

# SMART GÜNEŞ ENERJİSİ TEKNOLOJİLERİ ARGE ÜRETİM SAN. TİC. A.Ş.

("Smart")

## Polysilicon Traceability Requirements

### Introduction

This specification describes Smart traceability requirements for the content of silicon used in solar panel products.

This procedure aims to:

- Trace the polysilicon content throughout the supply chain, from SMART's customer to raw materials.
- Secure that all companies and production facilities within silicon supply chain of Smart is known and proving sufficient evidence for traceability.
- To secure there is no forced & bonded labor implemented within the Smart silicon supply chain.

Polysilicon traceability requirements are applicable to any company involved in production, transportation, storage, trading below materials within Smart supply chain. Term "materials" refers to:

- Solar panel
- Solar cell
- Wafer
- Polysilicon Ingot
- Metallurgical grade silicon
- Excavated quartz.

Production units of all companies within Smart supply chain complies with below requirements:

### 1. Transparent disclosure of companies on supply chain

#### 1.1. Supplier shares with Smart,

- names of companies
- addresses of production facilities
- warehouses
- transporters
- sub-contracted producers
- traders
- other involved parties within polysilicon supply chain are shared with Smart.

1.2. If there is any change in the supply, i.e. any change of sub-supplier in any of the supply chain tiers, the Smart supplier shall inform in written the responsible purchasing responsible of Smart immediately.

### 2. Transfer of traceability information within and between production units in the supply chain

2.1. Materials purchased from different suppliers are required to be physically segregated and labelled, or identified with a code in the production processes, warehousing, and transportation. Such labels should be protected for any damage. This may include, but is not limited to, direct labelling of material, storage vessels, machines, and packaging.

2.2. Traceability records related to each Smart shipment is kept and shared with Smart for all deliveries. Traceability records for a Smart shipment refers to and not limited to:

- List of names of companies, production area locations, warehouse locations, name, and phone number of contacts from each unit.
- Purchase orders and proving payment information.

- Invoices for purchase orders
  - Certificates of origin
  - Import/export records
  - Shipping records, including manifests, bills of lading (e.g., airway/vessel/trucking)
  - Packing list
  - Production records from a tracing system such as Manufacturing Execution System (MES), SAP etc.
  - Production work orders, barcode numbers, lot numbers and connected details.
  - Inventory records including dock/warehouse receipts.
  - Mass balance related information and documentation
- 2.3. For each delivery of materials to Smart, supplier is required to share polysilicon traceability information as per agreed timeframe. Smart investigates documents and when needed, asks for additional evidence.
- 2.4. Traceability information shared with Smart is required to show traceability connections from:
- One supplier in lower tier to another supplier in above tier (as example wafer producer to cell producer)
  - From one production process to another within the production facility
- 2.5. Companies within Smart supply chain establishes a system and keeps records for each process step that shows the mass balance between the material input and the output.
- 2.6. All companies within the Smart supply chain are ready to let facilities, processes, records, and documents be audited by their customer, by Smart, or by a third-party auditor appointed by either their customer or Smart.
- 2.7. All units within Smart supply chain are expected to audit their direct suppliers on “Smart major requirements” stated on Smart supplier code of conduct.

## **SUPERVISION AND REMEDIAL ACTIONS**

Smart expects all its Suppliers and their suppliers in Smart in polysilicon supply chain to adopt Smart traceability requirements to adhere to the Smart traceability requirements.

Smart has the right to periodically request information and documents from its Suppliers and to conduct on-site audits or audits by third parties at any time to confirm whether its Suppliers act in accordance with the Smart traceability requirements. By working with Smart, Suppliers acknowledge that Smart has such rights of demand and control.

If any non-compliance is detected during the audits, Smart.

- Supplier reserves the right to unilaterally terminate its business relationship with any Supplier who materially violates the principles set forth in the Smart traceability requirements or if supplier do not accept to comply with requirements.
- Require suppliers to implement an action plan to address non-compliance within an agreed timeframe and conduct follow-up audits to ensure that the actions set out in that action plan are carried out.

## **NOTIFICATION OBLIGATION**

The provisions and statements contained in the Smart traceability requirements are not intended to create any contractual rights for the Suppliers that may be claimed against Smart, and no claim can be made by the Suppliers based on the Smart traceability requirements.

It is the sole responsibility of suppliers to comply with the Smart traceability requirements. By entering a business relationship with Smart, Suppliers acknowledge that they are aware that Smart reserves the right

to unilaterally amend the Smart traceability requirements from time to time and that they can access the Smart traceability requirements at [www.smartsolar.com.tr](http://www.smartsolar.com.tr). Smart expects its Suppliers to have effective investigation and resolution mechanisms in place, to the extent permitted by law, for violations of the Smart traceability requirements or legislation.

You can send all your questions regarding the Smart traceability requirements to [sustainablesupplychain@smartsolar.com.tr](mailto:sustainablesupplychain@smartsolar.com.tr).

### **Definitions:**

**Mass balance:** The balance by weight, amongst input and output materials. Mass balance is expected to be equal considering the anticipated yield loss.

**Traceability:** Ability to trace the history, application or location or source(s) of a material or product throughout the supply chain. It delivers the ability to follow the movement of a product and its components through specified stages of production, processing, and distribution.

**Traceability system:** Manual or electronic system that provides the ability to access any or all information relating to the material or product under consideration throughout their life cycle, by means of accessing documented information.

**Segregation:** Physical segregation of materials, storage units.

Examples of segregation include:

- Feedstock such as wafer, ingot, MG silicon, mined raw material shall be recorded and kept in separated areas in warehouse.
- Name of supplier of materials are clearly defined to prevent mix-up.
- Components shall be recorded and possible to identify when stored.

Sales articles shall be recorded and possible to identify the customer when stored.

**SMART supplier:** A supplier who has signed a purchasing agreement with Smart.

### **References**

- Uyghur forced labor prevention act, U.S. customs and border protection operational guidance for importers, June 13, 2022
- Solar supply chain traceability protocol 1.0 industry guidance, April 2021, <https://www.seia.org/>