THAT HAVE BEEN SUBJECT TO HUMAN RIGHTS REVIEWS OR IMPACT ASSESSMENTS	N/A
Supplier Human Rights Assessment		
G4-HR10	PERCENTAGE OF NEW SUPPLIERS THAT WERE SCREENED USING HUMAN RIGHTS CRITERIA	N/A
G4-HR11	SIGNIFICANT ACTUAL AND POTENTIAL NEGATIVE HUMAN RIGHTS IMPACTS IN THE SUPPLY CHAIN AND ACTIONS TAKEN	N/A
Human Rights Grievance Mechanisms		
G4-HR12	NUMBER OF GRIEVANCES ABOUT HUMAN RIGHTS IMPACTS FILED, ADDRESSED, AND RESOLVED THROUGH FORMAL GRIEVANCE MECHANISMS	N/A
Society		
Local Communities		
OCED/UNGC		
G4-SO1	PERCENTAGE OF OPERATIONS WITH IMPLEMENTED LOCAL COMMUNITY ENGAGEMENT, IMPACT ASSESSMENTS, AND DEVELOPMENT PROGRAMS	P19,P56
G4-SO2	OPERATIONS WITH SIGNIFICANT ACTUAL AND POTENTIAL NEGATIVE IMPACTS ON LOCAL COMMUNITIES	Null
Anti-corruption		
OCED/UNGC		
G4-SO3	TOTAL NUMBER AND PERCENTAGE OF OPERATIONS ASSESSED FOR RISKS RELATED TO CORRUPTION AND THE SIGNIFICANT RISKS IDENTIFIED	P13,P57
G4-SO4	COMMUNICATION AND TRAINING ON ANTI-CORRUPTION POLICIES AND PROCEDURES	P57
G4-SO5	CONFIRMED INCIDENTS OF CORRUPTION AND ACTIONS TAKEN	P57
Public Policy		
OCED/UNGC		
G4-SO6	TOTAL VALUE OF POLITICAL CONTRIBUTIONS BY COUNTRY AND RECIPIENT/BENEFICIARY	N/A

Code	Indicator	Page no
<b>Anti-competitive</b>		
G4-SO7	TOTAL NUMBER OF LEGAL ACTIONS FOR ANTI-COMPETITIVE BEHAVIOR, ANTI-TRUST, AND MONOPOLY PRACTICES AND THEIR OUTCOMES	Null
<b>Compliance</b>		
G4-SO8	MONETARY VALUE OF SIGNIFICANT FINES AND TOTAL NUMBER OF NON-MONETARY SANCTIONS FOR NON-COMPLIANCE WITH LAWS AND REGULATIONS	Null
<b>Supplier Assessment for Impacts on Society</b>		
G4-SO9	PERCENTAGE OF NEW SUPPLIERS THAT WERE SCREENED USING CRITERIA FOR IMPACTS ON SOCIETY	N/A
G4-SO10	SIGNIFICANT ACTUAL AND POTENTIAL NEGATIVE IMPACTS ON SOCIETY IN THE SUPPLY CHAIN AND ACTIONS TAKEN	p18
<b>Grievance Mechanisms for Impacts on Society</b>		
G4-SO11	NUMBER OF GRIEVANCES ABOUT IMPACTS ON SOCIETY FILED, ADDRESSED, AND RESOLVED THROUGH FORMAL GRIEVANCE MECHANISMS	Null
<b>PRODUCT RESPONSIBILITY</b>		
<b>Customer Health and Safety</b>		
G4-PR1	PERCENTAGE OF SIGNIFICANT PRODUCT AND SERVICE CATEGORIES FOR WHICH HEALTH AND SAFETY IMPACTS ARE ASSESSED FOR IMPROVEMENT	N/A
G4-PR2	TOTAL NUMBER OF INCIDENTS OF NON-COMPLIANCE WITH REGULATIONS AND VOLUNTARY CODES CONCERNING THE HEALTH AND SAFETY IMPACTS OF PRODUCTS AND SERVICES DURING THEIR LIFE CYCLE, BY TYPE OF OUTCOMES	Null
<b>Product and Service Labeling</b>		
G4-PR3	TYPE OF PRODUCT AND SERVICE INFORMATION REQUIRED BY THE ORGANIZATIONS PROCEDURES FOR PRODUCT AND SERVICE INFORMATION AND LABELING, AND PERCENTAGE OF SIGNIFICANT PRODUCT AND SERVICE CATEGORIES SUBJECT TO SUCH INFORMATION REQUIREMENTS	P31-32
G4-PR4	TOTAL NUMBER OF INCIDENTS OF NON-COMPLIANCE WITH REGULATIONS AND VOLUNTARY CODES CONCERNING PRODUCT AND SERVICE INFORMATION AND LABELING, BY TYPE OF OUTCOMES	Null
G4-PR5	RESULTS OF SURVEYS MEASURING CUSTOMER SATISFACTION	P32
<b>Marketing Communications</b>		
G4-PR6	SALE OF BANNED OR DISPUTED PRODUCTS	Null
G4-PR7	TOTAL NUMBER OF INCIDENTS OF NON-COMPLIANCE WITH REGULATIONS AND VOLUNTARY CODES CONCERNING MARKETING COMMUNICATIONS, INCLUDING ADVERTISING, PROMOTION, AND SPONSORSHIP, BY TYPE OF OUTCOMES	Null
<b>Customer Privacy</b>		
G4-PR8	TOTAL NUMBER OF SUBSTANTIATED COMPLAINTS REGARDING BREACHES OF CUSTOMER PRIVACY AND LOSSES OF CUSTOMER DATA	Null
<b>Compliance</b>		
G4-PR9	MONETARY VALUE OF SIGNIFICANT FINES FOR NON-COMPLIANCE WITH LAWS AND REGULATIONS CONCERNING THE PROVISION AND USE OF PRODUCTS AND SERVICES	Null

## Explanation Concerning the Forward-Looking Statements

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The Corporate Social Responsibility Report contains some forward-looking statements. Such statement uses "believe", "assume", "expect", "estimate", "may", "plan", "intend" or similar expressions. Various known or unknown risks, uncertainties and other factors may result in significant differences between the company's real results, financial status, assets, development or performance in the future and the results, financial status, assets, development or performance expressed or implied in the said forward-looking statements. Such risks and factors include, but are not limited to:

- Our industry experiences a slump;
- The promulgation of some new law or regulation or the revision to the prevailing law or regulation increases our operating cost or reduces our capacity to earn profits;
- The raw materials rise in price, particularly we can not transfer such cost increment to the customers;
- The product patent protection reduces or is lost;
- Debt problems, particularly when these debt problems are caused by the environmental legislation or relevant product liability litigation;
- Change in exchange rate of international currency and change in the entire economic environment;
- Other factors pointed out in the Corporate Social Responsibility Report

These factors include the contents mentioned in the public reports that were submitted by SUNGROW to Shenzhen Stock Exchange, China Securities Regulatory Commission and its detached offices. In consideration of these uncertainties involved, we remind readers not to rely too much on these forward-looking statements. The Company does not undertake any responsibility hereof.



**We are always devoting ourselves to “Green and Effective” ,  
giving clean power to more people.**

Sungrow Power Supply Co., Ltd.

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