

Solar Stewardship Initiative

Pre-Membership Due Diligence Procedure

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Foreword

The Solar Stewardship Initiative (SSI) and its members are unwavering in their commitment to responsible practices in the solar value chain.

Our core values are built upon the protection of the environment and respect for human rights. We recognise that these principles are fundamental to the sound governance of the solar sector. We are dedicated to accelerating the clean energy transition and delivering solutions to the immediate climate and energy crises. These values must be reflected at all steps of our industry's value chain; they are fundamental to the long-term success of any solar business operating today.

Solar is a reliable, sustainable, and renewable source of energy, critical to addressing climate change and improving energy security. The industry is growing rapidly; it is expected to be the main electricity source in Europe by 2050.

With its growth, the opportunity to foster green economic development also increases. Developing a responsible, transparent, and sustainable solar value chain is central to delivering this clean energy transition.

The SSI has been designed to clearly set out expectations for environmental, social and governance (ESG) practices, and supply chain transparency.

Its purpose is to strengthen confidence in how the materials and products in the solar value chain are manufactured and used. It aims to establish and communicate verifiable information on ESG practices and transparency of businesses along the length of the solar supply chain.

The SSI does not certify sites involved in forced labour. By refusing to conduct assessments or certifications in sites or regions that are not freely accessible, the SSI contributes to the marginalisation of businesses who fail to uphold strong ESG and traceability standards.

The publication of the SSI ESG Standard in October 2023 was a significant step in achieving these objectives. With the combination of the SSI ESG and SSI Supply Chain Traceability Standard, stakeholders along the solar value chain will be reassured that the silicon used in the solar modules was produced responsibly.

More information can be found at www.solarstewardshipinitiative.org/

Version history

Version	Date	Description
1.0	August 2025	First version issued as approved by the SSI Secretariat.

The Solar Stewardship Initiative

[The Solar Stewardship Initiative \(SSI\)](#) works with industry participants including manufacturers and buyers of solar photovoltaic modules, as well as other stakeholders including civil society, NGOs, intergovernmental institutions, international financial institutions, academics and independent experts with human rights and environmental expertise to collaboratively foster responsible production, sourcing, and stewardship of materials in the solar value chain. The SSI's mission is to enhance sustainability, and environmental, social, governance (ESG) performance across the solar supply chain.

Businesses actively involved in the solar value chain can apply to join the SSI and get certified against the SSI Standards.

The SSI's core objectives are to:

- Ensure the energy transition is just, inclusive, and respects people's human rights.

- Establish mechanisms to enhance supply-chain integrity in the global solar industry.
- Enable continuous improvement of ESG performance and level of transparency.
- Prepare the industry for relevant upcoming laws and regulations on ESG, transparency and responsible supply chains.

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1. Introduction

1.1. About this document

This procedure outlines the steps and criteria used by the Solar Stewardship Initiative (SSI) to conduct pre-membership due diligence of manufacturing member applicants. It defines how potential environmental, social, and governance (ESG) risks are identified and evaluated to safeguard SSI's credibility, integrity, and mission with regards to its membership.

This document incorporates:

- A structured risk-based and salience-driven ESG issue review
- Enhanced analysis framework informed by the ESG Salience Methodology developed specifically for solar manufacturers;
- Recommendations from the [International Social and Environmental Accreditation and Labelling Alliance \(ISEAL\) Code of Good Practice](#);
- Practical tools including the use of an AI Data Scraping tool and a harmonized ESG issue framework.

This procedure applies solely to companies seeking membership as manufacturing members within the SSI.

1.2. Purpose

To ensure that all manufacturing companies applying for SSI membership are screened for credible ESG performance, risk exposure, and operational integrity before being admitted as members. This process is intended to ensure alignment with the SSI's values and principles.

1.3. Scope

This procedure applies to all manufacturing companies applying for membership in the Solar Stewardship Initiative. It does not apply to downstream supply chain actors or non-manufacturing members.

1.4. Principles

The procedure is guided by the following principles:

- Risk-based: Deeper due diligence is triggered by risk exposure.

- Evidence-based: Judgments are based on reliable publicly available data, media, and reports.
- Impartial: Findings and decisions are free from conflict of interest.
- Proportional: Action is commensurate to the severity and likelihood of harm.
- Aligned with ISEAL: Follows global best practice for credible assurance.

2. Procedure Steps

2.1. Initiation and Information Gathering

The applicant submits a membership request through the dedicated online form available on the SSI website and provides:

- Company details, including but not limited to registration and ownership information, number of sites and production capacity;
- Supply chain footprint and countries of operation;
- ESG policy disclosures and any prior due diligence reports.

2.2. KYC and Integrity Checks

The SSI Secretariat conducts Know-Your- Counterparty (KYC) verification including:

- Entity registration and legal status;
- Corporate structure, including beneficial ownership;
- Links to politically exposed persons (PEPs);
- Presence on sanctions lists (UK, EU, US, UFLPA);
- Geographic footprint to detect operations in inaccessible areas;
- Identification of any potential conflicts of interest with SSI.

2.3. ESG Risk Identification (Salience-Based)

Issue Categories and Sources

The SSI Secretariat conducts a review of identifies material ESG issues across the following categories:

- Corruption & Governance
- Human Rights
- Labour Rights
- Occupational Health and Safety

- Environmental Stewardship

Research Tools and Sources

The SSI Secretariat conducts a systematic online search for adverse news against SSI's ESG issue categories, including:

- NGO reports
- Governmental reports
- Public online legal case databases
- Industry publications
- News and media sources

Salience Methodology

The SSI Secretariat applies a salience methodology score to assess the significance of identified impacts, considering:

- Gravity: The severity or seriousness of the impact resulting from a specific incident (e.g., a pollution event or a labour rights violation).
- Scale: The breadth of the impact, including the geographical area affected, the number of people, ecosystems, or biodiversity impacted, or both.
- Permanence: The duration and potential irreversibility of the harm caused, whether it is short-term, medium-term, or long-term.

Table #1: Gravity Rating

Impact	Short-term	Medium-term	Long-term
Very Serious (3)	2	3	3
Serious (2)	1	2	3
Somewhat Serious (1)	1	1	2

Table #2: Risk-Based Decision Thresholds

Salience Score	Action
Very High (3) or multiple issues scoring 3	The applicant will be given the opportunity to respond. Where evidence is inadequate, the application will receive a recommendation of rejection of membership to the SSI Board.
Moderate (2)	Recommendation of conditional approval with time-bound corrective action plan.
Low to Very Low (1 or 0)	Recommendation to approve.

3. Report Preparation and Evaluation

3.1. Due Diligence Report

The SSI Secretariat prepares a standardized report, including:

- Company profile and ownership
- Sanctions and conflict check findings
- ESG issues by category with salience ratings and source links
- Risk classification and rationale
- Recommendations (Approval, Conditional Approval, or Rejection)

3.2. Review Process

The SSI Secretariat reviews all findings on the Due Diligence Report. If there are Very Serious findings (see Table #1: Gravity Rating), the applicant is given a chance to provide further evidence or clarification. If there are Moderate findings, the applicant is requested to develop an improvement plan and is subject to more frequent monitoring.

3.3. Board Recommendation

The SSI Secretariat issues a final report and recommendation and submits it to the SSI Board. The Board may:

- Approve membership;
- Approve with conditions (corrective actions);
- Defer decision pending further investigation;
- Reject the application.

4. Post-Approval Monitoring

4.1. Conditional Members

Conditional members are subject to follow-up review within 12 months. Non-compliance with agreed actions may lead to suspension or revocation of membership.

4.2. All Members

All approved members are subject to ongoing monitoring against relevant sanctions lists issued by the EU, UK, and US authorities or any emerging reports or public disclosure of ESG issues. Manufacturer members are required to proactively inform the SSI of any changes in their operations or serious incidents that could trigger an additional due diligence review.