



# Becoming Better Together

## Our expectations of our suppliers

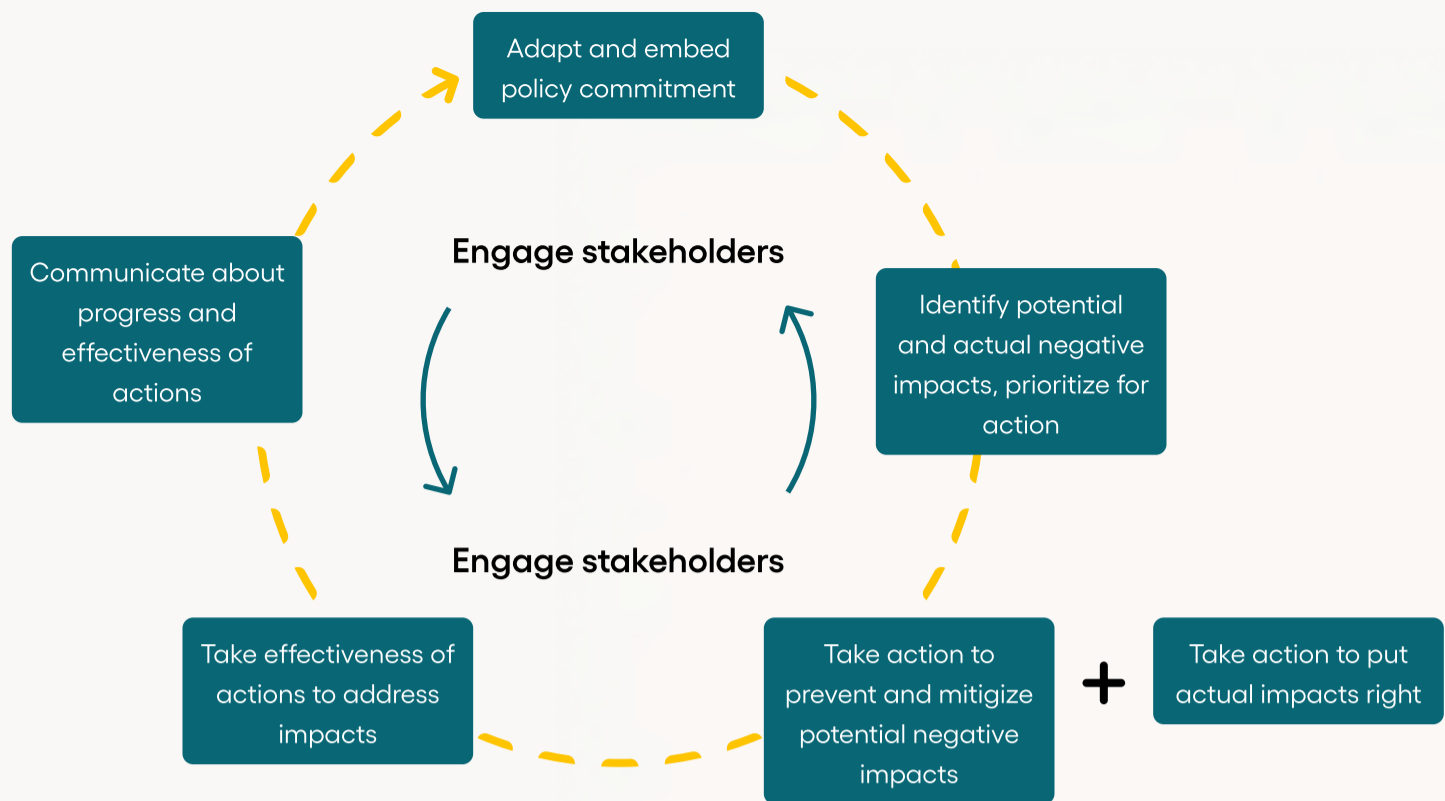
### Preamble

At Sunrock, it is our firm belief that we are part of a clean energy future. We have a responsibility to realize that future without compromising the rights, dignity and wellbeing of our workers, neighbouring communities, and other stakeholders in our value chains, and without degrading the environment. Sunrock has a public [ESG Policy Statement](#) that articulates our journey to becoming better at the way we do business, and how we deal with the actual and potential negative impacts on people and the environment in all aspects of our operations and those of our value chains.

We have a responsibility to conduct all our business activities responsibly. Therefore, we aim to respect all internationally recognized human rights, to reduce our greenhouse gas emissions, environmental footprint and the ecological impacts of our operations, and to improve our ethical and governance performance. We commit to avoiding causing or contributing to negative impacts through our own activities, and to address negative impacts when they occur.

Where we have caused or contributed to negative impacts, we seek to provide for or cooperate in their remediation through legitimate processes. We also seek to prevent and mitigate negative impacts that are directly linked to our operations, productions or services through our business relations. In these cases, we seek to play a role to enable remedy to happen, with other relevant stakeholders.

This Supplier Code of Conduct as well as our transformation process are based on internationally recognized frameworks of responsible business conduct, namely the [United Nations Guiding Principles on Business and Human Rights](#) (the UNGPs), the [OECD Guidelines for Multinational Enterprises](#) (the OECD Guidelines), and the [International Finance Corporation's Performance Standard 2](#) (the IFC Performance Standard 2).



Sunrock's route towards Becoming Better, adapted from the UNGPs

## About this Supplier Code of Conduct

This Supplier Code of Conduct is binding for all our suppliers and an integral part of the business relationship to ensure responsible business conduct. We expect our suppliers and their employees to adhere to this Supplier Code of Conduct, see to it that their subcontractors do the same, and – together with them – ensure that the requirements set out below are met. Where the expectations of this Supplier Code of Conduct exceed the requirements of applicable laws and regulations, the higher standard of protection applies. When the expectations of this Supplier Code of Conduct are in conflict with applicable laws, we expect our suppliers to honour the principles of internationally recognized human rights as described above to the best of their ability.

Sunrock may amend this Supplier Code of Conduct to meet changing operative contexts and legislative obligations. Amendments to the Supplier Code of Conduct will be shared with suppliers before they enter into force. Suppliers are expected to accept any modification resulting from legal requirements or which may otherwise be reasonably required.

We recognize the complexity of tackling some of the expectations set out in this document, in light of how our business takes place in a number of rapidly changing and deteriorating contexts and among business partners with different resources, knowledge and constraints. We therefore urge our suppliers to collaborate with us, their other business relations, civil society organisations and other stakeholders, and we encourage them to take collective action to address issues that they cannot deal with alone.

## Human rights and environmental policy and due diligence

### Human rights and environmental policy

We expect our suppliers to uphold and make public a policy commitment to respect internationally recognized human rights including those outlined in the International Bill of Human Rights coupled with the principles concerning fundamental rights in the International Labour Organization's Declaration on Fundamental Principles and Rights at Work.

The policy commitment should express the supplier's commitment to align its business model and strategy with the transition to a sustainable economy and with the limiting of global warming to 1.5°C.

The policy commitment should further establish the supplier's commitment to preservation and restoration of land and biodiversity, protection of the health of people, animals and ecosystems from environmental degradation and destruction, including a firm commitment not to contribute to biodiversity degradation and deforestation.

Suppliers' policy commitments should also demonstrate that they understand and focus on the links between climate change, environmental destruction and human rights, aligned with the UNGPs and the OECD Guidelines.

### **Policy embedding**

We expect our suppliers to seek to embed this policy commitment throughout their operations. This includes providing appropriate resources and mandates to those tasked to implement the policy commitment, designing governance structures, allocating appropriate responsibilities and accountabilities for upholding the policy commitment across the organization, including at the most senior levels, as well as providing relevant training.

Suppliers are expected to inform their workers about the existence of and conduct trainings on the content of their policy commitment.

### **Access to remedy**

Suppliers are expected to provide for or cooperate in remedy where they may have caused or contributed to negative impacts. They are expected to enable remedy to take place, together with others, where they may be directly linked to negative impacts.

To make it possible for grievances to be addressed early and directly by our suppliers, we expect them to have a complaints or grievance mechanism in place which is available to their employees, other types of workers connected to their operations, neighbouring community members, and other stakeholders who may be negatively impacted by their operations or want to report legitimate human rights or environmental concerns relating to the supplier's operations.

This mechanism is expected to be legitimate, accessible, predictable, transparent, rights-compatible, equitable and to be a source of continuous learning. It must be easily accessible and must ensure fair and impartial treatment of all grievances. Suppliers must adopt and implement a zero-tolerance policy against retaliation against anyone who reports grievances and concerns in good faith.

This mechanism must enable potentially affected stakeholders to lodge complaints, requests and concerns on a full range of topics, including all of the areas described in this Supplier Code of Conduct.

Suppliers are further expected to use this mechanism to nourish their human rights and environmental due diligence. The information gathered by this mechanism can serve as an early warning system through which suppliers can be informed of issues that may lead to negative impacts in the future. It can support suppliers in strengthening their policies and processes, and serve to understand the effectiveness of the suppliers' human rights and environmental due diligence.

Where there are severe or recurring human rights or environmental issues being reported, Sunrock expects suppliers to proactively share this information with Sunrock so that Sunrock can play a role as helpful in the remediation and prevention of new issues.

Sunrock also requests its suppliers, including their workers and other stakeholders, to lodge reports with Sunrock if they see any potential violations of laws, regulations or Sunrock policies. Reports can be made through the grievance procedure at <https://sunrock.com/en-esg-complaints-concerns/>.

### **Stakeholder dialogue and engagement**

Sunrock requires its suppliers to undertake meaningful engagement with potentially affected stakeholders throughout and with the purpose of informing each step of their human rights and environmental due diligence processes. This includes dialogue and consultation with workers, local communities, and other relevant stakeholders that could be impacted in the suppliers' operations and value chains – and their representatives. The purpose of this engagement is to identify actual and potential negative impacts, and to gather stakeholders' views on the best ways of addressing them. Particular attention and priority should be given to engaging with vulnerable groups, including migrant and refugee workers, indigenous people and human rights and environmental defenders. Suppliers should also ensure a gender-sensitive approach in stakeholder dialogue and engagement; especially as Sunrock recognises the particular vulnerabilities of women and girls when impacted by the ongoing climate change and nature degradation.

It can also be helpful for suppliers to engage with other individuals and organisations that may have insights and expertise on relevant impacts, including human rights experts and climate and environmental scientists.

Engagement can also extend to those who will play a role in identifying and addressing the impacts, such as sub-suppliers and third-party sourcing and recruitment agencies.

## **People and worker welfare**

### **Occupational health and safety**

Our suppliers must take meaningful steps to seek to guarantee the right to safe and healthy working conditions for all workers, including in consideration of the potential, negative impacts on the health and lives of workers of climate change and the ongoing degradation of the environment. This includes taking appropriate measures to prevent and mitigate potential negative impacts on their workers from heat stress, extreme weather events, air pollution and toxic chemicals, and to adapt their measures where needed in response to changes in the physical environment.

As a baseline, suppliers must comply with applicable laws and regulations with regard to (among other) occupational health and safety, prevention of occupational risk, technical and environmental matters as well as climate change and nature preservation.

In addition, they are expected to act in line with Sunrock's Health & Safety Policy. [1]

Sunrock also requires its suppliers to develop and apply effective health and safety policies and processes in languages understood by all workers. Suppliers are expected to provide regular and effective trainings to ensure that workers have sufficient knowledge of these health and safety policies and processes, and can act on them accordingly.

Suppliers must provide workers with appropriate protective clothing and equipment free of charge, as well as instructions on their use. Workers should have access to adequate rest facilities at the workplace. Accommodation provided by the supplier to workers should be safe, clean and adequate as a living space for workers and their immediate families.

[1] Contact Sunrock to request a copy of the Sunrock Health and Safety Policy.

Where accommodation is provided by the supplier, workers should be provided safe and secure transportation between work and their accommodation. When accommodation is not provided, suppliers are expected to make sure that transportation costs do not negatively impact workers' income.

To ensure the effectiveness of these policies and processes, we also expect our suppliers to conduct regular workplace risk assessments, health and safety audits, and to cooperate in good faith and transparency with Sunrock when Sunrock conducts its HSE audits.

### **Prohibition of forced labor and promotion of responsible recruitment practices**

Sunrock does not tolerate the use of forced labor and actively promotes responsible recruitment practices to avoid it. We expect the same of our suppliers. Our suppliers must use their best efforts to ensure that forced labor is not occurring in their operations nor throughout their value chains.

Sunrock requires its suppliers to commit to responsible recruitment in their human rights policy commitments, which they roll out to third-party sourcing and recruitment agencies and others they engage to recruit workers. These policies should establish the principle that the employer pays all costs for recruitment (the "Employer Pays Principle"). Other responsible recruitment practices Sunrock expects its suppliers to apply include prohibiting the retention of personal documents, ensuring freedom of movement, prohibiting the withholding of wages, and prohibiting practices of workers making deposits or paying recruitment fees and related costs as a condition for their recruitment. Suppliers are also expected to consider how their own commercial practices may promote or prevent responsible recruitment practices and adjust them where needed.

Sunrock also expects its suppliers to provide or contribute to remedy to workers, including reimbursement of recruitment fees and related costs, where instances of forced labor are found.

Our suppliers must also ensure that their employment contracts comply with all applicable laws and regulations. Our suppliers should pay workers in a timely manner (at a minimum, monthly) and clearly convey the basis on which workers are being paid. Suppliers are expected to ensure that their workers have access to pay slips for each pay period, in a language they understand, which clearly indicate each component of their compensation, including exact amounts allocated for wages, benefits, incentives/bonuses and any deductions. Only legitimate salary deductions of fees are allowed. Wage deductions as disciplinary measures or that leave the worker with less than a living wage are never allowed.

### **Prohibition of child labor**

Our suppliers must adopt a zero-tolerance policy against child labor and hazardous working conditions for young workers. We expect our suppliers to ensure that no child under the age of 15 is engaged in child labor; defined as any work that deprives children of their childhood, their potential and their dignity, and that is harmful to their physical and mental development; that is mentally, physically, socially or morally dangerous and harmful to children; and that interferes with their schooling. Similarly, we expect our suppliers to ensure that no child under the age of 18 is engaged in hazardous work (i.e., work that is likely to harm their health including night shifts and work in heights, safety or morals) or other worst forms of child labor such as for security operations. Our suppliers should pay particular attention to the gender dimensions of child labor and the risk that girls are disproportionately impacted.

To this end, Sunrock expects its suppliers to have robust age-verification mechanisms in place as part of their recruitment processes. If it becomes necessary to remove children from a workplace, suppliers are expected to seek to ensure that those children are protected and provided with adequate schooling, and, where appropriate, seek ways to offer work for adult members of the household on conditions set out in this Supplier Code of Conduct.

### **Working hours**

We require our suppliers to comply with applicable laws and regulations on working hours and benefits and strive to meet international standards. Workers must not be required to work excessive hours or overtime. Specifically, we expect suppliers to apply a standard working time of 40 hours in any seven-day period. Working time, including overtime, should never exceed 60 hours in a seven-day period, except in the event of unforeseen circumstances and provided that this is permitted by applicable laws or collective agreements. Overtime hours worked beyond standard working time should be compensated for at a premium rate. All workers should be entitled to a 24-hour leave every seven-day period. They should have the right to adequate rest breaks during the working day and to paid annual leave, including for childbirth (whether paid for by the supplier or through social security systems available to the worker). Where a supplier's practices do not meet these international standards, the supplier should identify the causes and work to improve its practices. Sunrock will support this process.

### **Living wage**

Sunrock expects its suppliers to pay a living wage, wage levels according to national standards, industry benchmarks or applicable bargaining agreements, whichever is highest.

By a living wage, we mean wages and benefits paid for work performed during standard working hours as the term is defined by national law and practices, excluding overtime, and that is necessary to afford a decent standard of living for the worker and their families, taking into account local circumstances. Where a living wage is not currently paid, we expect suppliers to put in place a time-bound action plan, including the allocation of necessary funds, that will enable suppliers to quantify and pay living wage with time. Sunrock will support this process.

### **Non-discrimination, non-harassment and dealing with vulnerable groups**

All workers are entitled to a work environment that is fair, free from discrimination and harassment. Our suppliers must uphold the highest standards on equality and non-discrimination. This includes, but is not limited to ensuring that all workers receive equal payment for equal work. It requires that our suppliers do not discriminate against any worker based on grounds of their personal features including but not limited to nationality or social origin, race, color, sex, religion or political opinion. Our suppliers must have a non-discrimination policy, and are strongly encouraged to have a diversity, equity and inclusion policy in place to enable them to become inclusive employers.

Suppliers are expected to take additional steps to identify vulnerable groups such as migrant workers, refugee workers, women, and human rights and environmental defenders, that may be present in or close to their operations and supply chains. Suppliers are expected to take appropriate steps to protect these vulnerable groups against abuse and marginalization. Suppliers are required to take particular care to, including by using their leverage, identify and, where applicable, mitigate negative labour or human rights impacts of vulnerable workers and community members in their supply chains.

Our suppliers must have and apply a zero-tolerance policy against any kind of violence or harassment, including gender-based violence and harassment.

Our suppliers are expected to actively disseminate their anti-discrimination and anti-harassment policies through comprehensive training and awareness programs to foster a culture where human rights are respected.

### **Freedom of association and the right to collective bargaining**

Suppliers are expected to recognize the freedom of association and collective bargaining including workers' right to form, join and leave unions. In places where these rights are restricted by law, we expect our suppliers to find alternative means for effective worker-employer dialogue. Our suppliers must also apply a zero-acceptance of harassment against union representatives. Suppliers are expected to address any forms of intimidation, harassment, retaliation and violence against trade union members or worker representatives.

## **Protecting the environment**

### **Reducing and eliminating greenhouse gas emissions**

The business model of Sunrock is founded on our core belief that the use of fossil fuels in our energy system must be a thing of the past. Our quest is to support our clients to transition from the use of fossil fuels to renewable alternatives.

This is why we are committed to reducing our carbon footprint based on scientific evidence and to meet the objectives set forth in the [Paris Agreement](#). Sunrock has joined the [Science Based Targets Initiative](#) and is committed to reducing our scope 1 and 2 emissions by 50% by 2030, and to measuring and reducing our scope 3 emissions.

We require the cooperation of our suppliers to measure and reduce our scope 3 emissions. Therefore, we expect our suppliers to ensure, through best efforts, that their strategy and business model are compatible with the transition to a sustainable economy and with the limiting of global warming to 1.5°C. To achieve this goal, suppliers should adopt, make public and put into practice a transition plan for climate change mitigation that aligns with the [Paris Agreement](#) and aims to achieve climate neutrality by 2050 in ways that also seeks to ensure respect for the human rights of those affected by its transition efforts. These transition plans should (i) set science-based, time-bound climate targets for 2030 and every five years until 2050, including emission reduction targets for scope 1, 2 and 3 emissions; (ii) describe key actions the Supplier will take to meet these targets, including necessary changes to products, services, and technologies; (iii) explain and quantify the investments and funding necessary to implement the transition plan; and (iv) define the roles and responsibilities of their management team in implementing the transition plan.

### **Preventing environmental degradation and restoring nature**

Sunrock expects its suppliers to seek to ensure that they conduct their operations in ways that ensure the preservation and restoration of land and biodiversity, as well as protection of the health of people, animals and ecosystems from environmental degradation. This means that suppliers are expected to avoid causing or contributing to soil degradation, including through exhaustion of nutrients and organic matter, soil erosion, acidification, desertification and pollution; as well as other forms of land degradation, including through water and wind erosion, soil fertility decline, waterlogging, forest and rangeland degradation.

Suppliers must not contribute to ecosystem degradation and destruction including through air, and water pollution, biodiversity loss and deforestation. Biodiversity loss means reduction of any aspect of biological diversity in a particular area through death (including extinction), destruction or removal.

Deforestation means the permanent removal of trees from a forest, such as clearing of forests for agricultural use and for construction.

Suppliers are expected to avoid excessive water consumption that risks leading to decline in the quantity and/or quality of surface and ground water resources.

In addition, by implementing environmental due diligence in line with the above, suppliers should seek to ensure that they do not use land and water resources in ways that impair the well-being and ability of surrounding communities to normally and safely use natural resources and maintain access to food and safe and clean drinking water and sanitation.

### **Circularity and disposal**

Suppliers are expected to prioritize the circular use of products and materials to help reduce the use and waste of natural resources. The reparation and reuse of products and materials are preferred above recycling.

Where products or materials are recycled or disposed of—as an action of last resort—we expect this to be done in a manner that does not damage the climate, human health or biodiversity. Suppliers can for instance start gathering measures on their resource use, recycled materials, and product design improvements.

### **Ethical behavior and good governance**

#### **Ethical behavior, fair competition and antitrust**

Our suppliers must act with integrity, openness and fairness in their business operations and comply with applicable laws and regulations.

This includes avoiding conflict of interest, ensuring fair competition and avoiding any conduct that can harm the operations, integrity and reputation of Sunrock.

#### **Bribery, corruption and fraud**

Suppliers must adopt a policy of zero-tolerance against bribery and corruption in any form, including facilitation payments and trading in influence, and take appropriate measures to prevent, identify and address any instances of bribery or corruption in their operations.

#### **Operations conflict affected areas**

In line with the above-mentioned internationally recognized frameworks of responsible business conduct, Sunrock expects its suppliers to conduct heightened due diligence measures when operating in conflict-affected and other types of high-risk areas to ensure they do not contribute to or exacerbate existing conflicts and instability.

#### **Sanctions and trading regulations**

Our suppliers must conduct their business operations in accordance with applicable international, regional and national trade restrictions and sanctions regimes. This includes implementing measures to ensure never to engage with and make direct or indirect transactions with individuals and legal entities listed under the sanctions regimes of the United Nations, the European Union or the United States.

#### **Data protection and data security**

Our suppliers confirm that they protect the confidentiality and integrity of individuals in accordance with relevant privacy and data protection laws. We expect of our suppliers that they will only use personal data for appropriate purposes in line with the applicable law.



## Transparency and reporting

To support our human rights and environmental due diligence efforts, we expect our suppliers to remain honest and transparent about their operations. This includes being ready, upon request, to inform Sunrock about the names and locations of production facilities, component manufacturers, and service providers in their value chains.

Suppliers are also expected to inform Sunrock of issues they face in seeking to implement this Supplier Code of Conduct, as well as severe or reoccurring negative impacts that they encounter in their operations and value chains. Suppliers must also cooperate with Sunrock in our annual supplier ESG assessments.

Suppliers are expected to report to Sunrock on an annual basis on how they are meeting this Supplier Code of Conduct and the lessons learned in the process, regardless of whether they are legally obliged to do so or not.

## Financial responsibility

The accurate recording and reporting of financial or non-financial information are essential. It is also a prerequisite for meeting legal and regulatory obligations and reporting standards. Data provided to us needs to be accurate, complete and reliable. Any accounting information provided must be complete, accurate, valid and recorded in accordance with applicable laws and relevant reporting standards.

## Enforcement

Sunrock is committed to developing long-term, trusting relationships with its suppliers.

Therefore, we expect our suppliers to comply with this Sunrock Supplier Code of Conduct. Non-compliance with this Supplier Code of Conduct may result in negative impacts to people and the environment. In such cases, Sunrock may request corrective measures from its supplier and will strive to find collaborative solutions. As a last resort, Sunrock may suspend or (immediately) terminate relationships with suppliers, without liability, where this Supplier Code of Conduct is breached, or serious and persistent concerns exist.

## Validity

This version of the Supplier Code of Conduct comes into force on 15 July 2024 and replaces Sunrock's Supplier Code of Conduct of July 2022.