

Session 1: Supply chain transparency

Thursday, December 7
10:00 – 11:00

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Dries Acke

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7 December, Brussels, Belgium



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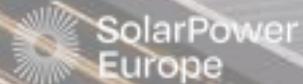
Alexia Ruvoletto

Head of Secretariat,
Solar Stewardship Initiative

7 December, Brussels, Belgium

The Solar Stewardship Initiative

The official launch



SSI Anti Trust Statement

SSI fully complies with all applicable laws, including antitrust and competition laws. SSI does not condone or in any way seek to facilitate antitrust breaches.

In particular, at meetings which SSI convenes or presides over, it does not permit any participants to discuss or share confidential proprietary or otherwise commercially sensitive information.

Participants should not hesitate to voice any concerns they may have regarding the conduct of others at such meetings.

Participation in SSI is on a voluntary and non-exclusive basis. Participants remain free to operate other facilities or offer other products, which do not comply with the standards mentioned SSI's Code.

SSI's mission is to further develop a responsible, transparent, and sustainable solar value chain and it does not engage with matters relating to pricing, terms or conditions of sale, production or sales levels, salaries,

customers or suppliers. It makes no commercial recommendations of any kind.



What is the Solar Stewardship Initiative

- **Solar-specific** value chain **assurance programme** created by SolarPower Europe and Solar Energy UK
- Unique approach with two pillars: Environment Social and Governance (ESG) assurance + transparency on materials and components origin
- About 30 members including both buyers and suppliers of solar PV covering a **major market share**
- **60+ organisations** have supported the SSI across the global solar value chain since its concept launch
- Support from the international finance community (including EIB and IFC)



Brought to you by SolarPower Europe
and Solar Energy UK



5 core objectives of the Solar Stewardship Initiative (SSI)

Ensure the energy transition is just, inclusive, and respects human rights

Establish mechanisms to create supply-chain transparency on materials and components origin, ensuring integrity in the global solar industry

Enable continuous improvement of ESG performance

Build the confidence of regulators, customers and business partners in the sustainability of the solar value chain

Prepare our community for relevant upcoming laws and regulations on responsible supply chains

SSI System Overview



Standards

- ESG Standard (SSI code)
- Traceability Standard (2024)



Assurance Manual

- Process to demonstrate compliance with the SSI standard(s)
- Site certification by independent assessor
- Process ends with score, ranking and improvement plan and allows certified site to make certain claims
- Equivalence and Recognition Mechanism of or by other standards



Complaints mechanism

- system to address complaints on SSI and its members
- Last resort. Does not replace company's grievance mechanism.
- Limited scope
- Outsourced in certain cases to avoid conflict of interests



Multi-stakeholder Governance

- Board
- Stakeholder Advisory Group
- Equal representation of interests
- SSI Principles (contract to become SSI member)



Claims Guide

Rules on which logos/claims can be used/made by SSI Members, Certified sites and Assessment Bodies

The SSI ESG Standard: requirements

By adopting the SSI ESG Standard, companies in the solar value chain will clearly demonstrate their commitment to promoting sustainability best practices. Manufacturer members will be assessed on the following requirements:

Governance

- Business integrity
- Policy and Management
- Stakeholders and Communities
- Transparency
- Responsible Sourcing

Environment

- Greenhouse Gas Emission Management
- Water Management
- Waste Management
- Pollution Management
- Biodiversity Management
- Circularity

Human and Labour Rights

- Human rights
- Labour rights
- Occupational Health and Safety

SSI Assurance Manual: Assurance process



- Company's expression of interest to become SSI Member
- SSI due diligence check by SSI
- Company signs SSI Principles, commits to assessment (if manufacturer) and becomes a member
- self-assessment against the SSI Code(mandatory) 6 months before assessment due date
- Assessment body selected and assessment plan and dates agreed
- Onsite Assessment (at the latest 1 year after signing SSI Principles)
- Certification decision by SSI based on performance & as recommended by AB (1 month after assessment)
- Public summary report
- Surveillance and Re-assessment schedule

SSI Assurance Manual: Performance Score



Gold: no major or minor non conformances

Silver: no major, 5 or less minors. Improvement plan

Bronze: no majors, 6-10 minors. Improvement plan

- Major non conformance definition:
 - A systemic failure or total lack of required controls by the site
 - A total absence of implementation of the requirement
 - A breach of law
 - A group of related, repetitive or persistent Minor Non- Conformances indicating inadequate implementation
- Minor non conformance definition:
 - An isolated lapse of performance, or control
 - A breach which represents low risk to workers/those on site
 - A policy issue where there is no evidence of material breach

SSI Claims Guide

What does it mean to join the SSI? What can a company claim?



- Document containing rules on:
 - Claims relating to SSI Membership (Marketing Claim)
 - Claims relating to site certification (Assurance Claim)
- SSI must grant permission for use of any of the claims and logo prior to use
- No product or material claim is available until product traceability standard is developed
- Logos:
 - SSI Member logo
 - SSI Certified Site
 - SSI Partner (for non-industry stakeholders)
 - SSI Assessment Body (for audit companies)

SSI final system

SSI Equivalence and Recognition mechanism

- Definition: rules to recognise existing credible and equivalent third-party standards systems, reporting frameworks, and certifications
- Goal is to reduce audit fatigue, avoid redundancy and cover other solar components
- SSI will also seek recognition from other standards
- Scope: recognition covers Standard, Governance and Assurance system
- Process:
 - Scheme Owner applies / is chosen for recognition by the SSI
 - SSI Secretariat reviews standard, assurance and governance
 - each requirement is benchmarked against SSI
 - Recognition recommendation is provided to SSI Board
- Possible outcomes:
 - Equivalent
 - Not fully equivalent
 - Not applicable
- For the site that has a not fully equivalent certification the audit will be limited to the requirements that are not fully equivalent

Standards under consideration for equivalence

Together for Sustainability
Aluminium Stewardship Initiative
Amfori BSCI
Responsible Business Alliance
SA8000
Responsible Steel
ETI
and others...

SSI Principles



Solar Stewardship Initiative Principles

1. Mission and Objective

The Solar Stewardship Initiative (SSI) works collaboratively with manufacturers, developers, installers and purchasers across the global solar value chain to foster responsible production, sourcing and stewardship of materials. Its mission is to:

- 1.1 Ensure the energy transition is just, inclusive and respects human rights.
- 1.2 Establish mechanisms to create supply-chain transparency, ensuring integrity in the global solar industry.
- 1.3 Enable continuous improvement of ESG performance.
- 1.4 Prepare the industry for relevant upcoming laws and regulations on responsible supply chains.
- 1.5 Build the confidence of regulators, customers and business partners in the sustainability of the solar value chain.

The objective of the SSI Principles is to provide a set of rules and responsibilities for companies to join the SSI as members.

2. Due Diligence Evaluation

A company should apply for membership to SSI and undergo a due diligence evaluation by the SSI to confirm that the organisation is not directly or indirectly involved in any of the unacceptable activities listed below:

- 2.1 Illegal activities.
- 2.2 Environmental negligence.
- 2.3 Violation of human rights.

3. SSI Principles

By signing this document, the company accepts the terms of membership and commits to:

- Pre-membership Due Diligence screening
- Buyer members commit to apply SSI Standard to their suppliers contracts and undergo certification if/ when it becomes available for them
- Manufacturer members undertake to undergo certification within 12 months for at least two sites with a view to increasing the number of certified sites progressively
- Continuous improvement after certification
- A company becomes a member once approved by SSI and once membership fee is paid
- Annexes : Governance ToR, SSI Standard and all other documents

Why choose SSI and not another scheme?

Only solution tailored to solar

The SSI is the only global initiative specifically tailored to the solar sector. It addresses the unique sustainability challenges ensuring participants engage in targeted efforts to improve ESG performance and responsible production.

Comprehensive approach

The SSI is the only scheme that takes a comprehensive approach to sustainability, encompassing environmental, social, and governance aspects as well as supply chain transparency.

Independent third-party verification

Compared to other schemes who are mostly based on self-assessments or second-party audits, the SSI is based on independent third party verification ensuring credibility with non-industry stakeholders as well as a fairer and more accurate assessment.

Multi-stakeholder collaboration

The SSI involves collaboration among various industry stakeholders as well as civil society and academia. This multi-stakeholder approach, is recognised internationally as key indicator of the credibility of a scheme and valued in upcoming legislation.

Supply chain transparency

The SSI places a strong emphasis on creating end-to-end supply chain transparency. This aspect is missing in some other schemes as it is relatively new but crucial to ensure ESG standards are upheld throughout the value chain.

Top expertise in the industry

The SSI is created by SolarPower Europe and Solar Energy UK with the technical support of TDI. Together they provide unrivalled and multidimensional expertise in solar, ESG auditing and product traceability as well as EU legislation and politics which ensures proactive alignment with EU legislation .

SSI Membership Categories and Benefits (1/2)

PV Buyer

- Membership Claim
- 3 Seats on the SSI Board
- Access to SSI tools, guidelines and expert pool
- SSI working group access and influence on future standards
- Access to SSI Digital Platform (when ready)
- Membership Fee discount (if member of founding associations)
- Developer certification standard (to be developed in 2024)

Manufacturer

- Membership Claim
- 3 Seats on the SSI Board
- Possible site certification claim
- Access to SSI tools, guidelines and expert pool
- SSI working groups access and influence on future standards
- Access to SSI Digital Platform (when ready)
- Membership Fee discount (if member of founding associations)
- Additional manufacturer fee discount (amount depending on no. of certified sites)

SSI Membership Categories and Benefits (2/2)

Why should a PV Buyer join?

- Maintain investor confidence
- Enhanced reputation and credibility
- Market Leadership
- Align with international standards and prepare for EU legislation
- Supply chain transparency and risk prevention/mitigation

Why should a Manufacturer join?

- Access to market opportunities and competitive edge - deliver better on market expectations
- Protect reputation and credibility
- Be in control of your supply chain and prevent risks
- Access best practices and be always on top of sustainability trends
- Align with international standards and prepare for EU legislation
- Enhanced customer and partner confidence

SSI Membership 2024 (as at 7.12.2023)

Manufacturer Members



Stakeholder Advisory Group



PV Buyer Members



Thank you!

Join the SSI at www.solarstewardshipinitiative.org



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