

Purchasing Code of Conduct

Soly

January 2023

Soly Purchasing Code of Conduct

Soly Holding B.V. (collectively, “Soly”) has this Purchasing Code of Conduct (the “Code”) in order to adhere to the highest quality and sustainability standards, along with the basic principles of B Corp companies. Soly has developed this Code to maintain standards Soly sets for themselves, along with standards B Corp Companies adhere themselves to. This Code seeks to hold suppliers accountable and encourages sustainable, ethical growth.

This Code is designed to prevent unintentional wrongdoing and seeks to encourage:

- Relationships with ethical suppliers who source raw materials from conflict-free producers
- Methods of production that align with Soly’s environmental, social, and humanitarian objectives
- Compliance with governmental laws, standards, regulations, and B Corp guidelines
- Transparent and responsible dealings with potential suppliers
- Accountability for adherence to the Code

This code applies to all procurement practitioners of Soly, regardless if they are employed on a full-time, part-time, consultative, or temporary basis. In the case of questions or potential violations of the code, please contact the Compliance Officer.

Soly and its B Corp membership status entails adherence to the basic conceptual beliefs of fairness, honesty, and integrity. Along with these values, procurement practitioners of Soly hold themselves to these standards:

- Make an effort to conduct all business with fairness, honesty, transparency, and loyalty to Soly and its mission to make solar energy accessible to everyone
- Refuse personal gifts or dealings that result in personal benefit for Soly or the procurement practitioner
- Conduct all business dealings in good faith
- Carry yourself bearing in mind the mission of Soly, its employees, and stakeholders
- Exercise judgment to obtain the highest monetary value per expenditure
- Strive to operate with suppliers who provide the highest-quality products, are stringent in their selection of raw materials, and ensure the highest possible employee satisfaction
- Operate with the intention of doing no harm socially, environmentally, or financially

Scope

1. Social

Preference for potential suppliers will be given to those who hold necessary certifications, are strict with their supply chain procurement, and meet high social standards. Where applicable, Soly will only conduct business with suppliers who meet certain standards, such as:

- Standards of fairness, good faith, and transparency
- Anti-discrimination policies, the condemning of forced/illegal labour in all its forms, and a progressive company identity meant to drive social change
- The labour standards based upon the UN Global Compact, UN Universal Declaration of Human Rights, and the International Labour Organisation’s International Labour Standards

The purpose of this policy is to encourage employees to address their home office practices and consider making changes that not only decrease their environmental footprint but also help ensure that they take care of themselves.

- Questions that should be considered by the procurement practitioner include:
 - Are employees provided additional services? (counseling, fitness classes, etc)
 - Are net profits included in the Employee Profit Sharing Plan?
 - Is there a policy for the active recruitment of women, minorities, and the disabled?
 - What percentage of management are women or minorities?
 - What percentage of employees are either women, minorities, or individuals who reside in low-income communities?

Environmental

Potential suppliers who meet strict environmental and sustainability criteria that align with the ideals that Soly and B Corp hold will only be considered. Procurement practitioners need to focus on key questions and measures to ensure that manufacturers hold themselves to high standards, which include:

- Does the company have an Environmental Policy?
- Are annual Environmental Audits conducted?
- Are suppliers engaged on environmental issues?
- Are facilities free of regulatory problems, liabilities, or fines regarding environmental issues?
- Is annual energy usage measured and monitored?
- What percentage of energy is used from renewable sources?
- Are research and development projects geared towards environmental concerns?
- What percentage of transportation uses alternative fuel?
- Are materials annually audited?
- Is a Zero Waste initiative in place?
- Does the company make efforts to reduce water usage?
- Are suppliers actively involved in reducing their chemical and hazardous materials footprint (if applicable)

Emissions related to the production of solar panels, inverters, mounting gear, etc. are extremely relevant. The procurement practitioner is obligated to compare the emissions of suppliers to choose the most efficient partner. The partner who is most conscious of the environment will receive the highest priority.

Material

Raw material sourcing is paramount, as Soly rejects all forms of forced labour, along with irresponsible sourcing practices. Soly follows strict guidelines set forth by the Organisation for Economic Co-operation and Development (OECD). The guidelines and certifications that suppliers should strive for include:

- Policy commitment referencing international standards such as the UN Convention of the rights of the child, ILO Convention no. 138 and 182 on the Worst Forms of Child labour
- Abiding by Principle 5 of the United Nations Global Compact

Priority is given to suppliers who have publicly denounced illegal labour in their supply chain, are able to produce evidence that proves their anti-slave labour policies are effective, and routinely conduct third-party site visits to their suppliers.

Ethical

Manufacturers who adhere to ethical practices that Soly and other B Corporations subscribe to are of the highest priority. To ensure that Soly is not participating in unethical practices, suppliers must provide a transparent perspective into their supply chain. Suppliers who adhere to all standards receive the highest priority:

- Slave labour and all its forms are never tolerated and are not present at any point of the supply chain
- Participation in local benefit programs to counteract any negative consequences of production
- Publishing of an annual benefit report in accordance with third party standards
- Sourcing of materials from sources of which environmental conservation is paramount
- Operate for the betterment of the environment rather than profit
- Nonmaleficence in all aspects of business

Quality

Suppliers must adhere to quality standards to ensure products' durability is not in question. Certifications verifying quality are essential for potential suppliers to be considered. Certifications that are sought after include:

- IEC61215/IEC61730/UL1703/IEC61701/IEC62716
- ISO 9001: Quality Management System
- ISO 14001: Environmental Management System I
- SO14064: Greenhouse Gas Emissions Verification
- OHSAS 18001: Occupation Health and Safety Management System

In the event that price and quality between suppliers are inherently equal, first priority goes to the supplier that is owned/operated by women, minority groups, and independent manufacturers physically located less than 300km from installation sites. When measurable standards are not applicable, the procurement practitioner needs to utilise proper judgment to make their decision.

I. Goals

Soly should maintain suppliers who adhere to as many requirements as feasible listed above in order to remain consistent with the mission set by Soly and B Corp.

II. Monitoring and Implementation

a. Implementation

To implement these concepts and increase the rate of success, cooperate with the potential supplier to come to an agreement effectively. Consider the volume of products ordered along with the position in the market the supplier holds when the procurement practitioner is negotiating.

b. Monitoring

Depending on the size/importance of the supplier, suppliers should be monitored periodically to ensure legitimacy and adherence to the code of conduct. Options for monitoring may include:

- Self-Audits conducted by the supplier
- Site Visits conducted by Soly
- Site Visits conducted by a third party

Suppliers are to be notified of an audit in advance.

Time Period

This policy will remain in effect going forwards as of January 1st, 2023.



Certified B Corp organizations meet the highest standards of social equity, environmental performance, public transparency and moral accountability to balance profit and mission. This is how we help build an inclusive and sustainable economy.

