

SUPPLIER CODE OF CONDUCT



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Supplier Code Of Conduct

Under the guidance of the global net-zero goal, Sungrow continuously insists the mission of “Clean power for all”, fully relies on the technical advances on clean power conversion, co-operates with partners all round the world, tackles the major global challenges with expertise and shapes a sustainable future together.

Statement of Principles

The Supplier Code of Conduct (hereinafter referred to as "the Code") is based on the requirements of its customers and meets its obligations as a member of international organizations such as the United Nations Global Compact and Renewable Energy 100 (RE100), drawing on principles or standards generally accepted internationally in the industry. As a prerequisite for cooperation with the company, Sungrow requires suppliers, contractors, agents (hereafter Suppliers) to comply with all applicable laws and regulations in the country/region where they operate and encourages suppliers to adopt internationally recognized industry standards and industry best practices to continuously improve the sustainability development management performance.

When there are differences between national laws and relevant international standards, we will follow higher standards. When there is a conflict between the two, we abide by national laws while trying to abide by relevant internationally accepted principles. In addition, when national laws differ from environmental responsibility, health and safety standards for Sungrow, we follow higher standards.



Sungrow has the right to audit the suppliers' site to assess the suppliers' compliance with this code. Sungrow has incorporated SUSTAINABILITY DEVELOPMENT into the whole process of purchasing business, including material certification, supplier certification & selection, daily management, performance evaluation and exit (called life-cycle management). For suppliers with good performance in SUSTAINABILITY DEVELOPMENT, Sungrow will increase its procurement share under the same conditions and give priority to business cooperation opportunities. For suppliers with poor SUSTAINABILITY DEVELOPMENT performance, especially those who violate the SUSTAINABILITY DEVELOPMENT red line requirements, Sungrow requires them to rectify within a time limit, reduce their purchase share or limit business cooperation opportunities until the cooperation relationship is canceled.

The Code applies to suppliers who provide products and/or services to SUNGROW POWER SUPPLY CO., LTD. and/or its subsidiaries and affiliates worldwide (collectively, "Sungrow"). This Code applies to all employees, including temporary workers, foreign workers, apprentices, student workers, contract workers, direct employees and other types of staff. Signing the Code indicates that the suppliers are aware of the full contents of this Code and is implementing it in accordance with its requirements.

Human Rights and Labor Rights



Supplier shall commit to respect the human rights and labor rights, to treat workers with dignity. This applies to workers from direct and indirect suppliers, as well as all workers including temporary, migrant, student, contract, dispatch, direct employees, and any other type of workers.

Prohibition of Forced Labor

The suppliers must ensure that all employees are employed purely voluntarily. Forced labor in any form, including but not limited to, debt bondage or indentured labor, prison labor, slavery or trafficking of persons is not permitted. The suppliers, their agents and sub-agents are not allowed to impound or destroy, conceal, or confiscate identity or immigration documents, such as government-issued identification, passports, or work permits. Notwithstanding the foregoing, employers can only hold documentation if necessary to comply with the local law. The suppliers must not impose unreasonable restrictions on workers' freedom of movement in the facility in addition to unreasonable restrictions on entering or exiting company-provided facilities including, if applicable, workers' dormitories or living quarters. All work shall be voluntary, and workers shall be free to leave work at any time or terminate their employment without penalty if reasonable notice is given, which shall be clearly stated in workers' labor contracts. Workers shall not be required to pay suppliers and their agents or sub-agents' recruitment fees or other related fees for their employment. If the worker is found to have paid such fee, such fee should be repaid to the worker.

Prevention and Mitigation of Precarious Employment

As part of the hiring process, all workers shall sign a written employment agreement in their native language, or in a language the worker can understand, that contains a description of terms and conditions of employment. Foreign migrant workers shall receive the employment agreement prior to the worker departing from his or her country of origin and there shall be no substitution or change(s) allowed in the employment agreement upon arrival in the receiving country unless these changes are made to meet local law and provide equal or better terms. Participants shall not use employment agreements in a way designed to cause social or economic insecurity to the workers, such as: abusing consecutive short-term contracts, labor dispatching, subcontracting, and/or homeworking arrangements. All use of temporary and outsourced services shall be governed by local laws.



Prevention of Child Labor

Child labor shall not be used in any stage of manufacturing. Suppliers shall only employ workers who are at least 15 years of age, or of the applicable minimum age for employment, or of the for completion of compulsory education in the operation country/region, whichever is the highest. The suppliers shall employ workers in accordance with the International Labor Organization (ILO) , offer an apprenticeship training program in a legal workplace, or offer low-intensity work, as set out in Article 6 of Convention 138 on the Minimum Age for the Admission of Employment. If child labor is identified, assistance/remediation shall be provided.

Protection of Young Workers

Suppliers shall employ minors who are above the applicable legal minimum working age but under 18 years of age, provided that and the relevant employment practices comply with the Convention No. 138 on the Minimum Age for Admission to Employment, and they are not performing work that is likely to jeopardize their health or safety, including night shifts and overtime.

Educational Program Management

The Suppliers shall properly maintain student records, conduct rigorous due diligence on educational partners to ensure proper management of the student program at the Suppliers' facilities, and protect student rights as required by applicable laws and regulations. The Suppliers shall provide appropriate support and training to all students in the suppliers' facilities.

Work Time Management

Suppliers shall comply with all applicable laws and regulations regarding working hours and rest days. Further, a workweek shall not be more than 60 hours per week, including overtime, except in emergency or unusual situations. All overtime shall be voluntary. Workers shall be allowed at least one day off every seven days.

Wages and Benefits

The suppliers should pay the worker no less than the minimum wage and provide any benefits required by law and/or the contract. The suppliers shall pay the worker overtime at the statutory overtime rate. The suppliers shall inform all workers of the wage structure and payment period. The suppliers shall comply with all legal requirements relating to wages and benefits and shall pay wages on time and in full, Wage deductions shall not be used as a means of disciplinary punishment.

Anti-Discrimination

Suppliers shall not discriminate against any worker in recruitment and other employment activities based on age, disability, ethnicity, sex, marital status, national origin, political affiliation, race, religion, sexual orientation, gender identity, union membership, or any other status protected by applicable national or local laws. Except as required by applicable laws and regulations or as a prudent concern for workplace safety, suppliers shall not require employees or prospective employees to undergo medical tests or physical examinations that may serve a discriminatory purpose.

Anti-Harassment and Anti-Abuse

The suppliers shall undertake to eliminate harassment and abuse in the workplace. Suppliers shall not threaten workers or subject them to harsh or inhuman treatment, including but not limited to verbal abuse and harassment, psychological harassment, mental and physical oppression, and sexual harassment, and shall not conduct illegal body searches, or threaten to perform such acts.



Freedom of Association and Collective Bargaining

In accordance with local laws, suppliers shall respect the right of all employees to voluntarily form and join a union, to engage in collective bargaining and peaceful assembly, and to refuse to participate in such activities. Suppliers shall establish an effective labor communication mechanism to communicate with employees or employee representatives on a regular basis. Employees and/or their representatives shall be able to communicate openly and express views and concerns with management about working conditions and management practices without fear of discrimination, retaliation, threats or harassment. Where the right of freedom of association and collective bargaining is restricted by applicable laws and regulations, workers shall be allowed to elect and join alternate lawful forms of worker representations.

Community Engagement

Sungrow encourages suppliers to help promote social and economic development and contribute to the sustainable development of the communities where they operate.

Grievance Management

The suppliers shall ensure that an effective worker grievance mechanism is in place to facilitate open communication between management and workers without fear of reprisal or retaliation.

Health & Safety



Suppliers shall identify and assess potential health and safety hazards that workers may be exposed to, and apply hierarchical control principles to manage occupational health and safety hazards in order to provide a safe and healthy working environment, eliminate any working conditions that seriously endanger workers' life or health, prevent any major fire or explosion accidents, and prevent fatal accidents at the workplaces.

Occupational Health and Safety Management

Suppliers shall obtain, maintain and update all necessary health and safety permits, licenses and inspect/test reports and comply with the relevant provisions of these permits and licenses. Suppliers shall identify and evaluate potential risk of occupational health and safety (including occupational safety, industrial hygiene, physically demanding work, machine safeguarding, etc.) by eliminating hazards, substitution, engineering control, preventive maintenance and safety work process (including lockout/tag out, occupational physical exams, etc.) to eliminate, control or reduce risk, provide appropriate personal protective equipment when necessary. In addition, appropriate measures should be taken to protect the safety and health of women workers, especially pregnant and lactating women workers.

Chemical Management

The suppliers shall develop and implement a plan to take reasonable measures to avoid adverse effects on people and the environment due to chemical processes and operations including their safe handling, movement, storage, use, recycling or reuse, and disposal. The suppliers shall organize and assign a "Directly Responsible Individual(DRI)" to establish a Chemical Management Team (CMT) at each plant. The CMT has the obligation and authority to guide the supplier through the management of chemical operations to ensure that the health and safety of workers, the environment, and the community are protected.

Emergency Preparedness and Response

Suppliers shall identify and evaluate the possibility of an emergency and emergency events, including but not limited to fire, explosion, fatal accidents, collective poisoning, Infectious disease outbreaks, etc., and through the implementation of emergency plans and response procedures, including: emergency report, on-site first-aid, notifications, and exit procedures, training and regular exercises and recovery plan, etc., reduce the impact on the person, the environment, and property to the greatest degree.



Occupational Injury and Illness Management

The suppliers shall establish a system for workers to report health and safety incidents and near-misses, investigate, track and manage such reports. The suppliers must implement a corrective action plan to mitigate risks and prevent the incident from re-occurrence, provide necessary treatment and facilitate the return of workers to work. Suppliers shall allow workers to remove themselves from imminent harm, and not return until the situation is mitigated, without fear of retaliation.

Living Conditions

The suppliers shall provide workers with convenient and clean sanitary facilities and drinking water. Catering, meal preparation and storage facilities provided by the suppliers shall be hygienic and meet the applicable local law and regulation requirements. Worker accommodation provided by the suppliers, or a third party should be clean, safe and have reasonable living space.

Communication of Health & Safety

The suppliers shall provide appropriate workplace health and safety training to workers in their native language or in a language they can understand, which may also be in the form of direct talks, safety committee communication sessions, video materials, posters, etc. Health and safety related information must be clearly posted in the factory. Training shall be provided to all workers prior to the beginning of work and regularly thereafter. Workers shall be encouraged to raise any health and safety concerns without retaliation.

Environment Protection



All operational activities and processes of the suppliers should be strictly compliance with the applicable legal requirements, strive to reduce pollution, protect environment, conserve biodiversity and forest, and protect lands from pollution. The supplier shall carry out strict environmental assessment and adopt cleaner production processes. Suppliers shall make scientific and rational use of natural resources, improve the resource efficiency, and research & develop the products that are harmless to the environment and human health.

Sungrow commits to protecting the environment, and taking the responsibility on environment protection is the core part of our operation. Suppliers are expected to develop, implement and maintain environmentally responsible business practices.

Environmental Permits and Reporting

Suppliers shall obtain, maintain and update the environmental permits, approval, and registrations, comply with all the relevant operational requirements on environment protection. Suppliers shall comply with the environmental reporting requirements in the applicable permits and regulations.

Regulated Substances

All products which suppliers provide to Sungrow shall meet the requirements of the applicable laws and regulations on the regulated substances.

Solid Waste Management

Suppliers shall implement a systematic approach to identify, manage, and reduce hazardous and non-hazardous waste, and dispose of or recycle waste in a responsible way, including complying with regulatory requirements on the whole process from generation, transportation, storage, to disposal of, reduce or eliminate pollution generation and discharge, ban illegal discharge of poisonous and harmful pollutants. Suppliers shall set up objects, establish implementation plans, monitor the achievement status of objectives to improve the resource efficiency and reduce the waste generation.



Water Management

Suppliers shall implement a systematic approach to characterize, control and monitor water sources, use and discharge; seek opportunities to conserve water; and control channels of contamination (Storm water channel). All wastewater is to be characterized, monitored, controlled, and treated as required prior to discharge or disposal. Suppliers shall conduct routine monitoring of the performance of its wastewater treatment and containment systems to ensure regulatory compliance. Suppliers shall set up objects, establish implementation plans, monitor the achievement status of objectives to reduce the water consumption and/or wastewater discharge.

Exhaust Emission Management

Suppliers shall characterize, treat, reduce and responsibly control emissions from their operations that are harmful to the environment. Suppliers shall conduct routine monitoring of the performance of its air emission control systems to ensure regulatory compliance.

Boundary Noise Management

Suppliers shall identify and control noise sources and monitor boundary noises to ensure that they are within the regulatory limits.

Green-House Gas Emission Management

Suppliers shall periodically account for energy consumption and all Scopes 1, 2, and significant categories of Scope 3 greenhouse gas (GHG) emissions from their operations. Suppliers shall set up the corresponding objects, establish implementation plan, monitor the achievement status of objectives to reduce GHG emissions by improving production processes, saving energy and reducing emissions, using clean energy or other measures.

Code of Ethics

Sungrow wants to do everything it can to meet the highest ethical standards of behavior. Suppliers should always act ethically in all aspects of their operations, including the handling of all types of relationships, business conduct, procurement and operations.

Suppliers shall hold the highest standards of integrity, not obtain the undue or improper advantage including insider trading, promote fair competition, encourage the declaration of conflict of interest, comply with the applicable legal requirements on import/export control and sanction of the country/region where they operate.

Responsible Procurement and Supply Chain Traceability

Suppliers shall map their supply chains, establish and implement a due diligence policy and management system to identify the risks of raw materials and components/parts originating from conflict-affected and high-risk areas and take appropriate measures to mitigate and control such risks, and to meet the requirements of the applicable laws and regulations for supply chain traceability as far as possible, with reference to the Organization for Economic Co-operation and Development (OECD) Due Diligence Guidance for Minerals in Conflict-Affected and High-Risk Areas or equivalent and recognized due diligence frameworks.

Business Ethics

Suppliers shall not engage in corruption, extortion, embezzlement or bribery for the purpose of obtaining unfair or improper benefits. Suppliers must comply with all applicable anti-corruption laws and regulations and applicable international anti-corruption conventions in the country/region in which it operates. Suppliers shall encourage employees to declare the conflict of interest.



Suppliers shall formulate policies related to Sungrow business, gift receiving, and delivery are prohibited. Gifts include a variety of forms, such as cash or cash equivalents, including hospitality, gift cards, product discounts, and activities unrelated to the business. The insider trading is prohibited. Suppliers should have procedures in place to investigate and report any policy violations. If any staff from Sungrow take the initiative to solicit bribes, the supplier should report to Sungrow (Audit and Inspection Department, Tel: +86-0551-65326873, +86-18655168110, Email: complain@sungrowpower.com).

Disclosure of Information

Suppliers shall accurately record information related to its business activities, human rights & labor rights, health and safety and environmental practices and disclose such information to all relevant parties as required by relevant laws without forgery or falsification.

Protection of Intellectual Property Rights

Suppliers shall respect intellectual property rights and protect the security of customer information. Suppliers should manage technology and expertise from the perspective of protecting intellectual property rights.

Privacy and Data Protection

The suppliers shall know that Sungrow regards the right to privacy as a basic right and shall set up corresponding procedures and practices to protect the security of personal data. Suppliers shall comply with all privacy, data protection and digital security laws applicable to Sungrow or suppliers.

Suppliers shall maintain the appropriate security plan in accordance with Sungrow's information security and data privacy requirements, including relevant technical and organizational measures to avoid the abuse, disclosure, loss, tampering or unauthorized disclosure, acquisition or access of proprietary and confidential information or protected information.

Fair Business and Import/Export Control

Suppliers shall uphold the standards of fair business, advertising and competition, comply with the applicable legal requirements on import/export control and sanction of the country/region where they operate.

Whistleblower Protection and Anonymous Complaints

The suppliers shall establish an anonymous complaint/whistleblowing mechanism for management, workers, and stakeholders to report concerns and misbehavior in the workplace. Suppliers must keep whistleblowers and information confidential and prohibit retaliatory actions.

Management System Requirements

Sungrow believes that a sound management system and commitment are key to promoting the social and environmental health of the company's supply chain. Suppliers of Sungrow must comply with this Code of Conduct and all its standards. The supplier shall implement or maintain a management system to facilitate compliance with this Code and the provisions of the law in time, Sungrow requires suppliers to be certified by the ISO9001, and actively encourages suppliers to get the certification such as IATF16949, ISO14001, ISO45001, SA8000, etc. to identify and mitigate relevant operational risks, and to promote continuous improvement.



Management Responsibilities and Obligations

The suppliers shall have a company SUSTAINABILITY DEVELOPMENT or sustainability representative who is responsible for ensuring the implementation and periodic review of the management system, reporting directly to senior management, with responsibility and authority for managing the social and environmental compliance requirements.

Company Statement

The suppliers shall prepare a company statement to demonstrate their commitment to high standards of social and environmental responsibility, ethical conduct and continuous improvement. The suppliers shall prepare this statement in the local official language and post it in all facilities.

Risk Assessment and Management

Suppliers shall develop and maintain a set of processes for identifying human rights & labor rights, health and safety, environmental, business ethics, and legal compliance risks associated with their business operations. The suppliers shall determine the relative severity of various risks and implement appropriate procedures and controls to minimize the identified risks.

Performance Objectives

Suppliers shall establish written performance objectives, targets and implementation plans to improve the suppliers' social, environmental, and governance performance and regularly assess whether actual performance meets these goals.

Audit and Evaluation

The Suppliers shall periodically evaluate the facilities and operations of themselves and their subcontractors and sub-suppliers providing goods or services to Sungrow to ensure compliance with these guidelines and legal provisions.

As long as the products and services are supplied to Sungrow, to the benefit of Sungrow, or for Sungrow products, the supplier shall allow a third party designated by Sungrow or Sungrow to conduct a periodic assessment of the plant and operations of the suppliers, their subcontractors and their sub-suppliers to assess whether the suppliers are complying with the applicable principles and requirements of this Code.

If Sungrow and third parties do not have access to certain areas and perform a comprehensive independent assessment of the supplier's compliance with this Code, the supplier shall not carry out manufacturing operations in such areas, recruit workers directly or indirectly from such areas, or purchase raw materials, products or services directly or indirectly from such areas.

Training and Communication

Suppliers shall develop and maintain management and worker training programs to properly implement their policies and procedures and achieve Suppliers' continuous improvement objectives.

The suppliers shall establish processes to clearly and accurately communicate its performance, practices, policies, and expectations to its workers, subordinate suppliers, and subcontractors.

The suppliers shall have a worker engagement process in place to obtain feedback on practices related to this Code to facilitate continuous improvement.

Corrective Action Process

Suppliers shall have a process for timely corrective actions for deficiencies or violations identified through internal and external audits, assessments, inspections, investigations or reviews.



References and Citations



[1] Social Responsibility Standard

<https://sa-intl.org/wp-content/uploads/2020/02/SA8000Standard2014.pdf>

[2] The International Labor Organization (ILO) International Labour Standards

<https://www.ilo.org/global/standards/lang--en/index.htm>

[3] Guiding Principles on Business and Human Rights: Implementing the United Nations “Protect, Respect and Remedy” Framework

<https://www.ohchr.org/zh/publications/reference-publications/guiding-principles-business-and-human-rights-implementing>

[4] OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas

<https://www.oecd.org/daf/inv/mne/OECD-Due-Diligence-Guidance-Minerals-Edition3.pdf>

[5] UN Global Compact

www.unglobalcompact.org

Change Record



August 2022 – Ver. 1.0

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*Sungrow reserves the right to interpret this code.

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Sungrow Youtube Account



Sungrow LinkedIn Account



Sungrow Facebook Account



Sungrow X Account



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