



# ESG REPORT

Unlocking the power of sustainable  
renewable energy on a global scale.

20

23



# Safe Harbor Statement

This presentation contains statements that constitute "forward-looking" statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and as defined in the U.S. Private Securities Litigation Reform Act of 1995. Whenever you read a statement that is not simply a statement of historical fact (such as when the Company describes what it "believes," "plans," "expects" or "anticipates" will occur, what "will" or "could" happen, and other similar statements), you must remember that the Company's expectations may not be correct, even though it believes that they are reasonable. Furthermore, the forward-looking statements are mainly related to the Company's continuing operations, and you may not be able to compare such information with the Company's past performance or results. The Company does not guarantee that the forward-looking statements will happen as described or that they will happen at all. Further information regarding risks and uncertainties that could cause actual results to differ materially from those in the forward-looking statements is included in the Company's filings with the U.S. Securities and Exchange Commission, including the Company's annual report on Form 10K.



Any forward-looking statement speaks only as of the date on which such statement is made, and the Company undertakes no obligation, beyond that required by law, to update any forward-looking statement to reflect events or circumstances after the date on which the statement is made, even though the Company's situation may change in the future. As forward-looking statements involve significant risks and uncertainties, caution should be exercised against placing undue reliance on such statements.



# About this Report



At Emeren, we believe that a sustainable future is within reach, and as a renewable energy company, we are dedicated to playing a significant role in shaping it. This 2023 Environmental, Social, and Governance (ESG) Report details how we are working to fulfill our mission to provide clean, renewable energy solutions that help meet demand while protecting the planet for future generations. The report summarizes our efforts to advance our ESG priorities and performance, while demonstrating our commitment to transparency, accountability, and responsible business practices.



Unless otherwise noted, this report covers Emeren's global operations for fiscal year 2023. Where specified, we also provide historical context to show our progress over time. To ensure accuracy, comprehensiveness, and comparability, we have prepared this report in alignment with the Global Reporting Initiative (GRI) Standards. Calculations and statistics included in this report are estimates and may be based on estimates, assumptions, and projections, and therefore are subject to change, including as a result of the development of Emeren's own internal standards and policies.

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# OVERVIEW





# Letter from the CEO

I am honored to present our 2023 ESG Report, a comprehensive overview of our Environmental, Social, and Governance initiatives, progress, and accomplishments. This report showcases how ESG principles are deeply embedded in every aspect of our operations, guiding our decisions and driving our innovation.

As we reflect on the past year, our commitment to sustainability and responsible business practices has never been more critical. As a renewable energy company, we are driven by a profound dedication to creating a sustainable future for generations to come by harnessing the power of renewables.

From a business perspective, we are strategically positioned to capitalize on the accelerating global adoption of solar technology with our expertise in solar project development, a robust industry network and a solid financial foundation. We are excited about the future of renewable energy and are committed to leading the transformation toward a more sustainable and resilient energy landscape.

In 2023, we successfully:

- We completed the sale of 58 MW of solar projects in Poland, 53.6 MW in Hungary, and nearly 1 GW of DSA agreements in Italy;
- Completed the grid connection of our inaugural solar + storage project in Zhejiang province, China, and sold 29 MW in each of the provinces where we conduct business;
- Completed our rebranding to become Emeren Group Ltd (Emeren), which stands for Empowering Renewables;
- Joined the United Nations Global Compact, aligning our business practices with its principles regarding human rights, labor, environment, and anti-corruption.



## Yumin Liu

Emeren Group CEO





# Letter from the CEO

In early 2024, we acquired a significant energy storage power portfolio, and we have numerous projects underway in China, highlighting our ongoing expansion and commitment to innovation in the solar and renewable energy industry.

In 2023, our IPP Assets generated approximately 253 MW, the equivalent to producing 99,793 MWh of electricity, powering 9,371 homes, fueling 33,264 electric vehicles, removing 4,707 cars from the road, and reducing 21,655 tons of CO<sub>2</sub> emissions globally.

Beyond our contributions to a lower-carbon future, we are committed to reducing our own carbon footprint, improving safety and fostering diversity and inclusion within our organization. Our **Board of Directors** reflects this commitment, with **20% identifying as female**, and **80% identifying as underrepresented minorities**. Our **workforce comprises 58% men and 42% women**.

Safety and inclusivity are paramount in our operations, as evidenced by our record of **zero work-related injuries, fatalities, and incidents of discrimination**. We also prioritize professional development, with **3,688 total employee training hours** and **192 employees trained**. As we grow and expand globally, we remain dedicated to discovering innovative ways to promote sustainability in everything we do.

We recognize that our journey towards sustainability is ongoing. This report is not just a testament to our achievements but also a commitment to future improvements. We are profoundly grateful to our employees, partners, and shareholders for their invaluable contributions. Your hard work, dedication, and belief in our vision propel us forward. We look forward to continuing this journey with you. Together, we can create a more sustainable and equitable world for everyone.

Sincerely,





# About Emeren Group



**Emeren Group Ltd (NYSE: SOL)**, a renewable energy leader, showcases a comprehensive portfolio of solar projects and Independent Power Producer (IPP) assets totaling over 3 GW in our pipeline, complemented by a significant global Battery Energy Storage System (BESS) with capacity of over 6 GWh in our pipeline across Europe, North America, and Asia.

Founded in 2005, we specialize in the entire solar project lifecycle — from development through construction to financing — we excel by leveraging local talent in each market, ensuring our sustainable energy solutions are at the forefront of efficiency and impact. Our commitment to enhancing solar power and energy storage underlines our dedication to innovation, excellence, and environmental responsibility.

As a company, we have made a significant impact on the solar industry. Our large-scale projects around the world contribute to the global increase in renewable energy capacity, helping to reduce reliance on fossil fuels and decrease greenhouse gas emissions (GHG). We are at the forefront of incorporating advanced technologies in our solar projects, including solar-plus-storage solutions. By integrating storage systems with solar production, we enhance grid stability and reliability, maximize energy utilization, and increase cost efficiency, which is essential for the broader adoption of renewable energy.



## Our Values



### Creativity

We think big and creatively, solving complex problems in the solar sector/industry to fund, develop and scale solutions that work.



### Collaboration

Quality communication across multifunctional channels with partners, customers, and regulators makes us a pleasure to work with.



### Commitment

We see things through from start to finish, applying our experience to guide our process to execute on projects swiftly and efficiently.



### Integrity

Rooted in sustainability, we prioritize honesty and transparency. Our decisions are driven by desirable outcomes for all.

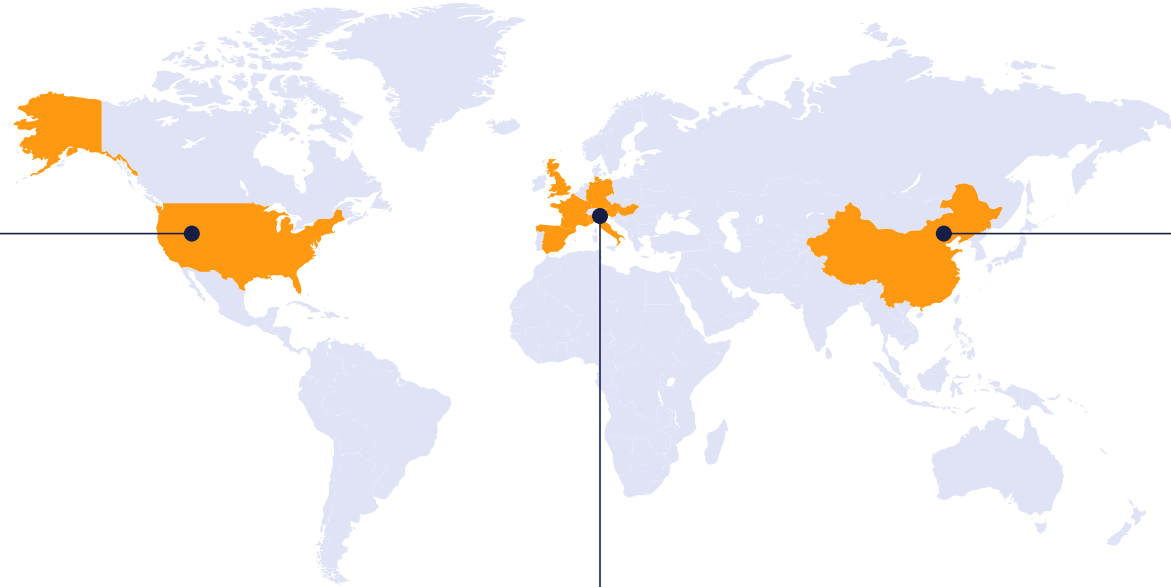


### Justice, Equity, Diversity & Inclusion

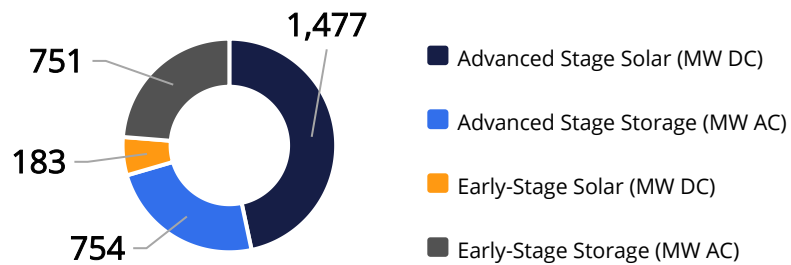
The core to who we are as an organization, fostering community by amplifying diverse perspectives and breaking detrimental barriers



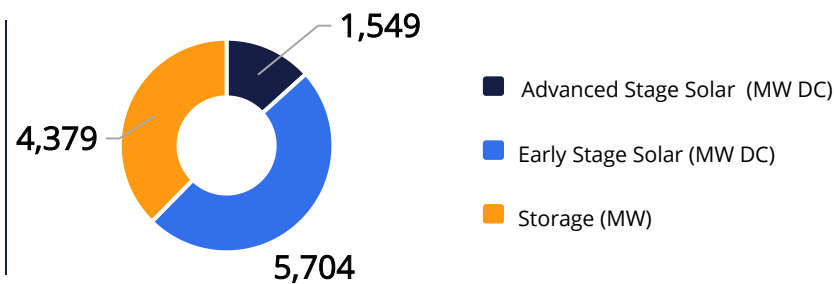
## Our Global Presence



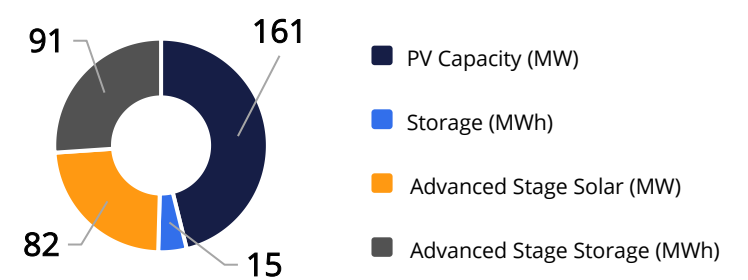
### North America



### Europe



### China





# 2023 Business Highlights



**~822** MW  
Monetized projects



**3.1** GW  
Advanced-stage solar  
project pipeline

**19+** years  
Founded in 2005



**>20** GWh  
Advanced-stage storage  
project pipeline



**5,887** MW  
Of early-stage projects



**3** Continents  
Regional offices in Europe, North  
America, and China

**10** Countries  
Presence in Austria, Poland, Hungary, U.K.,  
Spain, Germany, France, Italy, U.S., China



**253** MW  
IPP Asset Energy Projection





# 2023 Business Highlights



**\$105.6** Million  
Revenue

**72%** y/y  
Revenue Growth 2023

**23.7%**  
Gross Margin

**130** MW  
of Solar Projects Monetized



At Emeren, our financial strategies are deeply intertwined with our commitment to sustainability and community development. We recognize that our long-term success is not only measured by financial performance but also by the positive impact we create in the communities we serve. By investing in sustainable practices and fostering strong community relationships, we ensure that our growth benefits both our shareholders and society at large.



**Ke Chen**  
Chief Financial Officer

# Our ESG Approach

At Emeren Group, our commitment to sustainability is at the core of our operations and values. We have developed a comprehensive approach to ensure that our business practices align with our dedication to ESG principles. We are deeply committed to continuously improving our ESG policies and practices to meet or exceed the evolving standards and expectations of our shareholders, investors, customers, employees, and communities.



## Sustainable Supply Chain Management

Our commitment to sustainability extends to our supply chain. We diligently assess and monitor our suppliers' practices, ensuring adherence to environmental and social standards, thereby fostering a network of responsible and sustainable partnerships.



## Stakeholder Engagement

We believe in the power of collaboration and actively seek partnerships with governments, NGOs, and other corporations to drive sustainable development. Through open dialogue and knowledge sharing, we aim to co-create solutions that address the multifaceted challenges of sustainability.



## Climate Change Mitigation

Through our solar solutions, we are contributing significantly to the global transition towards renewable energy, mitigating climate change by reducing dependence on fossil fuels. We have set ambitious targets aligned with international climate goals to further reduce our carbon footprint.



## Transparent and Ethical Practices

We uphold the highest standards of corporate governance, transparency, and ethics. Our sustainability reports are publicly available, providing insights into our environmental, social, and governance (ESG) performance, thereby building trust among our stakeholders.



## Biodiversity Conservation

Every project is meticulously planned to minimize its impact on local ecosystems. We undertake comprehensive environmental assessments and implement measures to preserve the natural habitat, protect endangered species, and restore biodiversity.



## Empowering Local Communities

Sustainability is a collective effort. We actively engage and collaborate with local communities, ensuring that our projects align with their needs and aspirations. By providing education and job opportunities, we are empowering individuals to be agents of change within their communities.



## Resource-Efficient Technologies

Innovation is at the heart of our mission. We continuously invest in the selection of top-tier suppliers in order to deploy cutting-edge, resource-efficient solar technologies in every project. The photovoltaic modules we operate are designed for longevity, efficiency, and recyclability, minimizing waste and maximizing energy yield.



## Holistic Approach

Our ethos is rooted in a holistic approach to sustainability. This encompasses not only the ecological footprint of our products but also the socio-economic and environmental impact of our operations. Our aim is to foster resilient communities, protect biodiversity, and reduce greenhouse gas emissions.



# Our ESG Approach

Our Board of Directors plays a pivotal role in overseeing our sustainability and ESG strategies and efforts, with these topics discussed at quarterly meetings. To ensure effective management, supervision, and execution of our ESG initiatives, we have established a comprehensive three-tier system of ESG oversight.

## 01 LEVEL | Decision Making

### Board of Directors:

The Board is responsible for ensuring compliance with ESG regulations and maintaining a forward-looking development strategy.

### Board ESG Committee:

The Board's ESG Committee is dedicated to implementing our ESG strategy, formulating plans and policies, assessing and managing risks, and reporting progress on ESG initiatives. By adopting an integrated approach, the ESG Committee collaborates with other Board committees to incorporate ESG goals into our business strategies. The committee, chaired by independent director Mr. Ramnath Iyer, comprises five members.

## 02 LEVEL | Executive

### CEO:

Our CEO is ultimately responsible for ensuring robust environmental protection initiatives within the company, overseeing enterprise risk management to mitigate potential threats and vulnerabilities, and exercises the highest level of direct oversight in shaping and executing Emeren's comprehensive and forward-thinking overall strategy.

## 03 LEVEL | Implementation

### ESG Working Group:

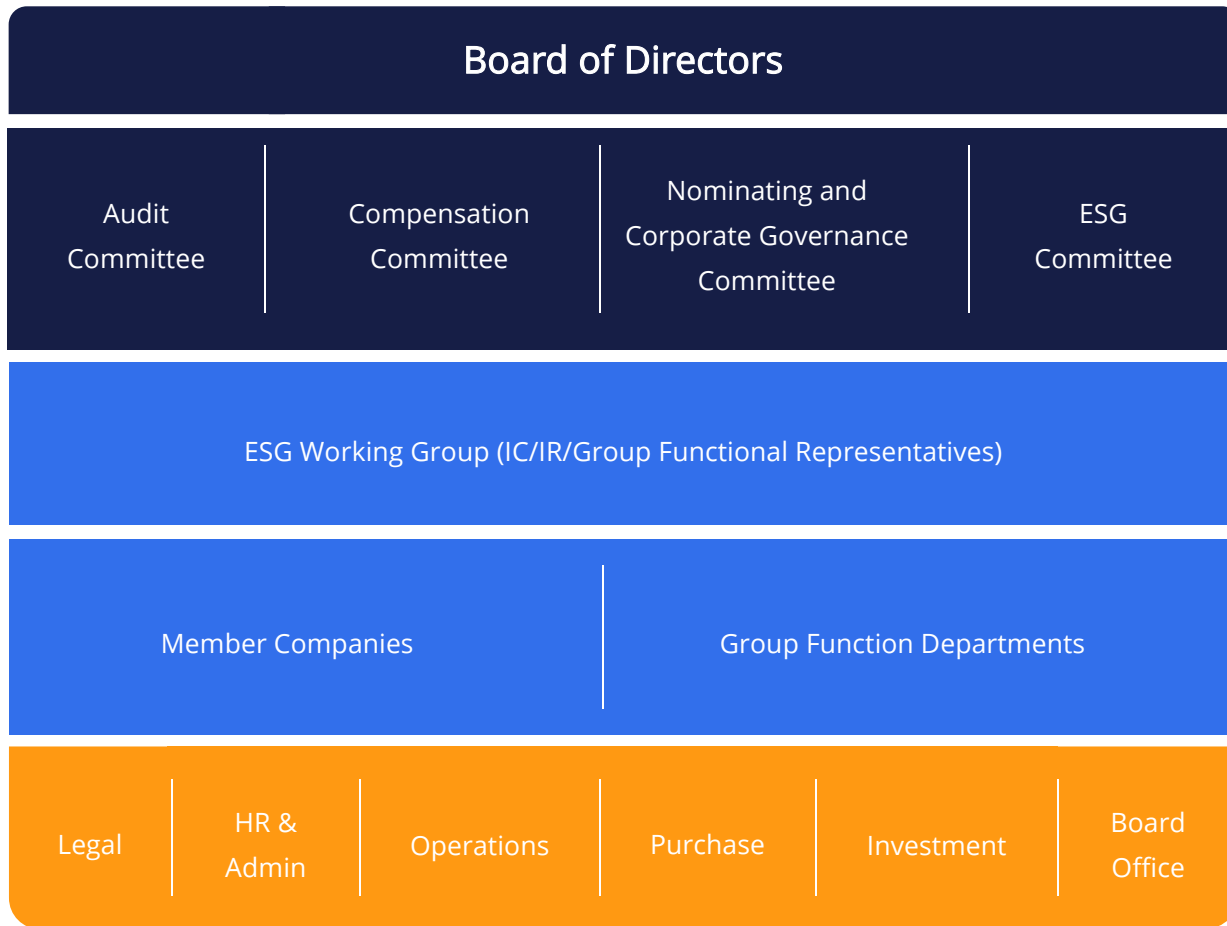
The group was established to implement ESG practices and policies. Its members are selected from various departments, including finance, HR, legal, and investor relations. Operating under the jurisdiction of the Board ESG Committee, the Working Group provides progress updates to the executive department. Guided by the ESG Committee Charter, which outlines the principles, purposes, roles, duties, and responsibilities of committee members, the group follows clear guidelines for processes, decision-making, and implementation. Led by the Chairman of the ESG Committee, the Working Group collaborates closely with the Internal Audit and Internal Control Departments to ensure an integrated and effective approach.

### Internal Control Officer:

Our Internal Control Officer is responsible for overseeing the company's global EHS program and other ESG programs, reporting directly to the CEO. Other duties include updating the Board, promoting the implementation of cross-functional sustainability strategies, and driving the company's sustainability goals, initiatives, and programs. The officer focuses on resource efficiency, supply chain management, risk management, and transparency while utilizing sustainability as a lever to drive growth.

# Our ESG Approach

## ESG Oversight Structure







# Materiality Assessment

In 2023, we conducted a comprehensive and rigorous materiality assessment to help us systematically identify, refine, and thoroughly assess potential Environmental, Social, and Governance (ESG) issues that could significantly impact our company and our stakeholders in the near and long term. Below, we outline the detailed steps of this assessment, starting from the preliminary activities that laid the groundwork, progressing through the core assessment processes, and culminating with forward-looking steps that will guide our ongoing ESG management and strategy.

## 01 STEP | Activities preceding materiality assessment

The ESG Working Group established a new dedicated team to discuss topics relevant to the materiality assessment. We applied independent standards, such as the GRI Standards, to help prioritize our activities and benchmark against our peers. We also identified best practices to improve our strategies, activities, and reporting. Building upon previous initiatives, our materiality assessment aimed to determine, rank, and prioritize our material topics in a structured and holistic manner.

## 02 STEP | Material topics identification and survey design

We brainstormed prospective topics relying on previous knowledge, an analysis of sustainability risks and opportunities, the industry landscape, and broader social, ecological, and economic trends. Through this process, 25 material topics were identified.

## 03 STEP | Data collection

We conducted an online survey to collect input on the 25 identified topics from stakeholders, including our internal governance group, consisting of Directors and CEOs of the various entities within Emeren, as well as employees, investors, shareholders, clients, government representatives, suppliers, partners, media, and community representatives.

## 04 STEP | Prioritizing material topics

Based on an analysis of the survey data, we prioritized the topics from low to high importance to create a materiality matrix. The horizontal orientation of the data points represents the company governance group results, and the vertical orientation represents the general stakeholder group results. Material topics gathered towards the top right in the graphic on the following page represent topics that received a higher level of importance from the perspective of both the corporate governance group and the general stakeholder group.

## 05 STEP | Establishing strategic priorities

Identifying priority material topics allowed us to redirect our efforts to issues that matter most to our stakeholders. This process helped us strategically guide our decisions about specific trajectories of work, projects, and programs. It also served as a foundation for defining priorities and areas of focus for our sustainability strategy.

# Materiality Assessment



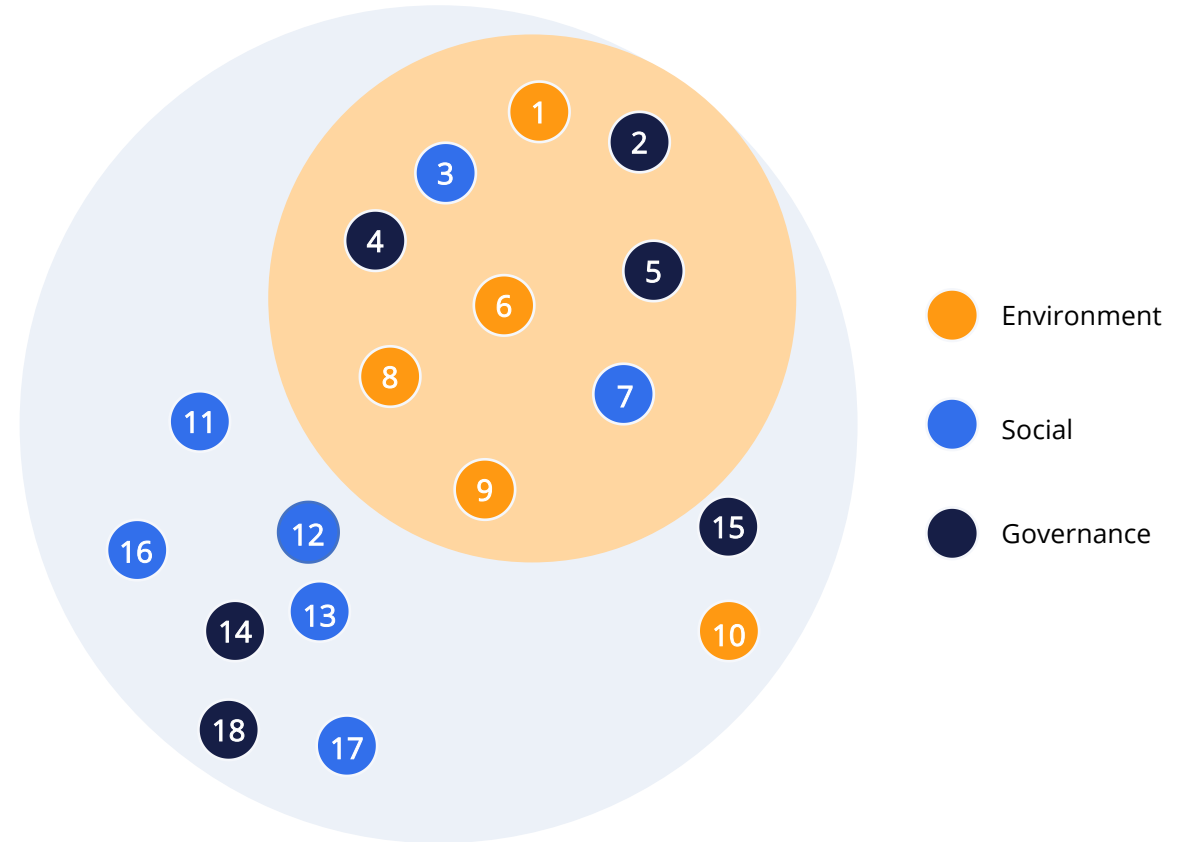
## Highly Relevant

1. Provide and Develop Clean Energy
2. Compliance
3. Occupational Health and Safety
4. Business Ethics
5. Corporate Governance
6. Tackling Climate Change
7. Supplier Assessment and Management
8. Greenhouse Gas Emissions (GHG)
9. Biodiversity Protection

## Relevant

10. Energy Conservation
11. Product Quality and Safety
12. Community Engagement
13. Talent Development and Training
14. Business Growth and Sustainable Profitability
15. Optimize Customer Service
16. Prevent the use of Child Labor and Forced Labor
17. Social License to Operate
18. Economic Performance

## Materiality Matrix





# Alignment with Sustainable Development Goals

To address global challenges, we have integrated the UN Sustainable Development Goals (SDGs) as a central component of our sustainability efforts. By adopting this framework, we can better contextualize our business practices, considering the social and environmental impacts of our activities while acknowledging their interconnectedness and interdependence.

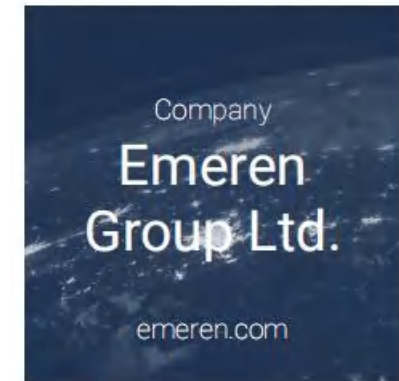


## WE SUPPORT



Emeren is a participant of the UN Global Compact, the world's largest corporate sustainability initiative, and adheres to its principles-based approach to responsible business. We are committed to aligning our strategies and operations with universal principles on human rights, labor, environment, and anti-corruption, while taking actions that advance societal goals. The UN Global Compact unites over 17,000 companies and 4,000 non-business signatories from more than 160 countries. By joining this global initiative, we are demonstrating our proactive stance towards sustainable development and our commitment to driving positive change within our industry and beyond.

## Company Information



**Type:**  
SME

**Country:**  
United States of America

**Sector:**  
Alternative Energy

**Ownership:**  
Publicly Listed

**Global Compact Status:**  
Active

# Alignment with Sustainable Development Goals



## Impact Focus:

Increase the share of renewable energy in the global energy mix



## Impact Focus:

Greater adoption of clean and environmentally sound technologies



## Impact Focus:

Reduce the adverse per capita environmental impact of cities

## Our Efforts:

As a renewable energy company, ensuring that the energy we provide is clean and affordable is central to our mission. We have progressed in this goal by advancing hybrid solutions that combine storage and generation capacity. This approach increases renewable energy reliability and reduces associated costs, making clean and affordable energy a practical and accessible choice for all. In 2023, we entered into a strategic partnership with Matrix to develop a portfolio of Battery Energy Storage Systems in Italy, totaling up to 1.5 GW. Additionally, we launched our inaugural solar energy storage project in China, marking a major milestone in our journey towards sustainable energy solutions.

This year, we took significant strides in driving industrial innovation by entering the Virtual Power Plant (VPP) market with the successful acquisition of a 10.76 MWh energy storage portfolio in China. Located in Zhejiang Province, this portfolio comprises six energy storage power stations operating under Energy Management Services agreements, providing benefits to customers through energy arbitrage. This advancement underscores our commitment to enhancing solar technology and developing infrastructure that promotes a sustainable industrial future.

We continue to redefine urban energy consumption patterns by making solar energy a cornerstone of urban sustainability efforts, promoting cleaner cities and improved urban living conditions. We have integrated responsible waste management into every stage of our project construction and office operations, adhering to the principles of source control and process supervision and treatment. Additionally, our landscape designs comply with slope and ground protection standards, ensuring minimal environmental impact. We are committed to not affecting endangered species and avoiding development on wetlands for all our projects. Through these efforts, we facilitate the transition of cities towards sustainability, reducing their carbon footprint and reliance on non-renewable energy sources.



# Alignment with Sustainable Development Goals



## Impact Focus:

Efficient use of natural resources, integrating sustainability information into corporate reporting cycle and increasing awareness for sustainable development



## Impact Focus:

Tracking our total greenhouse gas emissions per year

## Our Efforts:

We are committed to promoting sustainable energy consumption through various strategic initiatives. In Spain, our comprehensive analysis of land, solar radiation, grid connection infrastructure, and emerging technologies has enhanced project planning. We implemented cost control initiatives to enhance efficiency and optimize resource allocation, focusing on advancing existing project portfolios over new greenfield developments. Additionally, we are a member of the United Nations Global Compact, aligning with its principles in human rights, labor, environment, and anti-corruption. Our commitment extends to community investing, demonstrated by our active participation in China's Government Poverty Alleviation Projects since 2017, while ensuring our projects do not adversely impact historical sites and maintaining good community relationships.

We are committed to being a part of the global solution against climate change by reducing greenhouse gas emissions through the proliferation of solar power plants. This year marks our third year of tracking and disclosing GHG data through our sustainability report, reinforcing our dedication to transparency and accountability in our efforts to combat climate change. By continuously monitoring our emissions and implementing strategies to reduce them, we aim to contribute significantly to global climate action.







# GOVERNANCE

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At Emeren Group, we recognize that robust governance is the cornerstone of sustainable and ethical business operations. Our governance structure, policies, and practices guide our commitment to ethical conduct and long-term value creation and help us uphold the highest standards of integrity, transparency, and accountability. We are committed to fostering a culture of strong corporate governance through rigorous oversight, comprehensive risk management, and adherence to regulatory compliance.

To ensure that members of the Emeren team understand and adhere to our values and principles, we have adopted various charters, guidelines, and codes, including Corporate Governance Guidelines, charters for each major Board committee, and a Code of Business Conduct and Ethics.

## Policies and Procedures that Govern our Actions



Environmental, Social Responsibility and Governance Management System



Corporate Governance Guidelines



Code of Business Conduct and Ethics



Principles for handling violations of Processes and Business Ethics



Foreign Corrupt Practices Act Policy



Disclosure Controls and Procedure



Whistleblower Policy



Insider Trading Prevention Policy



Anti-Fraud and Reporting Mechanism



Related-Party Transaction Management Procedure



Internal Audit Policy



Enterprise IT Management Policy

# Our Board of Directors

## Board Committees

The Board currently has four committees. From time to time, the Board may form a new committee, depending upon the circumstances. Each committee performs its duties as assigned by the Board in compliance with the company's Articles and the committee's charter. The current committees are:



### Audit Committee

The Audit Committee consists of at least three members and is responsible for reviewing the company's accounting and audit processes and independent auditors. The committee has sole authority to appoint the company's independent auditors and to approve any significant non-audit relationship with the independent auditors.



### Compensation Committee

The Compensation Committee consists of at least two members and is responsible for reviewing and approving goals and objectives relevant to compensation, staying informed on market level compensation, and approving the compensation of the CEO. Based on evaluations submitted by management, the committee recommends compensation levels and systems for Board members, officers, and other senior employees, other than the CEO, that correspond with the company's goals and objectives.



### Nominating and Corporate Governance Committee

The Nominating and Corporate Governance Committee consists of three members and is responsible for recommending individuals to be nominated as directors and committee members. This includes evaluating new candidates and current directors. This committee also performs other duties as are described in these Guidelines and prepares any disclosure of the nominating process required by applicable rules and regulations.



### ESG Committee

The ESG Committee consists of four members and is responsible for identifying ESG risks and opportunities relevant to the company and maintaining compliance with relevant laws and regulations regarding our sustainability performance. Additionally, the committee oversees our strategic planning, policies and disclosures as they relate to the various ESG topics identified through our Materiality Assessment.



# Our Board of Directors

Our Board of Directors, along with dedicated subcommittees, plays a crucial role in guiding our governance strategies and ensuring we meet the expectations of our shareholders, stakeholders, and the broader community. As of the end of 2023, the Emeren Board consisted of five members, three of whom qualify as independent. Among these members, 20% identify as female, and three nationalities are represented. The Board currently has four standing committees to support its duties and responsibilities: the Audit Committee, Compensation Committee, Nominating and Corporate Governance Committee, and ESG Committee. In 2023, all Board members attended 100% of their respective meetings.



**Himanshu H. Shah**  
*Chairman of the Board*



**Martin Bloom**



**Julia Xu**



**Ramnath N. Iyer**



**Yumin Liu**

Audit Committee

**Chair**

Member

Member

Compensation Committee

Member

**Chair**

Nominating and Corporate Governance Committee

Member

**Chair**

Member

ESG Committee

Member

Member

**Chair**

Member

Independent/ Non-Independent

Independent

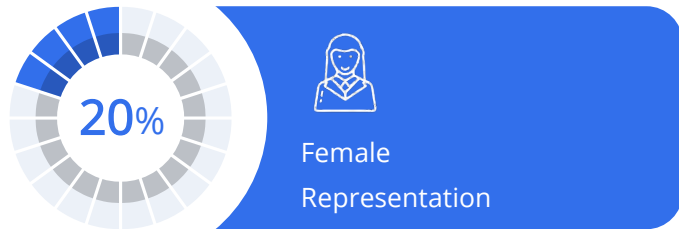
Independent

Independent

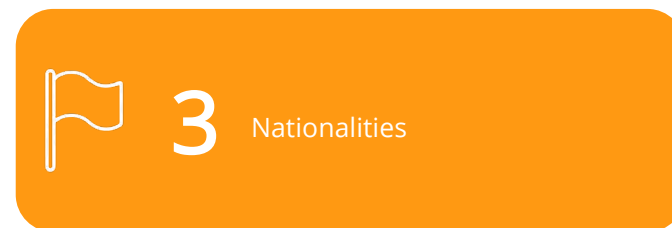
# Our Board of Directors



**Martin Bloom**  
Member, Board of Directors



We are proud of the significant strides we have made in our ESG initiatives. Our commitment to environmental sustainability, social responsibility, and robust governance practices is at the core of our operations. We continually strive to integrate ESG principles into every aspect of our business, ensuring that we not only meet but exceed the expectations of our stakeholders. This progress reflects our dedication to creating a sustainable future while driving long-term value for our company and the communities we serve.





# Our Board of Directors

## Board Responsibilities

The Board of Directors is responsible for managing Emeren's business affairs, either directly or through its committees. Their duties include both overseeing the company's business to ensure proper management as well as reviewing and approving major financial objectives, plans, and actions. The Board also approves significant changes in auditing and accounting principles and updates governance policies. Additionally, the Board evaluates and approves actions that could significantly impact the company's financial structure or control. With input from the Compensation Committee, the Board regularly evaluates management performance and approves the compensation of the CEO and senior executives. The Board also monitors succession planning for key executives, ensures the business is conducted ethically and in compliance with laws and regulations, and performs other necessary functions as determined by the Board or required by regulations.

## Director Qualification Standards

The Nominating and Corporate Governance Committee annually reviews the qualifications and skills required for the Board and its members. It evaluates candidates based on their ability to provide an independent perspective, their understanding of marketing, finance, and other critical business elements, industry experience, and familiarity with relevant social policies. Technical knowledge of the Company's business, serving on other company boards, and educational and professional backgrounds are also considered. Candidates must demonstrate intelligence, honesty, good judgment, and high ethical standards. Upon Committee approval, the Board assesses each candidate in the context of the overall Board composition, aiming to assemble a group that can effectively oversee the company and represent shareholder interests. The committee also considers a director's meeting attendance, participation, and contributions when recommending re-election.

## Selection of New Directors

The Board recommends director candidates for election by the company's shareholders at the annual shareholder meeting. Per the Company's Articles and governing corporate law, the Board may fill vacancies or newly created directorships between annual meetings. The Nominating and Corporate Governance Committee is responsible for identifying, screening, and recommending candidates to the Board for membership.



# Our Board of Directors

## Term Limits

The Board does not believe it is in the best interests of the Company to establish term limits at this time. It is our view that term limits may result in losing valuable contributions from directors who over time have been able to develop valuable insight into the company's business. Unless the Board makes an exception to this standard, a director shall retire after reaching the age of 70.

## Compensation

Senior management reports annually to the Compensation Committee on the status of non-executive director compensation compared to similar non-U.S. companies and competitors. This report includes direct and indirect compensation, including charitable contributions to organizations involving non-management directors. The Compensation Committee reviews the report and recommends any changes to the Chairman.

## Annual Self-Evaluation

Following the end of each fiscal year, the Nominating and Corporate Governance Committee oversees an annual Board performance assessment. This committee establishes evaluation criteria, implements the process, and considers other relevant corporate governance principles. The assessment reviews areas where the Board or management believes improvements can be made, the committee structure, and the Board's compliance with the principles in these guidelines. The committee uses the evaluation results to assess the characteristics and skills needed for prospective Board candidates.

## CEO Succession Planning

The Nominating and Corporate Governance Committee periodically collaborates with the CEO to review, maintain, and revise the company's succession plan for the CEO's retirement and unexpected events. Additionally, the Board strives to ensure an effective system for the education, development, and orderly succession of senior and mid-level managers throughout the company.





# Management Approach

In compliance with laws and regulations, Emeren maintains a culture of integrity rooted in the highest standards of anti-corruption. Our compliance management is both process- and data-driven, and is a significant component of our forward-looking, flexible and efficient compliance system. All employees, risk-management teams, and independent audit and legal compliance teams constitute the "defensive lines" of this system.

We adhere to the integrated management systems approach where each function is aligned to improve the performance of the entire organization. We work toward coordinated efforts that are greater than the sum of its parts. An integrated system provides a clear, uniform perspective of our entire organization. The integrated nature of our approach and dedicated compliance with relevant standards make it easier to adopt new systems in the future.

Our management, at all levels, align with the following objectives:



Surveillance, evaluation, and improvement



Reputation, transparency, and trust



Commitments, standards, and requirements

## 01. First Line of Defense

### All Employees

#### Ethical Business Conduct

- All employees have a duty to report any known or suspected violation of the Code, including any violation of laws, rules or Company policies. If they know of or suspect a violation of the Code, they immediately report the conduct to their supervisor and IC Dept.

## 02. Second Line of Defense

### Risk Management Teams

#### Internal control and compliance

- Laws and regulations compliance;
- Anti-Corruption compliance;
- Information security compliance;
- Auditing compliance;
- Internal control; and
- Transaction risk control.

## 03. Third Line of Defense

### Independent Audit and Legal Compliance Teams

#### Internal control and compliance

- UHY provides independent audit for consolidated financial statements.
- The company established a Legal Compliance Procedure for international business, and gradually improves the system with the development of international business.



At Emeren, we uphold a Code of Business Conduct and Ethics that every member of our organization follows. This code protects the interests of employees and stakeholders, outlines expectations regarding ethical behavior, and ensures compliance with both laws and our internal policies and procedures. Recognizing that corrupt business practices pose significant investment risk and create negative externalities for the broader economy and society, we have established an Anti-Bribery and Corruption Policy. We have also deployed procedures to maintain equality among employees, uphold honesty and integrity, prohibit corruption and bribery, prevent insider trading, and avoid conflicts between business and personal interests. Additionally, we have implemented a Whistle Blower Policy and Anti-Fraud and Reporting Mechanism to encourage the reporting of unethical behavior and ensure thorough investigations and appropriate actions are taken to uphold our commitment to ethical practices

Everyone at Emeren is obligated to safeguard the company's confidential information and intellectual property and ensure that financial reporting, international trade, and competition practices are legal and compliant. The company has maintained a clean record and has not been sanctioned by relevant authorities for unfair competition or violations of antitrust and anti-monopoly laws.





# Risk Management



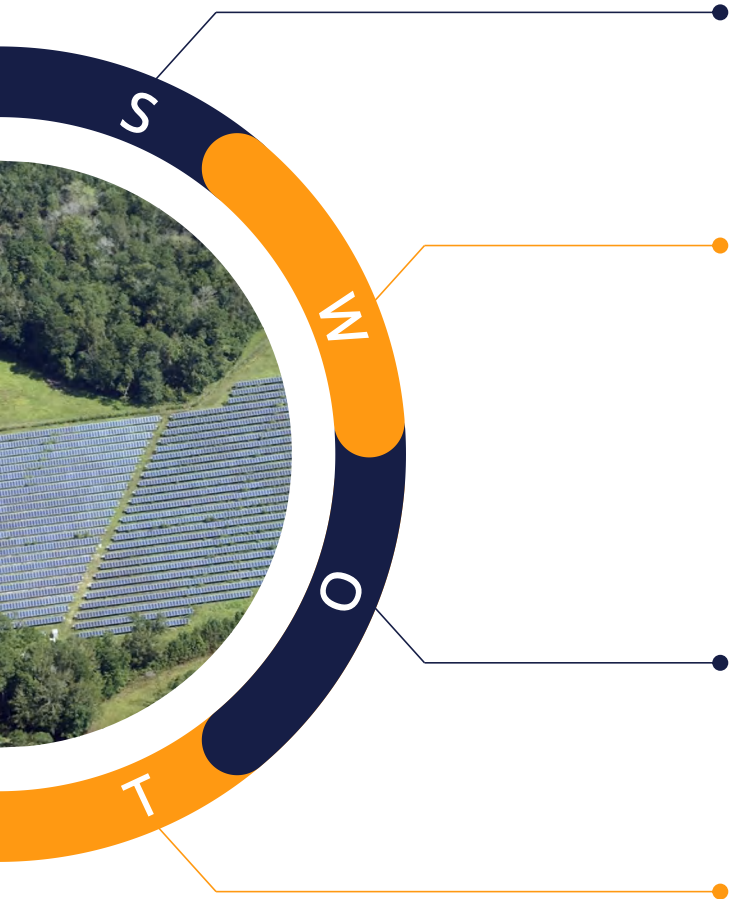
We conduct business globally with offices in 11 different countries. Additionally, we operate solar power projects and sell electricity to the local or national grid. As such, an effective risk management strategy is imperative to our operations. Our risk management strategy is authorized and supervised by the Audit Committee and is conducted by the Internal Audit and Internal Control Department. To safeguard against conflicts of interest, the Audit Committee of the Board of Directors is led by an independent director.

The Internal Audit and Internal Control Department is responsible for conducting a risk assessment report that includes risk management strategies, which are submitted to the Audit Committee and management. Our Internal Audit Policy guides their efforts. Risks and opportunities covering the scope of the environment, climate change, and social aspects pertaining to the business and operations of the company have been included in our annual reports. The application of these policies has been effectively executed by corresponding departments and regularly monitored by the Board and Internal Audit Control Department.

As part of our comprehensive risk management strategy, we have conducted a Strengths, Weaknesses, Opportunities, and Threats (SWOT) analysis to evaluate our current position and identify key areas for improvement and growth. This analysis helps us better understand the internal and external factors that impact our business. By leveraging our strengths and addressing our weaknesses, while capitalizing on opportunities and mitigating threats, we can strategically navigate the dynamic landscape of the renewable energy industry. The follow page includes a detailed assessment of our situational analysis.



# Risk Management



## Strengths:

- Strong brand name and excellent execution track record in the solar industry.
- A long-term trusted customer base.
- A leading global solar developer operating in the largest three solar markets in the world: Europe, USA, and China.
- Diversified portfolios and local experienced teams with market-leading positions in Poland, Italy, UK, Germany, Hungary, and Spain, and the USA community market in Minnesota, Maine and New York.



## Weakness:

- Fluctuating revenue and profit quarter-over-quarter due to the long development cycle of solar projects.



## Opportunities:

- Solar is a more affordable and cleaner source of energy than fossil fuels.
- Levelized Cost of Electricity (LOCE) of solar reach parity is even lower than traditional gas and coal.
- Global climate issues driving the demand for solar energy.
- In 2021, the United Nations Framework Convention on Climate Change (UNFCCC) COP 26 asked the world to preserve a livable climate, for which greenhouse-gas emissions must be reduced to "Net Zero" by 2050. Europe, USA, and China are the leading markets to drive these goals with clean energy, including solar.



## Threats:

- Focus on small- and mid-utility sized projects that have limited competition.
- Interest rate increases and labor shortages for solar professionals.
- Broken or high-cost supply chains caused by the pandemic and political issues.
- Entry of traditional energy companies into the renewable energy space.






# Operational Compliance

We believe that by maintaining and enhancing operational compliance, we can strengthen the confidence of our investors and strategic partners, improve profitability, and increase competitiveness. In every region and country where we operate or own projects, we engage with qualified law firms to improve our risk management practices, increase transparency, and enhance governance. We require all employees at all levels to adhere to our corporate policies.

Our comprehensive policies and procedures reflect Emeren's core commitments and ensure organizational compliance. All compliance reviews are conducted in line with our stringent quality standards. To guide our commitments and align with international best practices, we maintain certifications and systems including an Environmental Management System, Occupational Health and Safety Assessment Series (OHSAS), and a Risk Management System.

Our operations comply with the Sarbanes-Oxley Act (SOX), the US Foreign Corrupt Practices Act (FCPA), the Civil Code of the People's Republic of China, the Company Law of the People's Republic of China, and other relevant international, national, regional, and local regulations. We have established an internal control system aligned with FCPA and SOX standards. This system includes our Internal Control Policies and Standards, FCPA Policy, and specific procedures and authorization protocols for creating, reviewing, approving, publishing, implementing, monitoring, and auditing official documents and files. Compliance with these controls is mandatory for the Board, management team, all employees, and subsidiaries of the company.



We continually train our staff to stay current on legal requirements, offering internal online exercises and external lectures. Weekly meetings now include discussions on new regulations, and we regularly provide specialized training to keep staff informed on legal and financial regulations.



# Data Privacy and Cybersecurity

At Emeren, we prioritize data privacy and cybersecurity, implementing rigorous measures to protect sensitive information and defend against cyber threats. Our Enterprise IT Management Policy, along with our Privacy Policy and our Information Management and Confidentiality Policy, guide our efforts. We conduct dedicated training sessions for all employees on protective measures, recognizing warning signs of attacks, and system recovery. Additionally, we have robust internal systems and structures overseen by designated personnel.

The Board of Directors and company management regularly review our cybersecurity preparedness, the security of both external-facing and internal systems, and ongoing measures to maintain and enhance our cybersecurity defenses. We have implemented multiple data systems; each designed for specific tasks to regulate and safeguard company data. Our systems are designed to ensure the security and availability of end-user computing, maintain the integrity and accuracy of processed data, and manage data processing developed by users (such as report development) and application software of the reporting system (such as programs developed using Microsoft Excel, Microsoft Access, and other spreadsheet tools).

We have introduced an Online Behavior Management System and an Information Security Code of Conduct to strengthen our governance of internet use and information security. The Online Behavior Management System sets clear company guidelines for managing internet behavior to boost work efficiency and effective network resource utilization, by regulating employee access to content and managing online time. The Information Security Code of Conduct establishes critical IT security guidelines for all employees to enhance security awareness, standardize the use of PC and IT systems, and ensure confidentiality, integrity, and availability crucial for the growth of our business. Additionally, sensitive information is rigorously protected through access control measures that strictly comply with our information security management system. This year, we further updated and bolstered these measures to reinforce our cybersecurity framework.



We have implemented comprehensive training and awareness programs for employees focused on cybersecurity and email phishing. This training includes materials on identifying and reporting malicious and fraudulent websites. Additionally, we are establishing a formal process for reporting suspicious emails to the IT team. Our IT department continually enhances anti-phishing measures by updating domain blacklists, file type blocking, and other in-house controls.

We are pleased to announce that Emeren remained untouched by any data breaches in 2023, demonstrating the effectiveness of our stringent cybersecurity measures and unwavering dedication to protecting sensitive information.





# Our Culture

At Emeren, social responsibility is a cornerstone of our mission and values. We are dedicated to fostering a positive corporate culture, actively engaging with stakeholders, and prioritizing the health, safety, and wellness of our employees.

We believe that cultivating a strong culture is essential to our success. Our company culture is deeply rooted in our commitment to ESG principles, and guides our decision-making, operations, and stakeholder interactions. We strive to create a working environment that is inclusive, collaborative, and aligned with our core values. We place a strong emphasis on diversity, equity, and inclusion (DE&I), human capital development, and the protection of human rights.

Additionally, we uphold responsible procurement and supply chain practices while making meaningful community investments. Through these initiatives, we aim to create a sustainable and inclusive environment for our employees, partners, and the communities we serve.

## Policies and Procedures that Govern our Actions



Supplier Management Policy (SQE)



Occupational Health & Safety Policy



Workplace Discrimination and Harassment Policy



At Emeren, our employees are our greatest asset, and effective human capital management is central to our success. We are dedicated to fostering an inclusive, supportive, and growth-oriented environment where every team member can thrive. Our comprehensive development programs, competitive incentives, and commitment to diversity and inclusion ensure that we attract, retain, and nurture top talent. By investing in our people, we are not only enhancing their professional growth but also driving the innovative and sustainable future of our company.



**Jake Snow**  
VP, Human Resources





# Stakeholder Engagement

Our commitment to corporate responsibility is built upon a thorough stakeholder analysis, incorporating a wide range of impacts and integrating multiple stakeholder perspectives. This approach enables us to combine financial and non-financial considerations, allowing us to focus our actions on issues critical to achieving our goals, securing our business model, and managing our impact on society.

## Fundamental expectations

## Platforms for engagement

## Stakeholder priorities

### Investors

Profitability, clarity, credibility, transparency, and effective dissemination of information, disclosures and updates.

Investor and analyst presentations, annual general meetings, quarterly reports, press releases.

Energy and emissions, business integrity and ethics, fair labor and human rights, diversity and inclusion.

### Regulators & Governing agencies

Create a positive impact through new jobs, and innovative technologies, drive progress, comply with legislation.

Press releases, regular meetings and calls, regular emails, industry events.

Energy and emissions, business integrity and ethics, occupational health and safety, fair labor and human rights, product quality, reliability and safety.

### Clients

Resources, tools, and expertise to meet their needs. We commit to client satisfaction and investing in client trust.

On-site visits, installation and maintenance, website, regular meetings and calls, industry events.

Energy and emissions, fair labor and human rights, diversity and inclusion, product quality, reliability and safety, customer engagement and satisfaction.

### Employees

Excellent working conditions, opportunities to learn and grow, recognition, initiatives for well-being, engagement.

Emails, regular meetings, and trainings all play crucial roles

Energy and emissions, product quality, reliability and safety, occupational health and safety, fair labor and human rights, employee engagement, learning and development, community investment, business integrity and ethics

### Suppliers

A long-term contractual relationship based on trust, fairness, synergy, and shared values.

Questionnaires, emails, regular meetings, calls.

Occupational health and safety, fair labor and human rights, business integrity and ethics.

# Health, Safety, and Wellness

We are committed to protecting the health, safety, and wellbeing of our team, contractors, and the communities in which we operate. Our efforts are guided by several key policies, including our Environmental Safety Supervisory Management System Policy, and our Occupational Health and Safety Policy, which we established in 2023 to guide our efforts towards achieving our goal of “zero harm.” At Emeren, we know that individual responsibility and a steadfast commitment to a strong safety culture are essential for achieving an incident- and injury-free workplace. Our guiding principles for health and safety include:

- All injuries and near-miss incidents must be reported and prevented;
- Employees have the right to refuse unsafe work and should only perform tasks under safe conditions;
- Working safely is a condition of employment, expected from all employees at every level of the company; and
- Health and safety are a shared responsibility for everyone.

## Occupational Health and Safety Policy

Our commitment to health and safety is structured around a comprehensive Health & Safety System Framework. This framework is built on four critical pillars: Leadership, Procedures & Equipment, Competence, and Supportive Culture. Each pillar plays a vital role in fostering a safe and healthy work environment across all levels of the organization.

## Health & Safety System Framework:

### Leadership

- Clear vision, goals and objectives
- Safety champions who model expected behaviors

### Procedures & Equipment

- Documented methods for all safety-sensitive tasks
- Technically sound, best-in-class procedures
- Safe equipment and physical work environment

### Competence

- Clear standards & qualification requirements
- Effective recruitment
- Competence assurance
- Timely and effective training
- Safety Organization & specialists

### Supportive Culture

- “Safety-first” mindset
- Safety is everyone’s responsibility
- We take care of each other
- All incidents are preventable
- Risk-free reporting

### Leading Indicators

Hazards, Near Misses, Safe and Unsafe Observation, First Aids, Inspections, Audits.

### Lagging Indicators

Medical Treatments, Lost Time Injuries, Severity, Analyzed by Injury Type, Part of Body, Location, etc.



# Health, Safety, and Wellness

Prior to commencing work on any project site, our Occupational Health and Safety Policy requires the completion of a hazard identification and risk assessment to clearly identify any tasks or events that may have an impact on employee health and safety at any time during the project lifecycle. The policy also states that if potential hazards are identified, the appropriate measures and controls should be introduced to eliminate or control the observed or predicted hazards. To help us achieve the highest levels of safety performance, we have a well-developed system for reporting, reviewing, and analyzing hazardous conditions and near miss incidents. We conduct regular workplace inspections to identify, evaluate, and minimize potential hazards.

We continue to uphold the standards of our Workplace Discrimination and Harassment Policy and are committed to providing a safe, violence-free workplace with a zero-tolerance policy for violent or threatening behavior. Our Occupational Health and Safety Policy also covers critical topics such as vehicle safety, fire protection and prevention, fall protection, and ergonomics. During orientation, new employees are required to complete an online health and safety course, which includes topics such as hazard awareness, reporting procedures, emergency response, and personal protection equipment requirements. Additional training may be provided for specific roles.



# Health, Safety, and Wellness



## Emergency Response

We have an Emergency Response Plan that guides our efforts to respond to emergent situations with efficiency and effectiveness. Our coordinated procedures and documents clearly define emergency response roles and responsibilities. In addition, our new employee health and safety orientation includes topics related to emergency response and additional emergency response training is administered as needed.



## Employee Well-being

We prioritize the well-being of our employees, understanding that a healthy and engaged workforce drives innovation and productivity. Our wellness programs address physical, mental, and emotional health, offering initiatives such as flexible work arrangements. We promote work-life balance, stress management, and open communication channels to support our employees' overall well-being.



## Safety Performance

As a result of our continued efforts and focus, we maintained a strong safety record in 2023 with zero workplace injuries, zero workplace fatalities, and a zero lost time injury frequency rate. We are committed to continuously improving our health and safety practices through internal audits and assessments, employee involvement and feedback, incident analysis and learning, training and education, leadership commitment, objectives and targets, communication and transparency, and employee recognition. By embracing a culture of continuous improvement, we aim to maintain an injury-free and healthy work environment for everyone associated with Emeren.

## Employees Well-being

0

Work-related injuries

0

Work-related fatalities

0

Total number of discrimination incidents

0

Lost time injury frequency rate



# Diversity, Equity, and Inclusion

As a global organization, we are dedicated to being an equal opportunity employer at all levels. We believe our strength comes from the diversity of our workforce, and we are committed to fostering an inclusive environment that respects and values individuals from all backgrounds, irrespective of race, gender, age, sexual orientation, disability, or any other characteristic.

## Equitable Opportunities

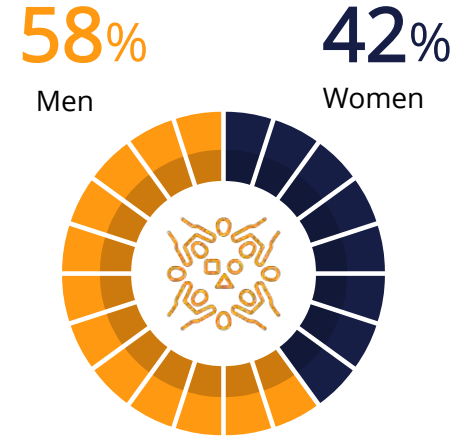
Our Equal Employment Opportunity Policy emphasizes fair treatment and equal opportunities in employment. We approach talent acquisition, internal pay scales, and promotions based on qualifications, capabilities, skills, and potential. We strive to create an inclusive, equitable, and dynamic workplace free from discrimination, as outlined in our Workplace Discrimination and Harassment Policy, which prohibits any forms of discrimination and harassment based on race, gender, color, social status, ancestry, disability, sexual orientation, age, religious beliefs, or any other characteristic protected by local laws and regulations.

## Workforce Diversity

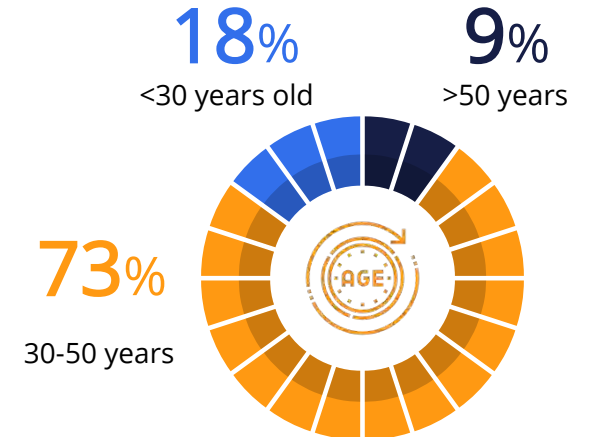
We are proud of our diverse workforce, representing a wide range of ethnicities, genders, ages, and backgrounds. This diversity fosters innovation and excellence by bringing various perspectives to challenges. We are committed to enhancing representation at all levels, especially in leadership, and creating a safe, respectful workplace where everyone can contribute their unique talents. Our recruitment practices, employee training programs, and ongoing diversity initiatives reflect our dedication to diversity and inclusivity. We view the journey to a fully inclusive and equitable workspace as continuous and are dedicated to adapting our DE&I initiatives based on feedback and evolving needs.

Our globally diverse workforce includes employees from Chinese (89), American (30), Canadian (4), British (4), Polish (16), Hungarian (7), Italian (10), Spanish (10), French (5), German (4), Austrian (5), Azerbaijani (1), Bulgarian (1), Colombian (1), Malaysian (1), Pakistani (2), Serbian (1), and Slovakian (1) backgrounds.

### Gender Diversity



### Age Diversity



### Employee Turnover Rate

24.74%

38%  
Europe

44%  
China

### Global Headcount by Location

18%  
North America



# Human Capital Development

Our success is fueled by the collective expertise, unwavering dedication, and genuine passion of our employees, who bring diverse perspectives and innovative ideas to the table. We are deeply committed to fostering a culture that embraces inclusivity, encourages continuous learning, and fosters professional growth, creating an environment where every team member feels valued and supported. While prioritizing the health, safety, and overall well-being of our workforce, we strive to ensure that they have the resources and support needed to thrive both personally and professionally. Our comprehensive Human Capital Management and Development practices are thoughtfully designed to attract the brightest and most promising talents, retain them through meaningful career development opportunities, and nurture their skills and potential. These practices align seamlessly with our sustainability goals and principles, reinforcing our commitment to building a resilient, forward-thinking organization that values its people and their contributions to our collective success.

## Talent Management and Succession Planning

Identifying, nurturing, and retaining talent are critical to our long-term success. We have implemented a comprehensive talent management and succession planning framework to ensure the continuity of key roles and maintain organizational resilience. As detailed in our Employee Handbook, this framework includes annual performance assessments that incorporate key performance indicators (KPIs) and goals, individual development plans, leadership development initiatives, and career progression opportunities.

Our comprehensive incentive system plays a crucial role in our talent management and succession planning efforts by recognizing and rewarding top talent, ensuring their continued motivation and alignment with our organizational goals. Top performers in each region receive incentives such as salary adjustments, cost of living adjustments, and performance bonuses. To attract talent in a competitive market, we have introduced project incentives, spot bonuses, and an employee referral incentive program. Additionally, we have launched country-specific incentive programs tailored to business development milestones. For high-performing and senior employees who have been with the company for at least a year, we also offer stock option plans.

For new hires, we offer comprehensive training and orientation to equip them with the necessary knowledge and skills to succeed and integrate into our company culture. We prioritize internal promotions by identifying current staff with the necessary skills and qualifications for newly opened roles before seeking external candidates. By providing clear pathways for growth and advancement, we foster a culture of internal promotion and talent retention.





# Human Capital Development

## Remuneration and Benefits

Our remuneration structure is designed to incentivize employees to achieve our strategic goals while aligning with the interests of our stakeholders. It adheres to effective risk management principles and complies with all local labor laws and regulations. We ensure our salaries are competitive within the industry.

Emeren Group is committed to upholding the standards of living wages in all countries where it operates. We recognize the importance of fair compensation for our employees and strive to ensure that our wage practices reflect a commitment to social responsibility and respect for human dignity. By adhering to living wage standards, we aim to contribute to the economic well-being and quality of life of our workforce and their families.

Since 2020, we have continued to provide flexible working hours, including options for remote work, and staggered in-office schedules to facilitate social distancing. While our standard full-time workweek is 40 hours, we apply this with reasonable flexibility to accommodate our employees' needs. In addition to Employers Liability Insurance, we provide the following supplemental commercial insurances:

- USA/Canada - Health Insurance, Dental, Ophthalmology, Flexible Spending Accounts, Family Leave;
- USA - Worker's Compensation Coverage, 401K plan, Life Insurance, Vision Plan;
- Canada - RRSP Plan;
- China - Pension Insurance, Medical Insurance, Maternity Insurance, Family Leave, Work-Related Injury; Insurance, Unemployment Insurance;
- Europe - As per local laws and regulations; and
- Directors and Officers (D&O) Liability Insurance.
- A global employee assistance program (EAP).



## Autonomy & Decision Making

We believe in empowering our employees by giving them a significant level of autonomy in their work. Recognizing the potential in each team member, we allow them to have decision-making power within defined boundaries, aligning with our Delegation of Authority (DOA) policies. This not only fosters a sense of ownership and responsibility but also nurtures an environment where innovative ideas can flourish.



# Human Capital Development



## Employee Engagement

Our employees are integral to our success at Emeren. We value their ideas and input, maintaining open channels of communication to encourage the sharing of thoughts and suggestions for improvement. We appreciate the diversity of perspectives, recognizing that every contribution is a step towards our collective success.

To foster engagement, we regularly distribute Emeren newsletters that communicate business progress, gather feedback through opinion surveys, and hold regional events throughout the year. In 2023, these events included a staff outing at Club Med Anji in China, a gathering in Las Vegas, Nevada for our USA team, and a staff outing in Lisbon, Portugal for our European team.

We value the ideas and input from all employees, encouraging them to share their thoughts and suggestions for improvement openly. We appreciate the diversity of perspectives, recognizing that every contribution is a step towards our collective success. Our employees are integral to our success at Emeren, and we strive to maintain open channels of communication with them.



# Human Capital Development

## Employee Training



3,688/19.16h

Total number of employee training hours/average hours per FTE of training and Development



192

Total number of employees trained

### Topics covered in training sessions:

- Basic administration
- Travel and reimbursement regulations
- Network security and phishing email prevention
- Whistleblower and business ethics
- Employee code of conduct
- Job training, mentorships and course-based training
- Insider trading policies and practices
- Site project management
- Energy storage training
- Safety training
- Technical and engineering training
- Legal training
- Building and fire codes training
- Local regulatory and tax training



We are steadfast in our commitment to upholding human rights across all aspects of our operations. Our human resources policies for staff and contract workers are designed to meet the requirements of international human rights standards, including the conventions of the International Labour Organization (ILO). We are dedicated to ensuring that our practices align with both global social responsibility standards and local labor laws and regulations.

To reinforce these commitments, we provide comprehensive training programs, including Whistleblower, Business Ethics and Occupational Health & Safety, which are focused on maintaining high standards of health and safety in the workplace to protecting the well-being of our employees. In addition to these specific training courses, we continually strive to foster a culture of respect and dignity within our organization. We believe that every employee has the right to work in an environment that is free from discrimination, harassment, and any form of exploitation. Our commitment to human rights extends beyond our immediate operations to our supply chain, where we expect all partners to adhere to the same high standards.

By integrating these principles into our daily operations and corporate governance, we aim to create a workplace that not only respects but also actively promotes human rights, contributing to the overall betterment of society.

## 01 | Prohibition of Child and Forced Labor:

We strictly prohibit the use of child labor and forced labor within our operations and do not cooperate with any suppliers or subcontractors who engage in such practices.

## 02 | Respect for Employee Freedom:

We respect the freedom of our employees and prohibit any form of forced labor, ensuring that all work is voluntary, and employees are free to leave their employment under reasonable notice.

## 03 | Safe and Hygienic Working Conditions:

We are committed to providing safe and hygienic working conditions for our employees, ensuring their safety and health at all times.



# Responsible Procurement and Supply Chain

At Emeren, we understand that the integrity of our supply chain is critical to our mission of promoting sustainability and ethical practices. Recognizing the broad spectrum of supply-chain risks, including labor practices, occupational health and safety, biodiversity, climate change, pollution prevention, and stakeholder relations, we are steadfast in our commitment to working with suppliers who share our values and adhere to the highest ESG standards.

## Managing our Supply Chain

Our supply chain management strategy aligns with our broader ESG risk management approach, incorporating continuous ESG due diligence and active stakeholder engagement. By integrating due diligence at every stage of our value chain, we hold our suppliers accountable for their environmental and social impacts, product and service quality, and business ethics.

Our Supplier Management Policy aims to standardize supplier management, improve procurement quality, and reduce costs. The policy applies to all subsidiaries and covers procurement categories, including engineering materials, maintenance supplies, fixed and intangible assets, and services. The Supplier Quality Engineer (SQE) leads the process, overseeing supplier imports, evaluations, and maintaining the Approved Vendor List (AVL). A multidisciplinary Supplier Review Team evaluates, introduces, and eliminates suppliers, ensuring compliance with our rigorous standards.



# Responsible Procurement and Supply Chain



## Supplier Evaluation and Audits

We conduct rigorous evaluations and audits of our suppliers to assess their compliance with our Supplier Management Policy. These evaluations include site visits, document reviews, and interviews to ensure that our suppliers meet our stringent requirements. We also collaborate with third-party auditors to conduct independent assessments when necessary. Criteria for supplier shutdown include poor performance, financial instability, and unethical behavior.

## Sustainable Sourcing

We strive to source materials and components that have minimal environmental impact and meet recognized sustainability criteria. In the process of procurement and supervision of supplier deliveries, we take measures to ensure that suppliers' products comply with national or industry standards and customer requirements. This includes adherence to product specifications, components, and packaging standards, with a particular emphasis on prohibiting specific materials or limiting harmful substances and encouraging the reduction or reuse of packaging.

## Local Community Engagement

We actively engage with local communities where our suppliers operate to understand their social and economic needs. We encourage our suppliers to participate in community development initiatives, support local employment opportunities, and respect the rights and cultural heritage of the areas they serve. Through these efforts, we aim to create positive social impacts and foster sustainable relationships within our supply chain.





**ENVIRONMENT**

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# Environmental Management

At Emeren, we are dedicated to minimizing our environmental impact and promoting sustainable practices across all facets of our business. Our commitment to renewable energy, resource efficiency, and innovative technologies reflects our determination to lead the transition to a cleaner, more resilient future. Through proactive environmental management, rigorous compliance with regulations, and continuous improvement initiatives, we strive to protect natural resources, reduce our carbon footprint, minimize waste, and foster a culture of sustainability within our organization and the communities we serve. We recognize that protecting the environment is everyone's responsibility and we strive to foster a culture of environmental stewardship through education, training, and active participation in environmental initiatives.

## Environmental Protection Policy

Our environmental management efforts are guided by our Environment Protection Management Policy, which focuses on our efforts to protect the environment, improve human health and safety, and comply with environmental laws and regulations. It emphasizes the use of innovative solutions and continuous improvement and encourages all Emeren employees to develop good environmental protection habits, including reducing waste, conserving energy and water, and utilizing public transportation and low-emission vehicles.

Our policy also promotes paperless operations and mandates that our suppliers use recycled materials and eco-friendly packaging. It prohibits the use of toxic substances and outlines our commitment to environmentally friendly procurement practices. We have established clear environmental performance metrics and regularly conduct training and audits to enhance environmental awareness and protection efforts.



## Enrico Bocchi

Executive Vice President of Europe



Our dedication to developing and implementing innovative renewable energy solutions is unwavering. We believe that clean energy is not only crucial for combating climate change but also for fostering economic growth and energy independence.



# Environmental Management



## Environmental Protection Team

To oversee our environmental efforts, we have established an environmental protection team led by our CEO. This team includes the group and regional CEOs, who are responsible for developing our environmental goals, policies, and implementation plans. It also comprises the heads of various departments, including Engineering, Operations, and Maintenance; Purchasing and Supply Chain; and Internal Control and Compliance/HR. Through this dedicated team and our comprehensive environmental protection measures, we aim to create a sustainable future and uphold our responsibility to the environment.

## Environmental and Social Risk Assessments

Environmental and social risk assessments are crucial for our development projects. We evaluate the nature and scale of investments to identify, minimize, or manage risks related to land use, procurement, contamination, water stress, extreme events, and natural hazards exacerbated by climate change. We also assess impacts on nearby communities, their livelihoods, health and safety, biodiversity, and cultural resources. To mitigate these risks, we purchase property insurance, regularly monitor climate change, and integrate climate change risk assessments, covering both physical and transition risks, into our business model (see page 54 for additional information about risks and opportunities ).

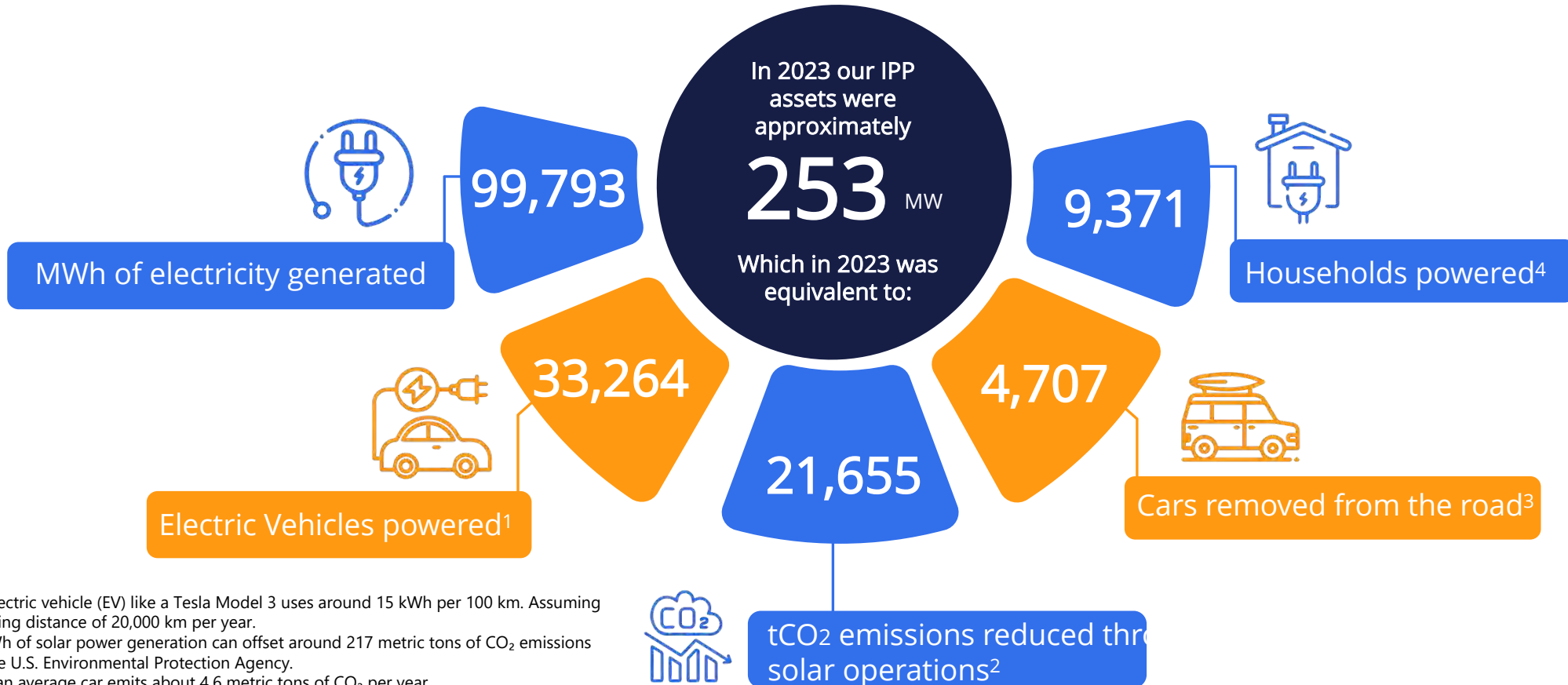


Governing our Actions

[Environmental Protection Management Policy](#)

# Our Impact

In 2023, our photovoltaic (PV) power plants have made a significant impact on the global energy landscape by generating substantial amounts of clean, renewable energy. Solar power continues to play a pivotal role in the transition to a sustainable energy future, reducing reliance on fossil fuels and lowering greenhouse gas emissions. The advancements in solar PV technology have enabled us to produce energy more efficiently and at a larger scale, meeting the growing demand for green energy solutions. Our commitment to expanding solar power infrastructure underscores our dedication to driving the global shift towards sustainable energy and making a lasting positive impact on the environment.



1. Assuming an electric vehicle (EV) like a Tesla Model 3 uses around 15 kWh per 100 km. Assuming an average driving distance of 20,000 km per year.
2. Assuming 1 GWh of solar power generation can offset around 217 metric tons of CO<sub>2</sub> emissions according to the U.S. Environmental Protection Agency.
3. Assuming that an average car emits about 4.6 metric tons of CO<sub>2</sub> per year.
4. Average American homes for one year. Assuming the average annual electricity consumption of a U.S. residential utility customer is approximately 10,649 kWh (EIA).



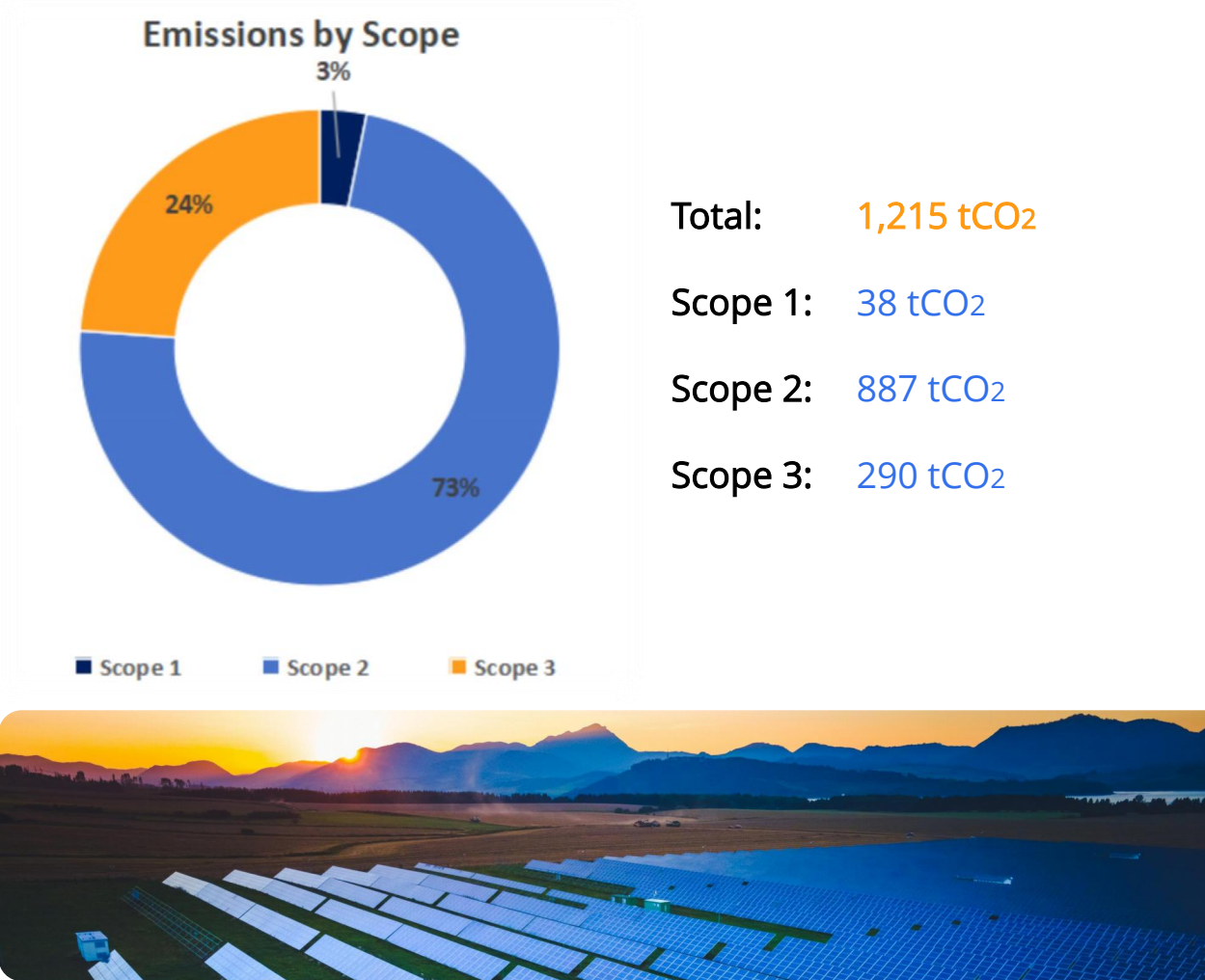
# Emissions

As part of our commitment to reduce our environmental impact, we closely monitor and analyze the emissions generated by our operations. Our focus extends beyond just our power plants, which are entirely solar-powered and free from fossil fuel dependency, to include our office activities and other operational aspects. By leveraging cutting-edge technology and sustainable practices, we aim to minimize our carbon footprint. Additionally, we are developing methodologies to accurately calculate the carbon offset achieved by our solar power plants, ensuring a more comprehensive understanding of our contributions to a cleaner, more sustainable future.

We take a comprehensive approach to managing our greenhouse gas emissions by measuring and transparently reporting our Scope 1, 2, and 3 emissions. Scope 1 emissions include direct emissions from sources we own or control, such as fuel combustion in our facilities and vehicles. Scope 2 emissions cover indirect emissions from the generation of purchased electricity, steam, heating, and cooling that we consume in our operations. Scope 3 emissions currently encompass indirect emissions throughout our value chain, including those from business travel and employee commuting activities.

In 2023, our Scope 1 emissions increased from 28 in 2022 to 38 tons of CO<sub>2</sub> in 2023, largely as a result of expanding our operational boundaries to incorporate our IPP assets.<sup>1</sup> As of 2023, our operational boundary includes emissions from our office facilities and our IPP Assets. Similarly, our Scope 2 emissions increased from 42 to 887 tons of CO<sub>2</sub> driven by higher electricity consumption across our expanded operational boundary. Additionally, our Scope 3 emissions increased from 174 to 290 tons of CO<sub>2</sub>

1. In 2022's GHG emission calculations did not include Emeren's IPP Assets as a result of not having a full calendar year (12 months) of data for each asset.



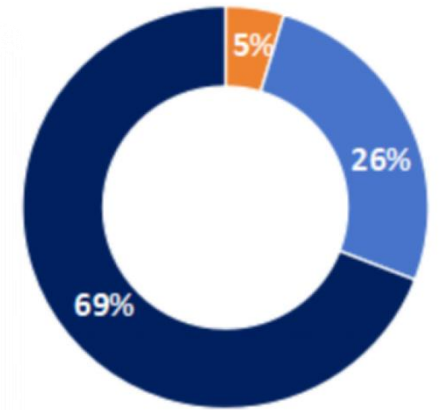
# Emissions

In 2023, electricity consumption, business travel and daily commute were the largest contributors to our footprint. Electricity consumption (scope 2) accounted for 73.01% of our emissions. We are continually working to improve energy efficiency and incorporate more renewable sources. Employee daily commuting (scope 3) represented 7.65% of our emissions, and we are actively promoting sustainable commuting methods and considering remote work options. Business travel, the largest scope 3 contributor at 16.23%, remains essential, but we are committed to reducing these emissions through virtual meetings and prioritizing necessary travel only.

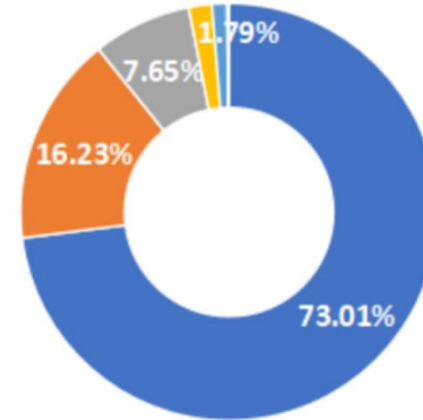


## Emissions by Geographic Region

North America Europe Asia

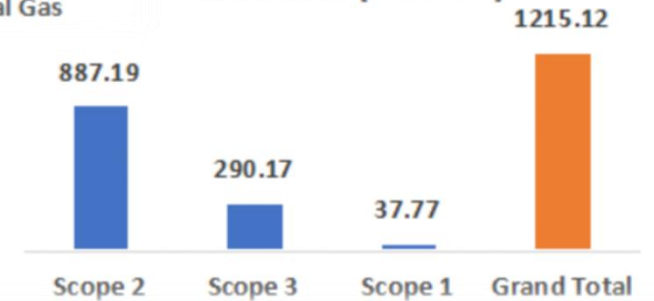


## Emissions (t CO2e) by Source



Grid Electricity Business Travel Daily Commute Motor Gasoline Motor Diesel Natural Gas

## Emission (t CO2e)





# Risks and Opportunities

Climate risks and opportunities are pivotal considerations in our strategic planning efforts at Emeren. We recognize that climate change poses significant risks, such as extreme weather events, regulatory changes, and shifts in market dynamics that could impact our operations and financial performance. To mitigate these risks, we are investing in resilient infrastructure, enhancing our risk management practices, and adhering to evolving regulatory standards. Concurrently, we see substantial opportunities in the transition to a low-carbon economy. By leveraging our expertise in renewable energy, we are well-positioned to capitalize on the growing demand for clean energy solutions, drive innovation in sustainable technologies, and contribute to global efforts to combat climate change.

## Physical Risks

Assessing physical risks is a crucial part of our business case analysis for all IPP operations and prospective solar projects. When risks are identified, we develop and implement action plans to mitigate potential impacts. Historically, our operations in Europe and the United States have been largely unaffected by significant climate-related events. However, we continue to monitor changes in weather patterns due to climate change. In China, some of our operations are located in areas with a moderate risk of seasonal flooding. To manage this, we have established detailed operational plans to protect employees and assets and ensure business continuity in the event of flooding.

## Transition Risks

As a leader in renewable power generation and project execution, we face minimal transition risk from climate-related legislative changes. These risks are mainly associated with potential mandates to eliminate the use of fossil-sourced electricity in our office locations. Our operations are strategically aligned to facilitate a transition from fossil fuels to more sustainable energy sources. Furthermore, the increasing global emphasis on climate risks offers significant opportunities for our company. Our expertise in developing large and medium-scale solar projects positions us to benefit from the rising demand driven by heightened awareness of greenhouse gas emissions and the urgent need to address them.





# Risks and Opportunities

Risk	Time Horizon	Potential Impact	Mitigation
Natural disaster (floods, earthquakes, landslides, sandstorms, drought)	Immediate to long-term	Delays in project development, loss of connectivity to the power grid, disruption in operations and maintenance services, potential personal injuries and fatalities	Implementation of disaster risk reduction strategies; site selection considering geographical risks
Seasonal variations	Short-term	Volatility in revenue due to changes in electricity generation	Investment in energy storage, demand forecasting
Economic impact due to natural disasters	Medium- to long-term	Adverse effect on economy, infrastructure, and communities, potentially affecting business operations	Diversification of project locations; community engagement and support; diversification of business operations
Reduced solar radiation	Short- to long-term	Decrease in electricity generation and revenue	Diversification of project locations, implementation of energy storage solutions
Opportunities	Time Horizon	Potential Impact	Mitigation
Emerging market expansion	Short-term	Access to new clients and revenue streams	Research emerging markets, establish local partnerships, adapt project development offerings to local needs
Technological innovation	Short- to medium-term	Enhanced product offerings and higher efficiency	Continue to improve the supplier selection process, stay updated on industry advancements
Government incentives	Immediate to long-term	Financial support and regulatory environment	Continue to work closely with local governments, engage in advocacy for solar development
Increase in battery energy storage solutions	Immediate to short-term	Diversified business lines and access to new markets	Expand network and continue to invest in trainings and research on the latest technologies



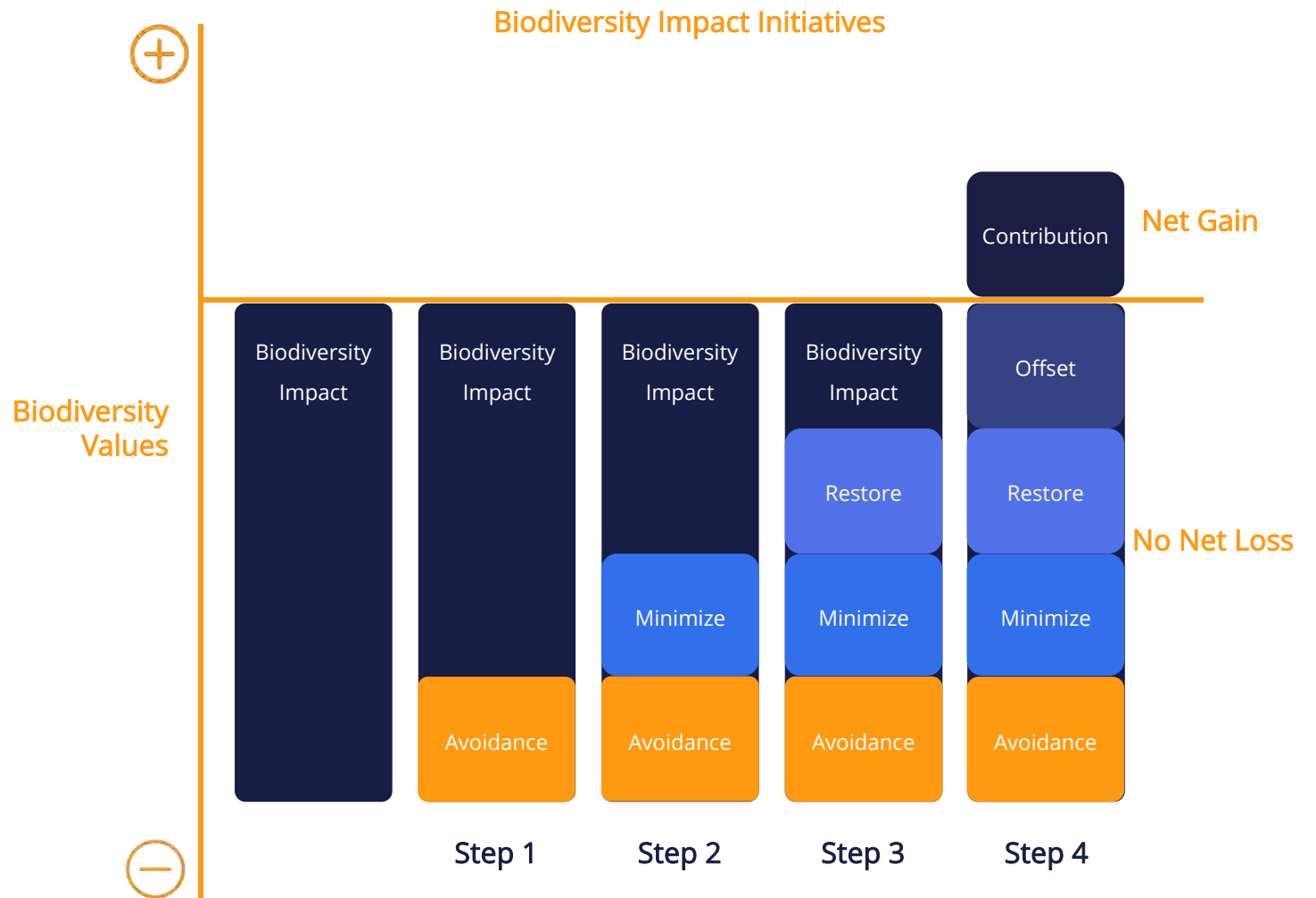
# Waste Management

We strive to minimize waste generation across all our operations, from project development to daily office activities. Our waste management strategy prioritizes reusing, recycling, and responsibly treating unavoidable waste. We categorize waste from operations, work, and everyday activities. We appropriately process recyclables that meet national standards. Damaged and discarded equipment and materials are sorted into specific collection bins to prevent mixing with domestic waste, reducing harmful emissions and air pollution. Wastewater from office and business activities is properly identified, monitored, controlled, and treated before disposal. We sort and then recycle or responsibly dispose of solid waste, including paper, cardboard, scrap metal, plastics, foam materials, food waste, and used batteries. By implementing comprehensive waste management practices, we not only adhere to environmental regulations but also contribute to the conservation of natural resources and the reduction of our overall environmental footprint.



# Biodiversity Protection

At Emeren, we recognize the vital importance of biodiversity in maintaining ecological balance and supporting sustainable development. Our commitment to biodiversity involves implementing strategies that protect natural habitats, conserve wildlife, and promote the sustainable use of natural resources. We adhere to biodiversity conservation legislation in the countries where our projects are located and comply with international conventions, such as the World Heritage Convention and the Convention on Biological Diversity. Through careful planning and responsible project execution, we strive to minimize our impact on ecosystems and contribute positively to the preservation of biodiversity.







**APPENDIX**





# GRI Content Index

Statement of use: Emeren has reported the information cited in this GRI content index for the period January 1, 2023 - December 31, 2023, with reference to the GRI Standards.

GRI STANDARD	DISCLOSURE	LOCATION (Page Number)
GRI 2: General Disclosures 2021	2-1 Organizational details	2 - 61
	2-2 Entities included in the organization's sustainability reporting	3
	2-3 Reporting period, frequency and contact point	3
	2-6 Activities, value chain and other business relationships	10
	2-7 Employees	40
	2-9 Governance structure and composition	23 - 24
	2-10 Nomination and selection of the highest governance body	23
	2-11 Chair of the highest governance body	24
	2-12 Role of the highest governance body in overseeing the management of impacts	23
	2-13 Delegation of responsibility for managing impacts	23
	2-14 Role of the highest governance body in sustainability reporting	14 - 15, 23
	2-15 Conflicts of interest	28 - 29, 32
	2-16 Communication of critical concerns	28 - 29, 32
	2-18 Evaluation of the performance of the highest governance body	23, 26 - 27
	2-19 Remuneration policies	23, 27, 42
	2-20 Process to determine remuneration	23
	2-22 Statement on sustainable development strategy	13 - 20
	2-23 Policy commitments	22, 35, 50
	2-24 Embedding policy commitments	22, 28 - 29, 32
	2-25 Processes to remediate negative impacts	22, 32
	2-26 Mechanisms for seeking advice and raising concerns	22, 32
	2-27 Compliance with laws and regulations	22, 28 - 29, 32, 35, 50
	2-28 Membership Associations	18
	2-29 Approach to stakeholder engagement	36





# GRI Content Index

GRI 3: Material Topics 2021	3-1 Process to determine material topics	16 – 17
	3-2 List of material topics	16 – 17
GRI 101: Biodiversity 2024	101-1 Policies to halt and reverse biodiversity loss	50, 57
	101-2 Management of biodiversity impacts	50, 57
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	11 – 12
	201-2 Financial implications and other risks and opportunities due to climate change	30 – 31
	201-3 Define benefit plan obligations and other retirement plans	42
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	18 – 20, 51
	203-2 Significant indirect economic impacts	18 – 20, 51
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	22, 28 – 29, 32
	205-2 Communication and training about anti-corruption policies and procedures	22, 29, 42
	205-3 Confirmed incidents of corruption and actions taken	None
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	None
GRI 302: Energy 2016	302-1 Energy consumption within the organization	52 – 53
	302-4 Reduction of energy consumption	52 – 53
	302-5 Reductions in energy requirements of products and services	52 – 53
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	52 – 53
	305-2 Energy indirect (Scope 2) GHG emissions	52 – 53
	305-3 Other indirect (Scope 3) GHG emissions	52 – 53
	305-4 GHG emissions intensity	52 – 53
	305-5 Reduction of GHG emissions	52 – 53
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	47
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	40
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	42
	401-3 Parental leave	42
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	37 – 39
	403-2 Hazard identification, risk assessment, and incident investigation	37 – 39
	403-3 Occupational health services	37 – 39
	403-5 Worker training on occupational health and safety	37 – 39
	403-6 Promotion of worker health	37 – 39
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	37 – 39
	403-8 Workers covered by an occupational health and safety management system	37 – 39
	403-9 Work-related injuries	37 – 39
	403-10 Work-related ill health	37 – 39



# GRI Content Index

GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	44
	404-2 Programs for upgrading employee skills and transition assistance programs	41, 44
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	40
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	None
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	None
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	None
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	None
GRI 414: Supplier Social Assessments 2016	414-2 Negative social impacts in the supply chain and actions taken	None
GRI 415: Public Policy 2016	415-1 Political contributions	None
GRI 416: Customer Health and Safety 2016	416-1 Incidents of non-compliance concerning the health and safety impacts of products and services	None
GRI 417: Marketing Labeling and 2016	417-2 Incidents of non-compliance concerning product and service information and labeling	None
	417-3 Incidents of non-compliance concerning marketing communications	None
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	None