

## ANTI-BRIBERY AND ANTI-CORRUPTION POLICY

### Prohibition against Giving Bribes to Third Parties including Government Officials

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#### INTRODUCTION

Emeren Limited (**Company**) and its subsidiaries (together with the Company, **EML**) are committed to conducting business in accordance with all applicable laws, rules and regulations and the highest ethical standards. This commitment is embodied in the Company's *Code of Business Conduct and Ethics* (**Code**) which, among other things, requires EML and its directors, officers and employees to comply with the antibribery regulations in force within the European Union as well as with the United Kingdom *Bribery Act* (**Bribery Act**) and other anti-bribery and anti-corruption laws, rules and regulations applicable in countries where EML carries on business.

The Company Board of Directors approved with a resolution this policy on the 18<sup>th</sup> March 2021.

Generally, **bribery** is the offer, promise or payment of cash, gifts and other inducements or favors to a person in a position of authority or trust to influence that person's views or conduct or to obtain an improper advantage; and **corruption** is the misuse of public or entrusted power for private profit or gain. Bribery and corruption can take many forms, including cash payments, phony jobs or consulting arrangements, kickbacks, political or charitable contributions, social benefits, and gifts, travel, hospitality and reimbursement of expenses.

#### PURPOSE

The purpose of this Anti-Bribery and Anti-Corruption Policy – Prohibition against Giving Bribes to Third Parties including Government Officials (**Policy**) is to supplement the Code by reiterating the Company's commitment to full compliance with all applicable anti-bribery and anti-corruption laws, rules and regulations and providing guidelines for such compliance.

#### SCOPE

This Policy applies to all directors, officers and employees of EML (collectively, **Employees**). It also applies to all third parties who act for or on behalf of EML or who

## **ANTI-BRIBERY AND ANTI-CORRUPTION POLICY**

### **Prohibition against Giving Bribes to Third Parties including Government Officials**

---

provide, and receive payment for, goods or services related to any aspect of EML's operations, including EML's business associates and partners, suppliers, distributors, consultants, contractors and subcontractors (collectively, **Agents**).

This Policy is intended to supplement not supplant applicable anti-bribery or anti-corruption laws, rules and regulations and other Company policies.

### **POLICIES**

#### **Bribery**

##### ***Policy***

No Employee or Agent shall, directly or indirectly through a third party, offer, promise, pay or authorize the payment of anything of value to any person, including a government official, for the purpose of inducing that person to act or fail to act in a manner that will assist EML to obtain or retain business or any other advantage.

The term **anything of value** includes cash, gifts, meals, travel and entertainment, excessive business promotion activities, covering or reimbursing expenses, relief of indebtedness, political or charitable contributions, investment opportunities, subcontracts and similar items.

The term **government official** includes an officer or employee or other person acting for or on behalf of (a) a government or any department, agency or instrumentality of a government, including an entity owned or controlled by the government, (b) a public international organization and (c) a political party, including a candidate for public office.

##### ***Exceptions***

The following are permitted exceptions to the policy.

##### ***Gifts***

An Employee may give a gift to a third party, including a government official, if the gift is:

## **ANTI-BRIBERY AND ANTI-CORRUPTION POLICY**

### **Prohibition against Giving Bribes to Third Parties including Government Officials**

---

- (a) in the case of a government official, lawful under the written laws of the country of the government official and the guidelines of the applicable governmental department, agency or instrumentality;
- (b) not intended to induce the person to act or fail to act in a manner that will assist EML to obtain or retain business or any other advantage;
- (c) a *bona fide* promotion, courtesy, token of esteem or goodwill expenditure;
- (d) not in the form of cash or cash-equivalent (such as a gift card that can be used to make purchases at the holder's discretion);
- (e) of nominal value (on both an individual and aggregate basis) and the value is (1) customary for the country involved and appropriate for the occasion and (2) complies with the Company's rules set out below;
- (f) presented openly with complete transparency; and
- (g) accurately recorded in EML's books and records.

Gifts having a value of more than US\$250.00 must be approved in advance by the Chief Executive Officer or his nominee. Gifts having a value of US\$250.00 or less but more than US\$50.00 must be approved in advance by an Employee's manager following notice to the applicable regional director.

#### *Meal and Entertainment Expenses*

An Employee may pay meal and entertainment expenses of a third party, including a government official, if:

- (a) in the case of a government official, payment is lawful under the written laws of the country of the government official and the guidelines of the applicable governmental department, agency or instrumentality;
- (b) the payment is *bona fide* and related to a legitimate business purpose (i.e., related to the promotion, demonstration or explanation of products or services or related to performance of contracts);

## **ANTI-BRIBERY AND ANTI-CORRUPTION POLICY**

### **Prohibition against Giving Bribes to Third Parties including Government Officials**

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- (c) no *quid pro quo* is involved (i.e., the payment is not intended to induce the person to act or fail to act in a manner that will assist EML to obtain or retain business or any other advantage);
- (d) the expenses are (1) reasonable in amount and (2) payment complies with the Company's rules set out below; and
- (e) the expenses are accurately recorded in EML's books and records.

Payment of meal and entertainment expenses of more than US\$250.00 per person per expense must be approved in advance by the Chief Executive Officer or his nominee. Payment of meal and entertainment expenses of US\$250.00 or less but more than US\$50.00 must be approved in advance by an Employee's manager following notice to the applicable regional director.

#### *Travel and Lodging*

An Employee may pay travel and lodging expenses of a third party, including a government official, if:

- (a) in the case of a government official, payment is lawful under the written laws of the country of the government official and the guidelines of the applicable governmental department, agency or instrumentality;
- (b) the payment is *bona fide* and related to a legitimate business purpose (i.e., related to the promotion, demonstration, or explanation of products or services or related to performance of contracts);
- (c) no *quid pro quo* involved (ie, the payment is not intended to induce the person to act or fail to act in a manner that will assist EML to obtain or retain business or any other advantage);
- (d) the expenses are (1) reasonable in amount and (2) payment complies with the Company's rules set out below;
- (e) EML does not select the persons who will travel;
- (f) the expenses do not include side trips for leisure;

## **ANTI-BRIBERY AND ANTI-CORRUPTION POLICY**

### **Prohibition against Giving Bribes to Third Parties including Government Officials**

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- (g) the arrangements and accommodations are modest (e.g., economy airfare and modest per diem); and
- (h) the expenses are accurately recorded in EML's books and records.

Payment of travel and lodging expenses of any amount must be approved in advance by the Chief Executive Officer or his nominee.

### **Books and Records**

#### ***Policy***

EML is required to maintain books, records and accounts which accurately and fairly reflect all financial transactions and dispositions of EML assets.

Employees shall accurately and completely disclose and describe the nature and amount of each financial transaction and disposition of a EML asset and ensure that there is a reasonable relationship between the substance of each transaction and how it is described in the EML's books and records. Employees shall not agree to requests for false invoices or for the payment of expenses that are unusual, excessive, inadequately described or do not comply with this Policy.

## **ANTI-BRIBERY AND ANTI-CORRUPTION POLICY**

### **Prohibition against Giving Bribes to Third Parties including Government Officials**

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#### **COMMENTS**

##### ***Scope of the European Anti-Bribery Regulations and the Bribery Act and this Policy***

European regulations prohibit offering, promising, paying or authorizing the payment of bribes to foreign government officials. Since EML is subject to all of these laws, however, European and UK government officials are all foreign government officials.

The Bribery Act expands the bribery prohibition to cover private parties as well as government officials (e.g., EML's customers, suppliers and other business associates and partners).

This Policy prohibits offering, promising, paying or authorizing the payment of bribes to anyone, whether a government official or a private party.

##### ***Prohibition Applies in all Circumstances***

The prohibition in this Policy applies even if:

- (a) the payment benefits someone other than the person receiving the payment;
- (b) in the case of a government official, the business or advantage sought is not with a government body;
- (c) the payment does not work and no business or other advantage is obtained or retained; or
- (d) the person receiving the payment initially suggested the payment.

##### ***Facilitating Payments not Permitted***

The anti-bribery and anti-corruption laws, rules and regulations applicable to EML may, in some cases, contain an exception for payments of nominal amounts to government officials to ensure non-discretionary governmental actions, such as processing business permits (so-called ***facilitating payments***).

Notwithstanding any such exception, this Policy prohibits facilitating payments.

## **ANTI-BRIBERY AND ANTI-CORRUPTION POLICY**

### **Prohibition against Giving Bribes to Third Parties including Government Officials**

---

If you have any question whether a proposed payment is a facilitating payment, please contact the Chief Executive Officer.

## **ANTI-BRIBERY AND ANTI-CORRUPTION POLICY**

### **Prohibition against Giving Bribes to Third Parties including Government Officials**

---

#### ***Consequences of Violations***

The consequences of violations of anti-bribery and anti-corruption laws, rules and regulations are severe both for EML and the individuals involved. They can involve both civil and criminal prosecution and significant penalties, including fines and imprisonment.

#### ***Agents***

EML may be liable for the activities of its Agents and, as a result, the following rules apply in respect of EML's Agents.

#### ***Reasonable Steps to Ensure Compliance***

Employees shall take reasonable steps to ensure that an Agent's activities comply with applicable anti-bribery and anti-corruption laws, rules and regulations and this Policy. These steps do not require Employees to investigate each and every action performed by an Agent but they do require Employees to be alert for, and not turn a "blind eye" to, possible infractions and, if possible infractions are suspected or discovered, take reasonable measures to prevent them from happening.

The following "red flags" may indicate possible infractions:

- a reference check reveals that the Agent has a flawed background or reputation;
- the transaction involves a country known for corrupt payments;
- the Agent has been suggested by a person involved in the transaction, particularly one with discretionary authority over the applicable business;
- the Agent objects to anti-bribery and anti-corruption representations in its agreements with EML;
- the Agent has a close personal or family relationship, or a business relationship, with a person acting for a party to the transaction;
- the Agent requests unusual contract terms or payment arrangements, such as payment in cash, payment in another country's currency or payment in a third country;



## **ANTI-BRIBERY AND ANTI-CORRUPTION POLICY**

### **Prohibition against Giving Bribes to Third Parties including Government Officials**

---

- the Agent requests arrangements that directly involve an official, such as contracting the official or family members for certain services;
- the Agent claims a close relationship with an official that can resolve certain encumbrances;
- the Agent requires that his or her identity or, if the party to the transaction is a company, the identity of the company's owners, principals or employees, not be disclosed;
- the Agent's compensation exceeds the "going rate" or must be paid in cash;
- the Agent indicates that a particular amount of money is needed in order to "get the business" or "make the necessary arrangements";
- the Agent requests that the Company prepare or accept false invoices or any other type of false documentation; or
- the Agent requests that payment be made in a third country (ie, not where the services are rendered or where the party to the transaction resides), or to an account in another party's name.

#### *Engaging Agents*

All agreements with prospective Agents must be preceded by appropriate anti-bribery and anti-corruption due diligence and, if any "red flags" are identified during the due diligence or the transaction involves a country specified by the Chief Executive Officer from time to time, a formal due diligence report and the approval of the Chief Executive Officer or his nominee.

All agreements with Agents must contain provisions to the effect that (a) the Agents understand applicable anti-bribery and anti-corruption laws, rules and regulations and this Policy; (b) the Agents agree to comply with all applicable anti-bribery and anti-corruption laws, rules and regulations and this Policy; (c) the Company has the right to audit the Agent's activities to ensure compliance with applicable anti-bribery and anti-corruption laws, rules and regulations and this Policy; and (d) the Company has the right

## **ANTI-BRIBERY AND ANTI-CORRUPTION POLICY**

### **Prohibition against Giving Bribes to Third Parties including Government Officials**

---

to termination the contract if the Agents do not comply with applicable anti-bribery and anti-corruption laws, rules and regulations and this Policy.

Agent's services may not be subcontracted to a third party without the approval of the Company and compliance with the foregoing.

#### *Entering into Joint Ventures*

All joint venture arrangements with prospective joint venture partners must be preceded by appropriate anti-bribery and anti-corruption due diligence and, if any "red flags" are identified during the due diligence or the joint venture involves a country specified by the Chief Executive Officer from time to time, a formal due diligence report and the approval of the Chief Executive Officer or his nominee.

All joint venture arrangements between EML and its joint venture partners must contain provisions to the effect that (a) the partners understand applicable anti-bribery and anti-corruption laws, rules and regulations and this Policy and (b) the partners agree to comply with all applicable anti-bribery and anti-corruption laws, rules and regulations and this Policy as they relate to the joint venture. To the extent feasible, all joint venture arrangements between EML and its joint venture partners should (a) give EML the right (1) to audit the joint venture's activities to ensure compliance with applicable anti-bribery and anti-corruption laws, rules and regulations and this Policy and (2) to take appropriate action if the joint venture does not comply with applicable anti-bribery and anti-corruption laws, rules and regulations and this Policy and (b) require the joint venture to follow procedures similar to those described above in *Engaging Agents* when engaging agents for the joint venture.

#### *Acquisitions and Business Combinations*

All potential acquisitions and business combinations must be preceded by appropriate anti-bribery and anti-corruption due diligence, including the preparation of a due diligence report.

## **ANTI-BRIBERY AND ANTI-CORRUPTION POLICY**

### **Prohibition against Giving Bribes to Third Parties including Government Officials**

---

All acquisition or business combination agreements between the Company and third parties must contain appropriate representations and warranties on the part of the third parties with respect to compliance with applicable anti-bribery and anti-corruption laws, rules and regulations.

#### ***Reporting Possible Violations***

Employees and Agents who learn of or suspect violations of this Policy must promptly report the matter to the Chief Executive Officer at [gp@emeren.co.uk](mailto:gp@emeren.co.uk).

#### ***Training***

Internal Audit, together with Human Resources, shall carry out periodic (generally annual) assessments of those Employees who, as a result of their positions with the Company, including their contact or likely contact with government officials or persons in positions of authority or trust, should receive training with respect to applicable anti-bribery and anti-corruption laws, rules and regulations and this Policy. The Employees identified in these assessments shall be required to attend initial and annual training sessions with respect to applicable anti-bribery and anti-corruption laws, rules and regulations and this Policy. Internal Audit, together with Human Resources, shall maintain attendance and completion records for all identified Employees.

#### ***Audits***

EML may periodically carry out audits of its operations and Agents to ensure that the requirements of this Policy are being met. These audits may be conducted using internal resources or by third parties and may include a review of expenses and expense reports, the adequacy and accuracy of accounting records, the robustness of due diligence and other risk mitigation procedures and the robustness of reporting of possible violations, including unreported items.

Generally, these audits will be carried out as part the annual audit program. However, *ad hoc* special audits may be performed with respect to specific business segments selected on a risk-based approach.

## **ANTI-BRIBERY AND ANTI-CORRUPTION POLICY**

### **Prohibition against Giving Bribes to Third Parties including Government Officials**

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#### ***Seek Help***

Compliance with applicable anti-bribery and anti-corruption laws, rules and regulations and this Policy can be complex. Employees should not try to resolve problems on their own.

If a question arises regarding any payment or reporting matter, please contact the Chief Executive Officer.

#### ***Discipline***

An Employee who:

- (a) violates this Policy;
  - (b) has direct knowledge of a possible violation of this Policy and fails to report it to EML management; or
  - (c) misleads or hinders any investigation of a possible violation of this Policy;
- will be subject to disciplinary action, including termination of employment.

An Agent who:

- (a) violates this Policy;
  - (b) has direct knowledge of a possible violation of this Policy and fails to report it to EML management; or
  - (c) misleads or hinders any investigation of a possible violation of this Policy;
- will have its contracts reevaluated or terminated.