

# DMEGC SOLAR ESG OVERVIEW

Q1 2024



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# Introduction of DMEGC Solar

**14 GW** +6GW under construction  
Cells Capacity

**12 GW** +7GW under construction  
Modules Capacity

**35 GW+**  
Cumulative Shipments

Founded in 1980, DMEGC Solar is committed to be the world's leading renewable energy company, possessing five manufacturing bases (Hengdian, Sihong, Qixian, Yibin, & Lianyungang) with an annual capacity of 14GW cells and 12GW modules, and cumulative shipments are over 35GW+.

With industry-leading technology R&D, manufacturing technologies, quality management and service, DMEGC Solar provides high-efficiency and reliable PV products and all application solutions for global customers.

- Top 10 PV Module suppliers in 2022 (PVTECH)
- Bloomberg "Tier 1 Solar Panels Manufacturers"
- EUPD Research "Top Brand PV Modules" since 2018
- Top Performer in PVEL PV Module Reliability Scorecard
- Leading Altman-Z score ranking in Global Solar Industry





# Vision and Mission

## VISION

to be the most  
socially responsible  
enterprise

## VALUE

co-creation,  
co-ownership,  
co-prosperity,  
co-sharing

## MISSION

take root in Hengdian,  
march into the world

# ESG Strategy

- According to the UN SDGs, we start with five sectors to improve the level of sustainable development.
- We are striving to jointly work with all partners to reduce the energy cost and build a green, low-carbon, beautiful world.

1

## Scientific Governance, Stable Operation

Ever optimizing the governance structure and management mechanism, ensuring DMEGC's stable operations with a high level of corporate governance, protecting legitimate rights & interests of shareholders.



2

## Low-Carbon Development, Green Coming First

High importance to environmental protection in our daily operation, proactively responding to the challenges and opportunities brought forth by climate change, ever striving to reduce our carbon emission and energy consumption for a green future.



3

## Sustainable Supply Chain Management

Creating a responsible supply chain with high standards, enhancing the sustainable development capabilities of the entire value chain, and cooperating with upstream and downstream to empower green innovation and diversified added value in the value chain.



4

## Quality Innovation & Long-Term Service

Continuously improving product competitiveness and promoting industry development through technological innovation, strict intellectual property protection, and intelligent manufacturing.



5

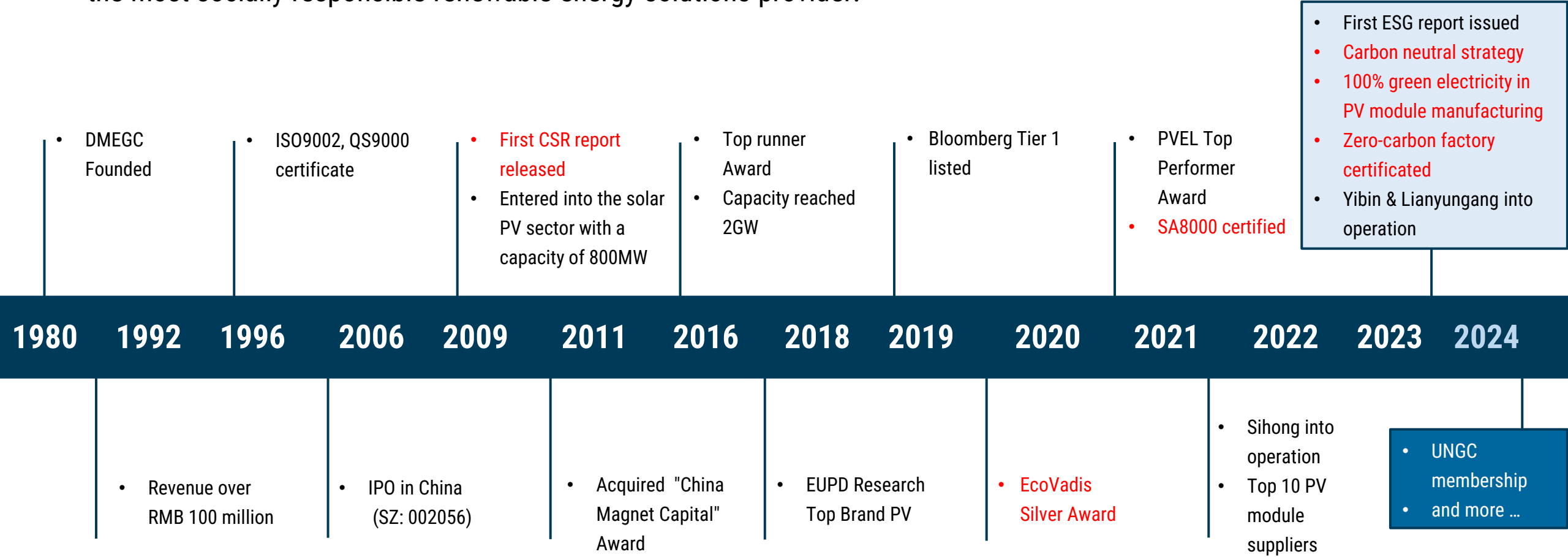
## People-Oriented, Harmonious & Good

Committed to protecting the rights and interests of employees and improving their career planning and development capabilities. Dedicated to enhance public welfare and community development for a harmonious and inclusive society.



# ESG Milestones

- Focused on innovation and high quality manufacturing for 44 years ;
- Committed to becoming the world’s leading enterprise and the most socially responsible renewable energy solutions provider.



# ESG Achievements

E: Environmental

S: Social

G: Governance

MSCI  
BBB  
2024.1

CDP  
Climate Change B  
Water Security B  
2023

Sustainalytics  
27.9  
2023 Top in major Chinese PV  
manufacturers

EUPD Research  
TOP BRAND PV  
For 7 consecutive years

EcoVadis  
Bronze Medal  
2023

ESG Report assured  
with GRI Standards  
and more  
by TÜV Nord

Phased out of PFAS  
from products and  
packing

UN Global Compact  
Membership

SolarPower Europe  
Membership  
Solar Stewardship  
Initiative  
Tech Working Group

Bloomberg  
Tier 1  
For 5 consecutive years

Certisolis carbon  
footprint certification  
The first leading Chinese PV  
company

SA8000  
certificated

Zero-Carbon Factory  
certificated  
and 100% green energy  
In PV module manufacturing

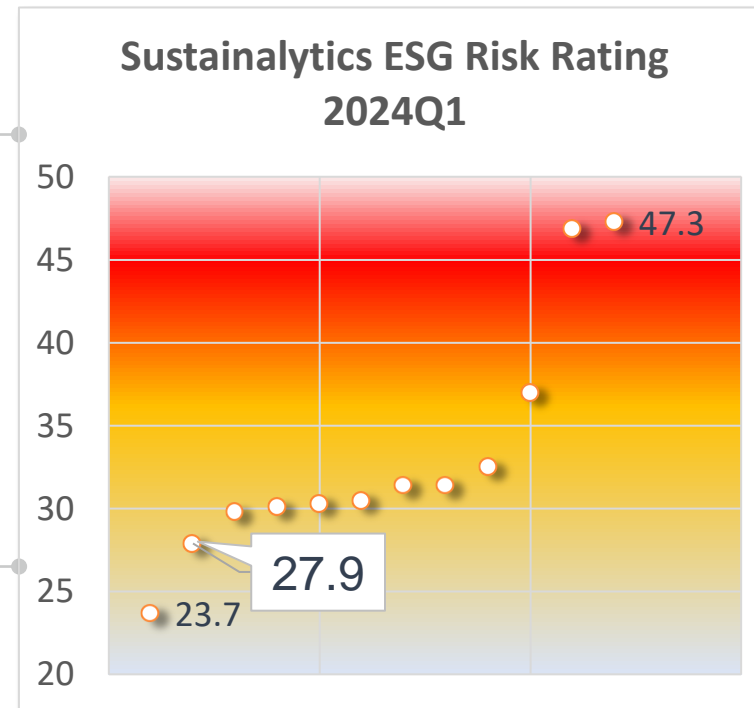


# CSR/ESG Development

- Since 2008, DMEGC has released a Social Responsibility Report every year.
- In 2023, DMEGC upgraded its CSR report to ESG report. The 2nd ESG Report (2023) has been released in **March 2024**.

## ESG rating

- MSCI Rating: BBB
- Sustainalytics: 27.9
- CDP Climate Change & Water Security 2023: both B



Compared with other Chinese Major PV Solar Companies \*The lower the score, the lower the risk.



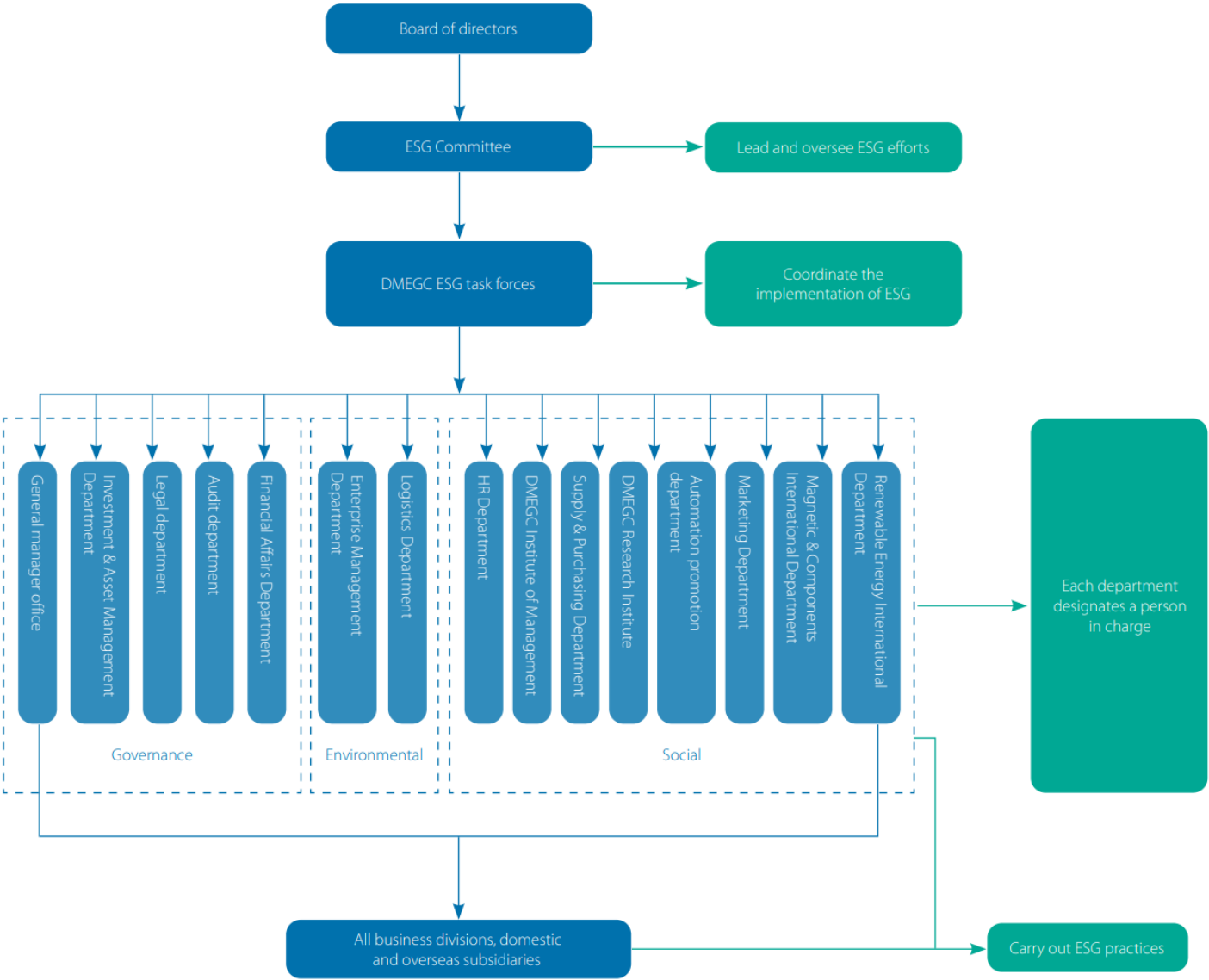
BBB among the highest ranked in CN PV manufacturers



# ESG Management Structure

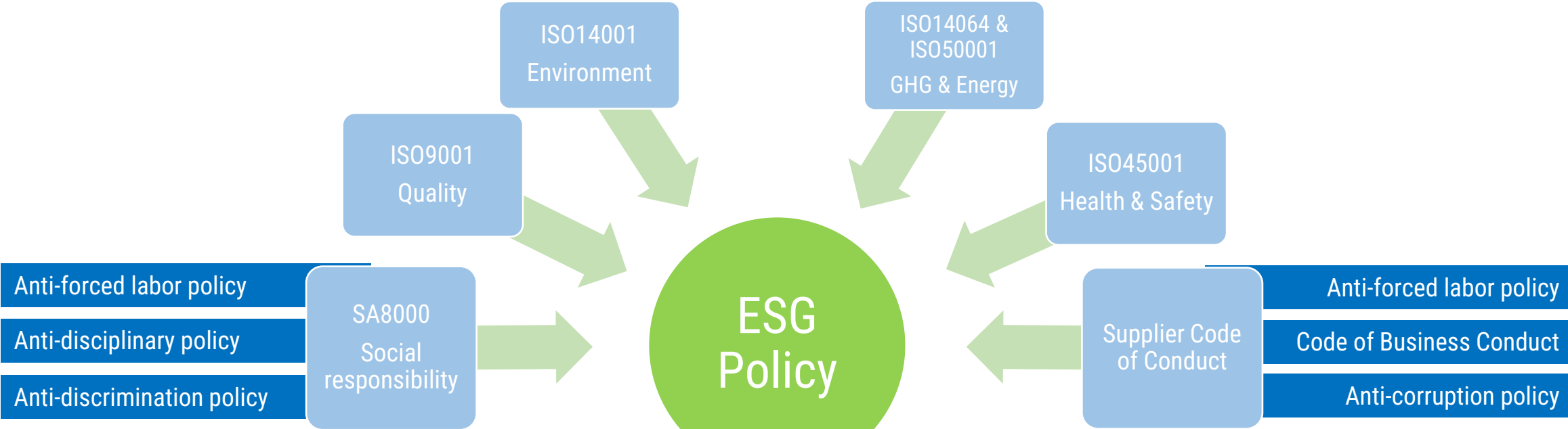
We have set up an ESG Management Committee under the Board of Directors, constructed three-tier management structure, with the Board taking the lead in decision-making, the ESG Promotion Group in management, and each management and business department in implementation.

We aim to actively promote ESG and sustainable development in all departments continuously improve ESG management and optimize ESG management structure.



# ESG Policy & Certifications

- We have obtained the **SA8000, ISO9001, ISO14001, ISO45001 and ISO50001** certification, and built a complete ESG policy and management system on this basis.
- Since July 2023, we have partnered with TÜV SÜD to carry out GHG verification and zero-carbon factory certification based on **ISO14064 and T/CECA-G 0171–2022**.
- We have developed a Supplier Code of Conduct, requiring 100% of our suppliers to sign it, and conduct due diligence to ensure implementation.

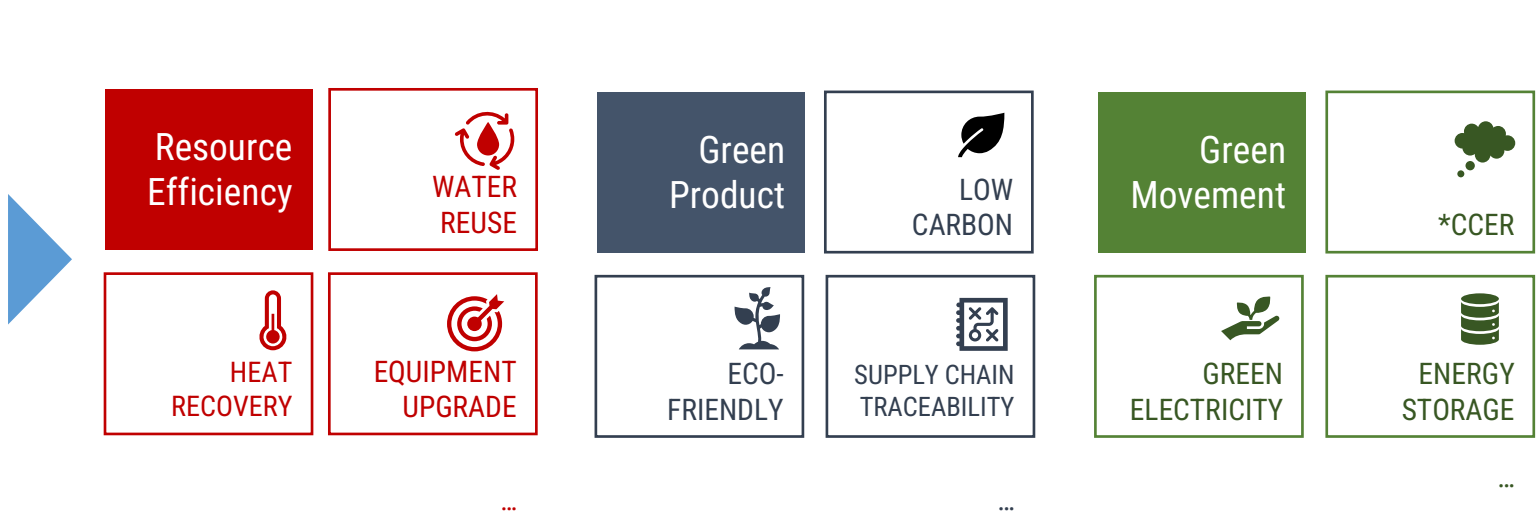
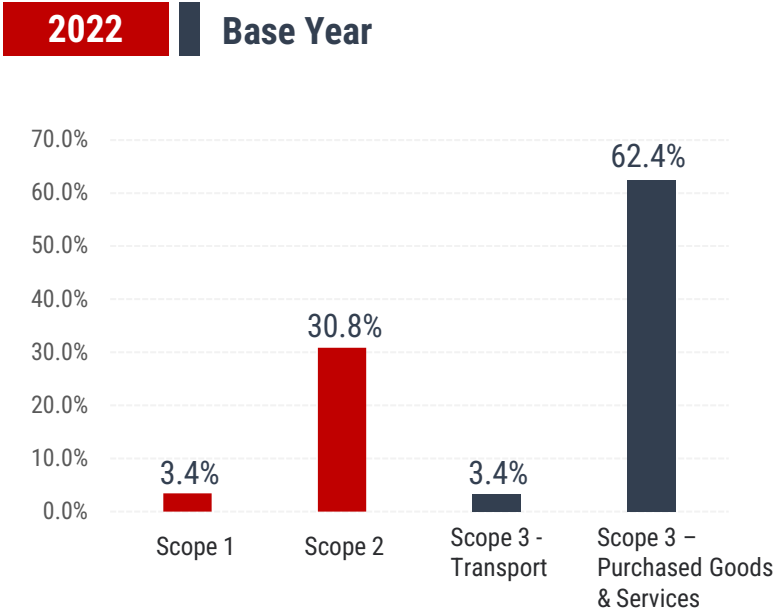
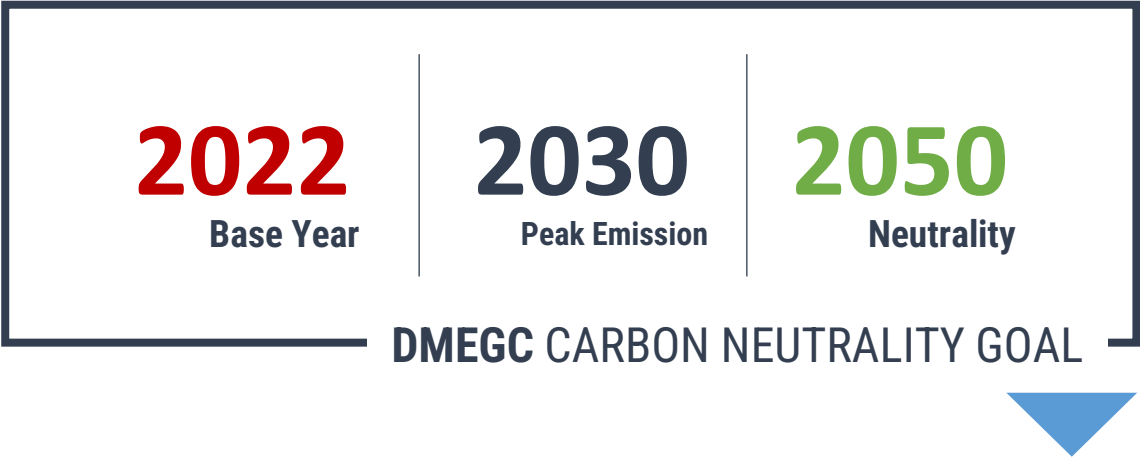




# Path towards Zero Emission

- DMEGC for Green**

As a manufacturer in renewable energy sector, our products naturally create green value for customers and for the planet. Further than that, based on emission status and production capacity forecast, DMEGC has been actively undertaken GHG emission verification, target setting and emission cutting activities:

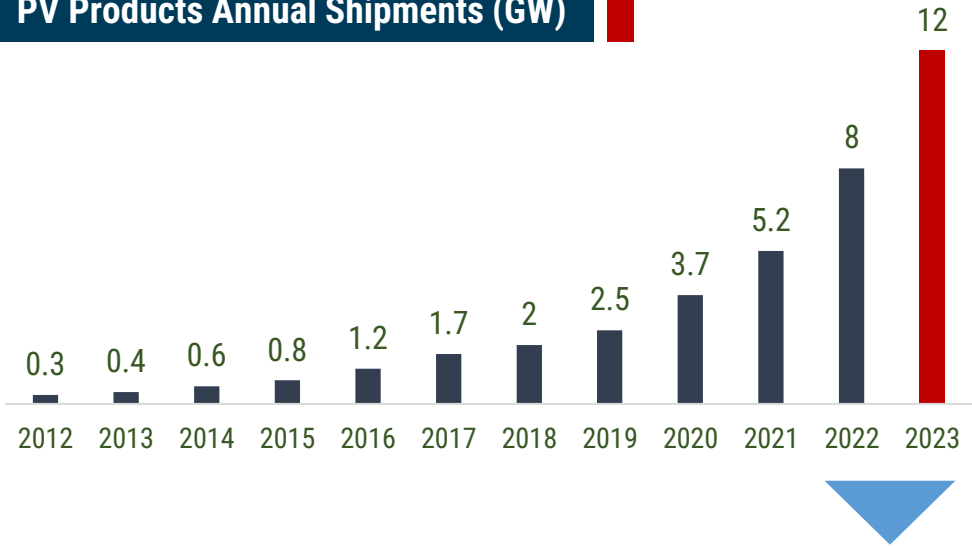




# Creating Green Value

- With our production increasing, our contribution in the joint fight against climate change also increases.
- As of Q4 2023, the cumulative shipment of photovoltaic products has exceeded 35GW, which leads to a saving of 13.8 million tons of standard coal per year, amounting to a carbon dioxide emission reduction by 31.8 million tons per year.

PV Products Annual Shipments (GW)



**39.6** million MWh/yr  
Power Generation



**13.8** million t/yr  
\*Standard Coal Savings



**31.8** million t/yr  
CO<sub>2</sub> Emission Reduction

**DMEGC: CREATING GREEN VALUE**



# Organizational Low-Carbon Performance

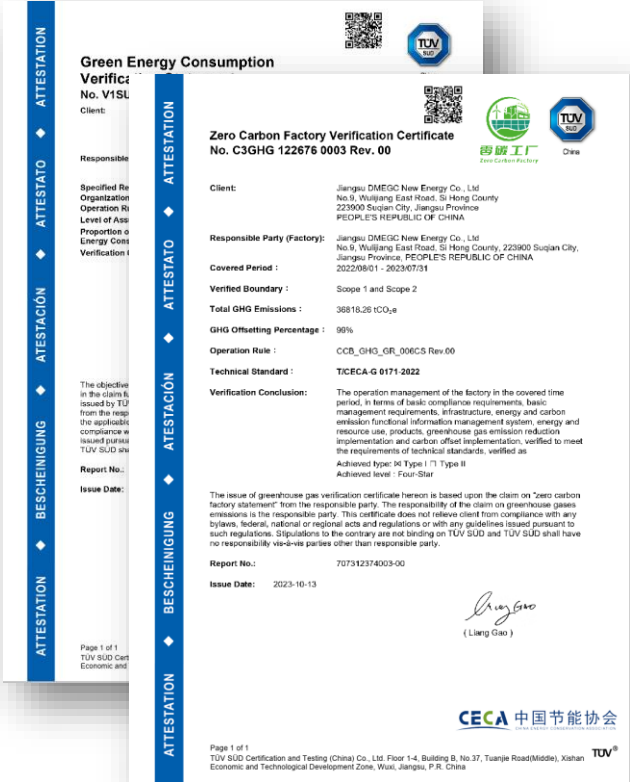
- Hengdian, Zhengjiang (Cell 8GW + Module 2GW)
- National Ministry of Industry and Information Technology "Green Factory"
  - P6 plant: The first batch of "Future Factories" in Zhejiang Province
  - P7 plant: "Smart Unmanned Factory"
  - Module and cell plants: 100% green energy



- Sihong, Jiangsu (Module 5GW)
- 100% green energy
  - Jiangsu Provincial "Green Factory"
  - TÜV SÜD "1<sup>st</sup> Zero Carbon Factory" (October 2023)



- Lianyungang, Jiangsu (Module 5GW+5GW)
- 100% green energy



DMEGC Solar has achieved 100% green energy in PV module manufacturing in 2023, **100% for both cell and module manufacturing in 2024**

# Organizational Low-Carbon Actions

## Application of Energy Saving Technologies

- ✓ The intelligent control transformation of the external air conditioning system realizes the intelligent management, saving **4,000,000 KWH** of electricity per year.
- ✓ TP6/TP7 plants air pressure circulating water series transformation, saving **360,000 KWH** of electricity per year.
- ✓ Sihong factory module laminating area of no power hood changed to hot exhaust air, saving **750,000 KWH** of electricity per year.

\*The above are a part of the programs that have been implemented in 2022.



## Green Electricity Purchase

- ✓ Sihong Factory has purchased I-REC **54,842 MWH** in 2023.
- ✓ Hengdian Factory has purchased green electricity **4,744 MWH** since May 2023.

## Clean Energy Facility

- ✓ By 2023, DMEGC's own installed PV capacity reached **52.13MW**, generated green electricity for DMEGC's own consumption **22,590 MWh**, to grid **28,824 MWh**.
- ✓ It is planned to build 44 MW Rooftop PV project in Sihong, Lianyungang and Yibin factories from 2023 to 2024.

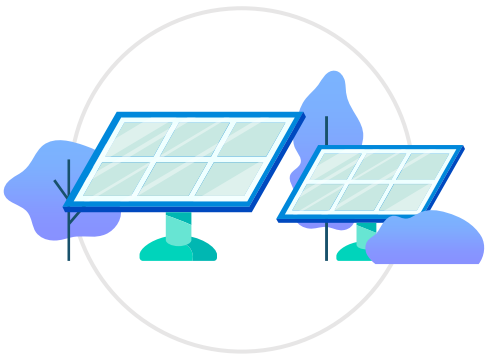


# Product Achievements in Low-Carbon

**EPD Italy (DMEGC Sihong, obtained in Q4 2023)** PERC all series and N-type all series

**EPD Norge (DMEGC Sihong, to be obtained in Q3 2023)** M10RT  
EPD Norge is mutually recognized with EPD Italy.

**As of end of 2023**, a total of 51 of the company's mainstream products have passed carbon footprint certifications such as French PEP and Italian EPD.



**French LCA (including CRE4 and PPE2) :**  
1.Ingot&wafer (DMEGC, Qixian)  
2.Cell (DMEGC, Hengdian, Qixian in Q3 2024)  
3.Module (DMEGC, Hengdian & Sihong)

**French ECS (Issued by Certisolis)**  
All types of module match different CFP grades.  
Unit: CO2 eq. kg/kW  
\*ECS including CRE4 and PPE2

**French PEP (ECO Passport)**  
For all series for P and N-type modules

**ISO 14067 (report)**  
For all Infinity series to be released in Apr 2024





# Environment Friendly Products

## Reduce Ammonia & Nitrogen Emissions

- ✓ In the wet process of PV cell, we have totally phased out the use of HNO3, reducing ammonia nitrogen emissions by 53.3 tons/year and better preserve our HSE conditions;

## Reduce Fluoride & Chloride Emissions

- ✓ The introduction of additives targeting HCL and HF acid activity reduced the emission of fluoride ions by 335.1 tons/year and chloride ions by 293.1 tons/year,



## Fluoride-free Backsheet

- ✓ Modified PET+ polyolefin material is to replace the traditional fluorine film and fluorine coating process

## Lead-Free Welding

- ✓ Lead-free welding material, junction box for module;

## Dealcoholized Silica Gel

- ✓ The product of crosslinking reaction of dealcoholized silica gel is alcohol, instead of the traditional deoxime silica gel containing butyl ketoxime.



- All series of PERC and TOPCon modules are **PFAS-FREE**, and pass the RoHS & REACH SVHC/Annex XVII tests.

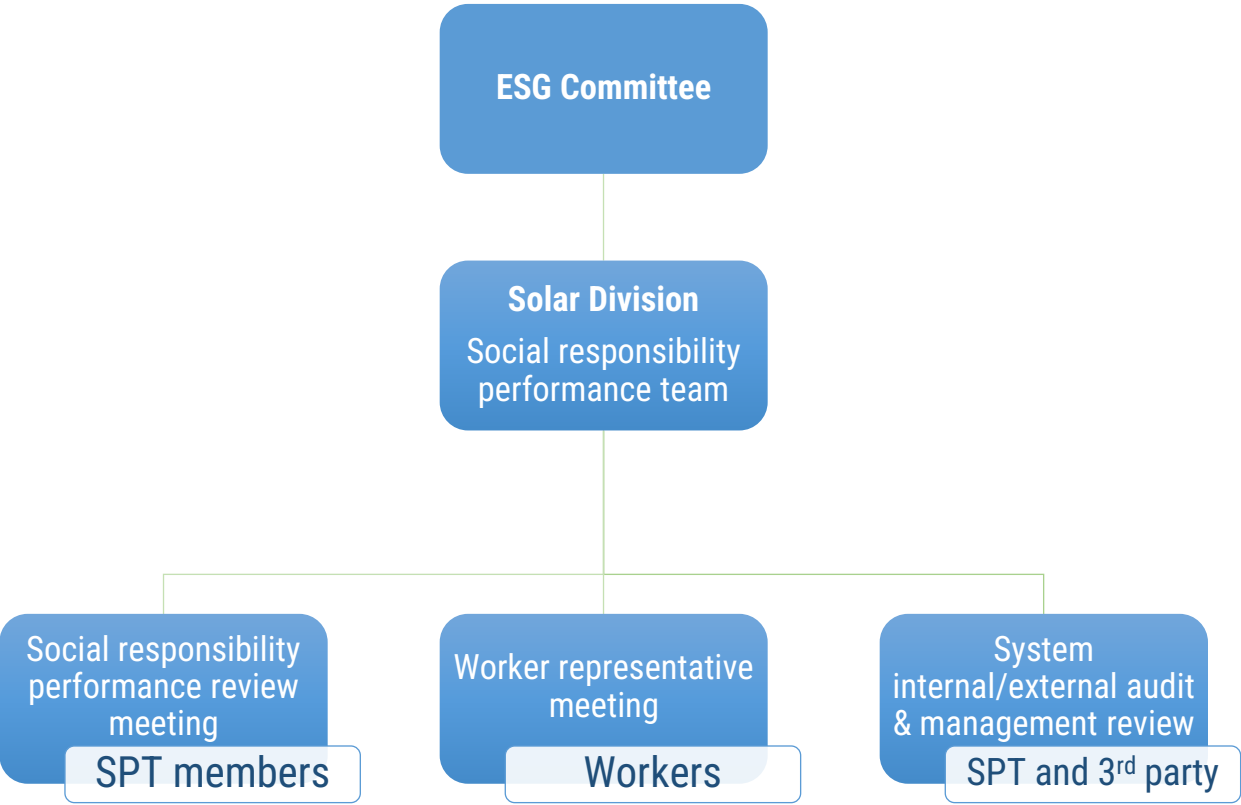
\*Reach / RoHS & PFAS 3<sup>rd</sup> party tests where performed by TÜV SÜD



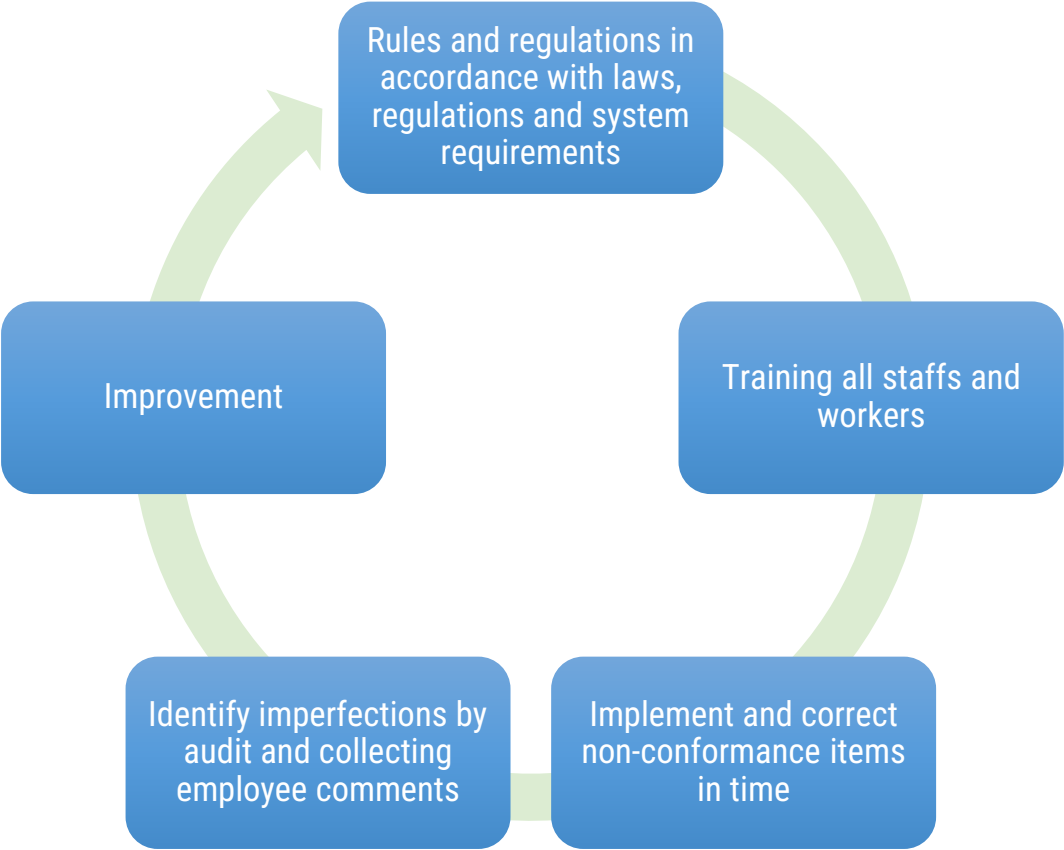


# CSR Implementation & Improvements

- CSR organizational structure from group to division;



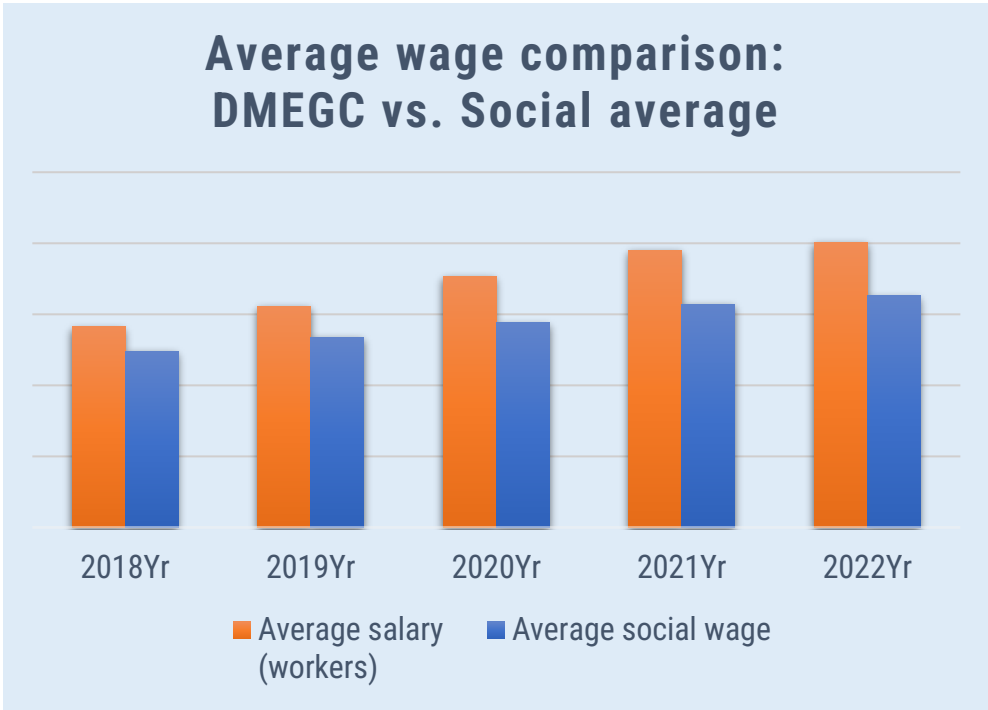
- CSR implementation and improvements



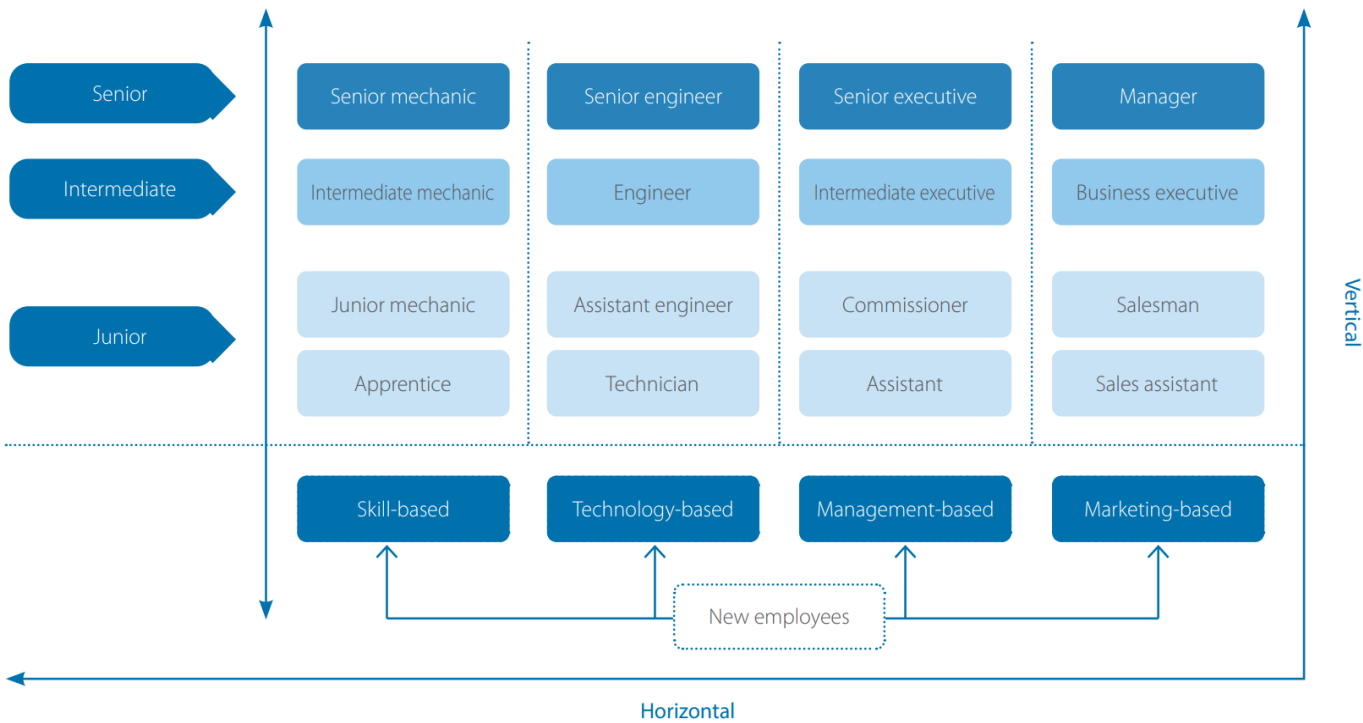
- Frontline workers participate in improving corporate social responsibility through staff representative meetings, complaint mailboxes, and audit interviews.

# Employee Income and Development

- We offer our employees competitive salaries that continue to increase each year,
- With the average front-line worker salary increasing by 42.07% in 2022 compared to that of 2018.



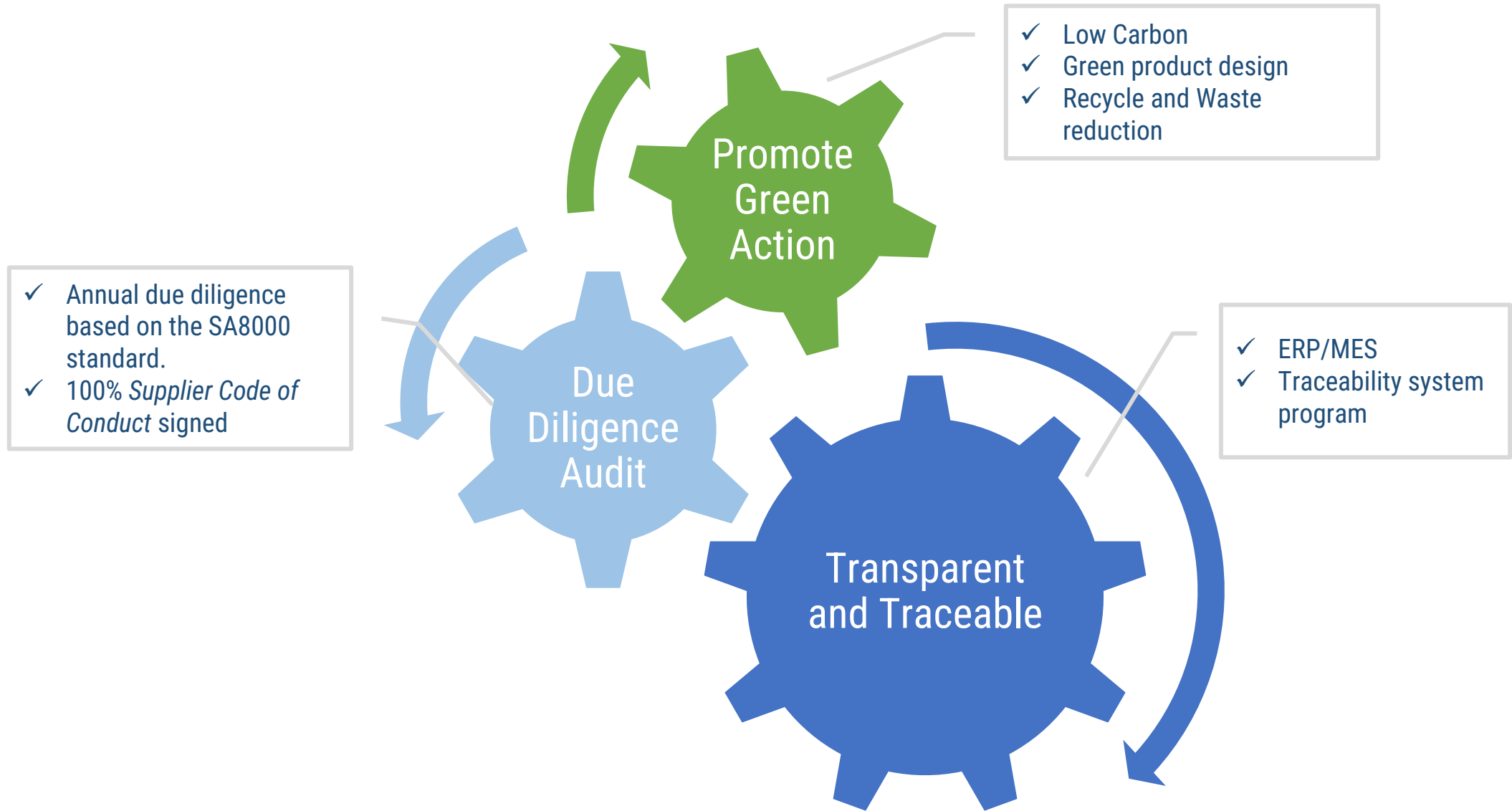
- Striving to build a step-by-step training model for talent, we have provided employees with dual career ladders with both horizontal and vertical development and offered career development opportunities for technical staff, to promote their career development and improve their qualification levels.



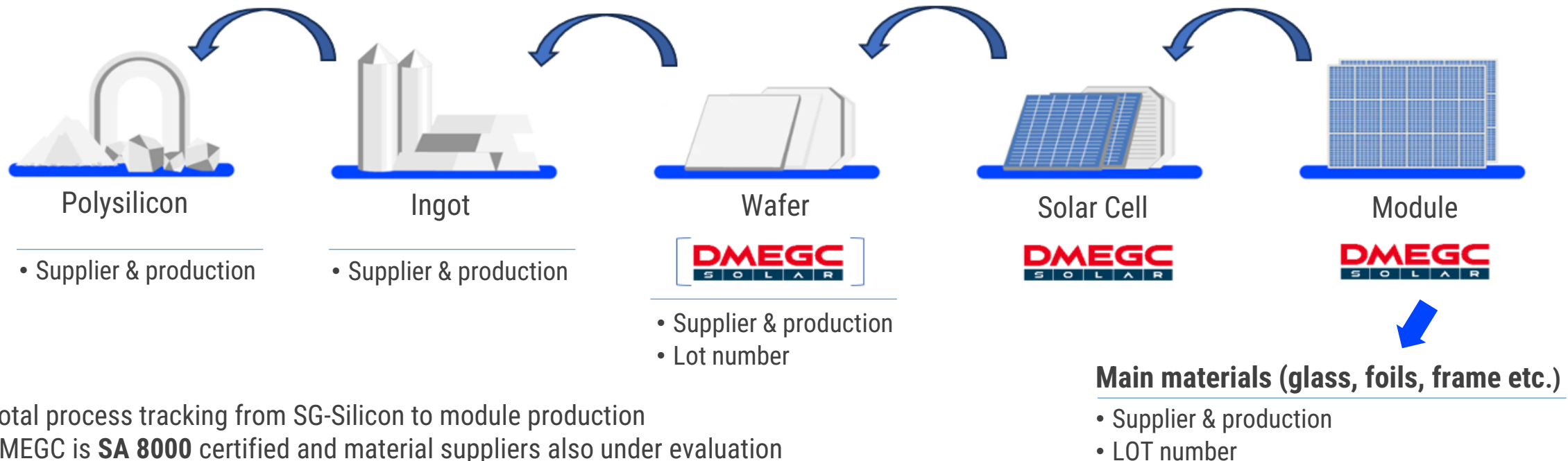
DMEGC Employee Career Development Path



# Sustainable Procurement



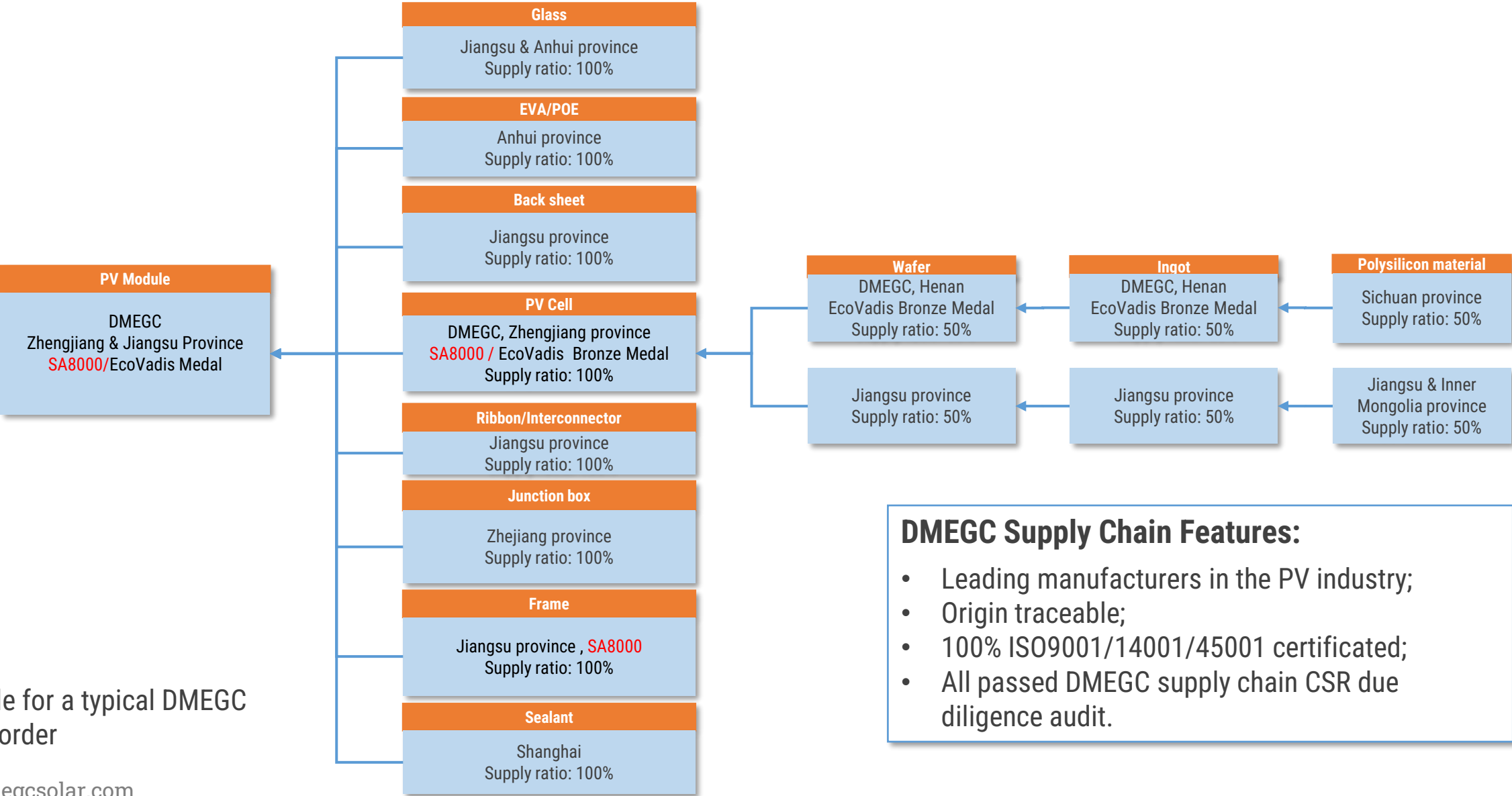
# PV Module Traceability



- Total process tracking from SG-Silicon to module production
- DMEGC is **SA 8000** certified and material suppliers also under evaluation
- **Supply chain ongoing upgrade for more transparency and CSR, audit to be finished in July**



# Transparent Supplier Chain Map



\*Example for a typical DMEGC module order

# To be the most socially responsible enterprise

Hengdian Group DMEGC Magnetics Co., Ltd

Hengdian, China

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