



Beyond Inspection

Purchasing PV Modules: What Should Be In Your Purchase Contract?

Embedding Sustainability

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EXTERNAL
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Pertinence



Performance



Exemplarity



Openness

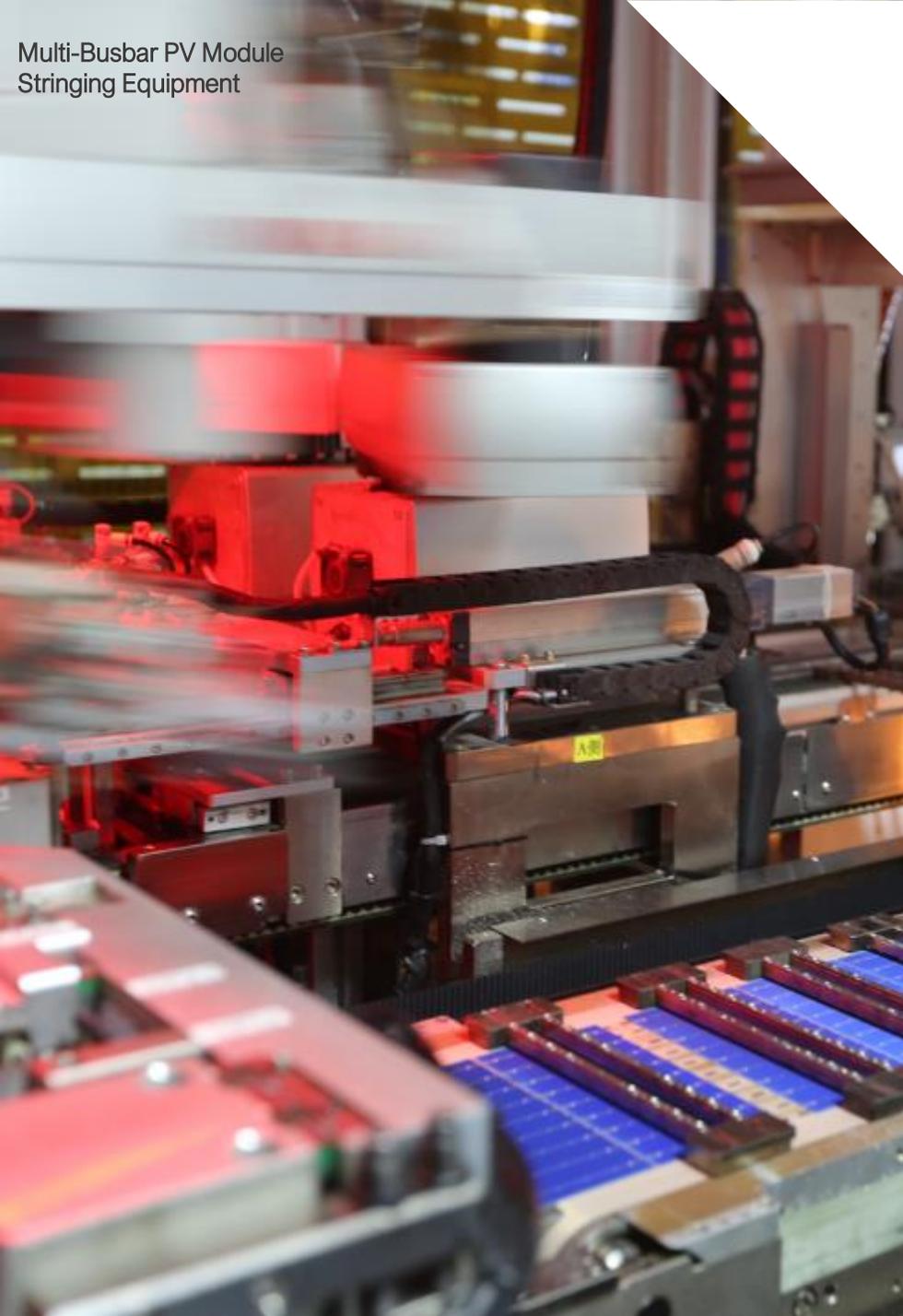


Impartiality

CONTENT

- 01 ▶ Sustainable sourcing
- 02 ▶ Emerging practices in the solar supply chain
- 03 ▶ Key take-aways





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01 Sustainable Sourcing

▶ Sustainable supply chain: an upcoming requirement

▶ Three pillars of sustainability – creating shared value for stakeholders and society:

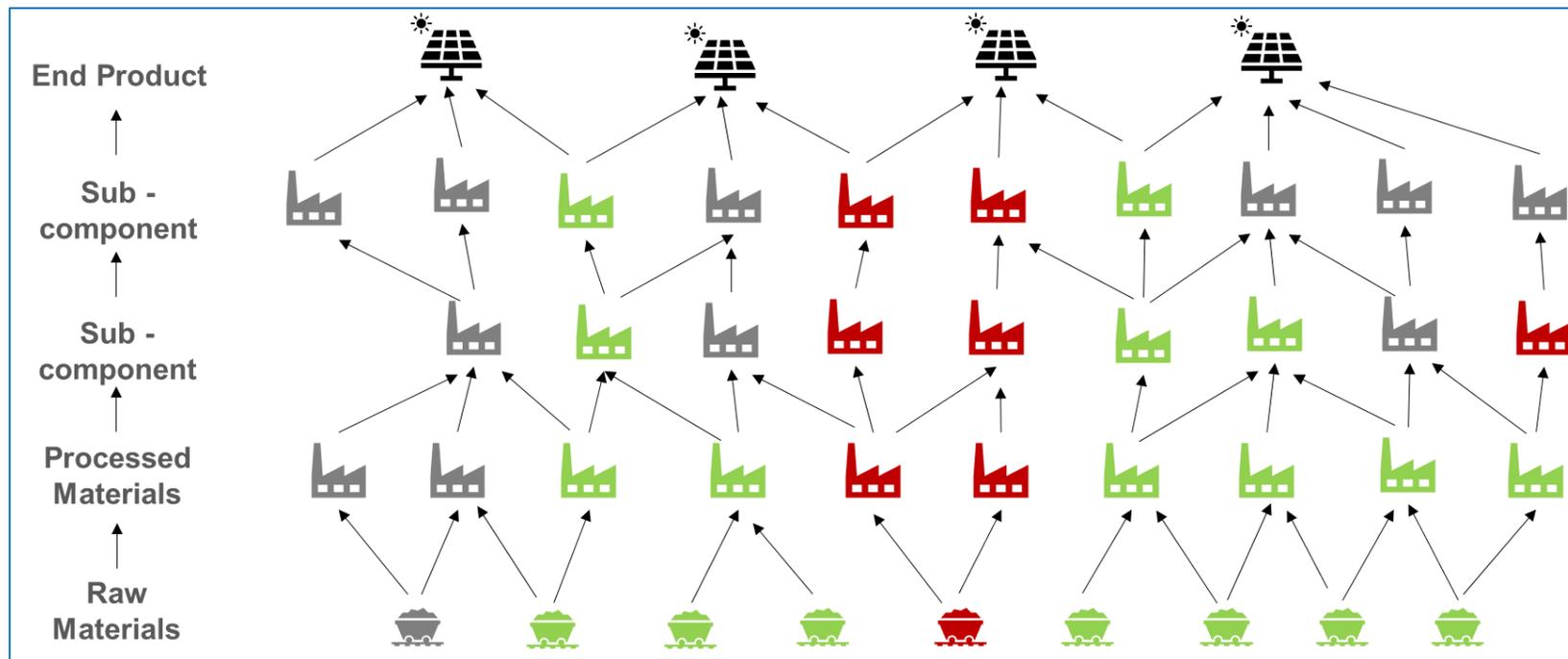
- ▶ **Economic:** Creating employment, generating innovation, paying taxes; but also, price, quality, capacity, resilience, track-record, bankability, etc.
- ▶ **Environmental:** Carbon footprint, use of natural resources, toxic materials, water usage, removal of waste, etc.
- ▶ **Social:** Labor practices, community impacts, human rights, etc.



▶ Traceability is the backbone of sustainable supply chains

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- ▶ Provide data for provenance and sustainability claims
- ▶ It is also critical for many other aspects of supply chain management:
 - ▶ Supply chain resilience
 - ▶ Efficiency
 - ▶ Regulatory compliance
 - ▶ Security
 - ▶ Quality



▶ Embedding sustainability in the procurement process

Procurement



Define:

High-level targets:

- ▶ Quantitative/ qualitative

Policies:

- ▶ Quality management plan
- ▶ Supplier code of conduct

Supplier Code of Conduct

OUR VALUES

SUPPLIER RESPONSIBILITIES

1. BUSINESS INTEGRITY AND ETHICS

- Ethics
- Conflicts of Interest
- Anti-Corruption & Money Laundering
- Whistleblower Protection

2. WORKING CONDITIONS, LABOR PRACTICES AND HUMAN RIGHTS

- Slavery, Human Trafficking & Involuntary Labor
- Child Labor
- Working Hours
- Discrimination
- Wages and Benefits
- Supplier Diversity and Inclusion
- Freedom of Association

3. HEALTH AND SAFETY

4. ENVIRONMENTAL PROTECTION AND SUSTAINABILITY

- Environment
- Responsible Mineral Sourcing

REPORTING

- Monitoring and Enforcement
- Reporting Violations
- How to Report

SUPPLIER CERTIFICATION OF COMPLIANCE

Implement:

1. Gather data:

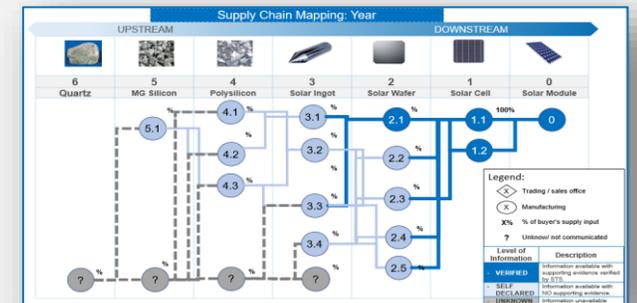
- ▶ Map the Supply Chain
- ▶ Supplier audit program

2. Supplier selection:

- ▶ Supplier qualification
- ▶ Supplier contracts

3. Engage in collaborations:

- ▶ Support suppliers
- ▶ Industry initiatives and multistakeholder platforms



▶ Industry collaboration is accelerating

Many industries have launched supply chain initiatives

electronics



automotive



consumer goods



consumer goods



rail



cotton



packaging



apparel



pharmaceutical



shipping



agriculture



tire





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02 Emerging practices in the solar supply chain



▶ Sustainability in the Procurement Life-Cycle

Procurement Life Cycle



▶ Solar Industry Collaboration to Scale Up Impact

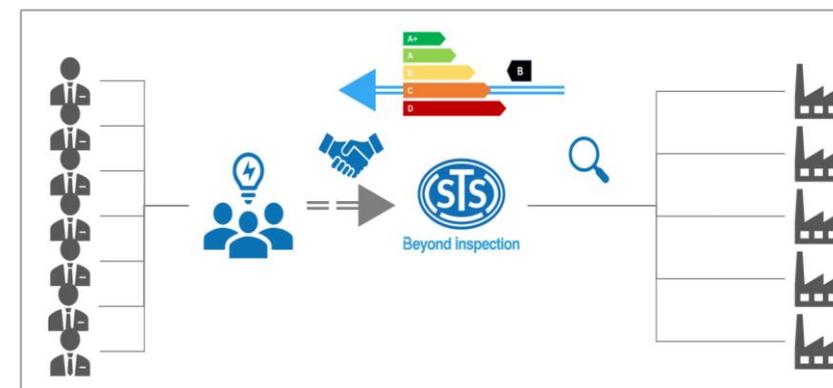
- ▶ **Individual companies** are leading the way to responsible solar energy sector
- ▶ **Industry collaboration** is also picking up – emerging industry partnerships are complementary and mutually reinforcing



In partnership with 
Beyond inspection
Solar Supply Chain Traceability Protocol



In partnership with 
Supply Chain Monitoring Program

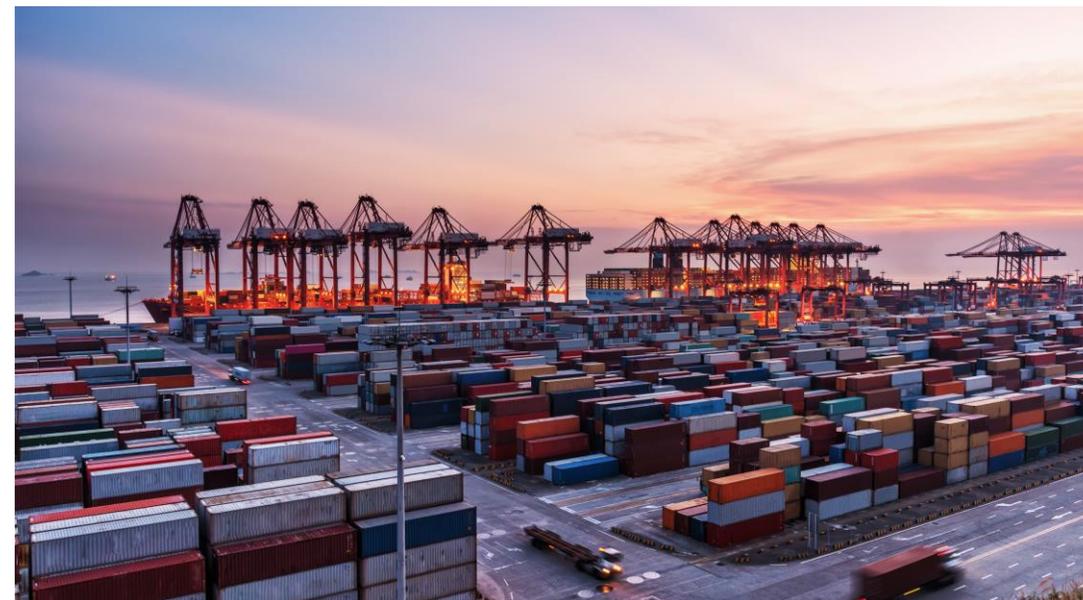


STS Sustainable Supply Chain Program

▶ STS Sustainable Supply Chain Program

▶ Program overview:

- ▶ **25+** buyers, asset managers and lenders, globally (and growing)
- ▶ **30+GWs** of production capacity assessed
- ▶ Audit program:
 - ▶ Supply chain mapping
 - ▶ Traceability
 - ▶ Supply chain security
 - ▶ Regulatory and statutory requirements
- ▶ Average compliance result on all assessments conducted so far: **62%**



**Contact us for information on how to
join this Program**



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03 Take-aways

▶ Take-aways

- ▶ Sustainability and traceability requirements are becoming mainstream
- ▶ Traceability is the backbone of sustainable sourcing
- ▶ **What should be in your contract to ensure sustainability:**
 - ▶ Compliance with Supplier Code of Conduct, specific requirements
 - ▶ Right to audit
 - ▶ Most needs to be in place before placing an order:
Supplier Code of Conduct, quality requirements, supplier assessments
- ▶ **Collaboration is key:**
 - ▶ With suppliers for continuous improvement
 - ▶ With peers to address common challenges



THANK YOU!



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