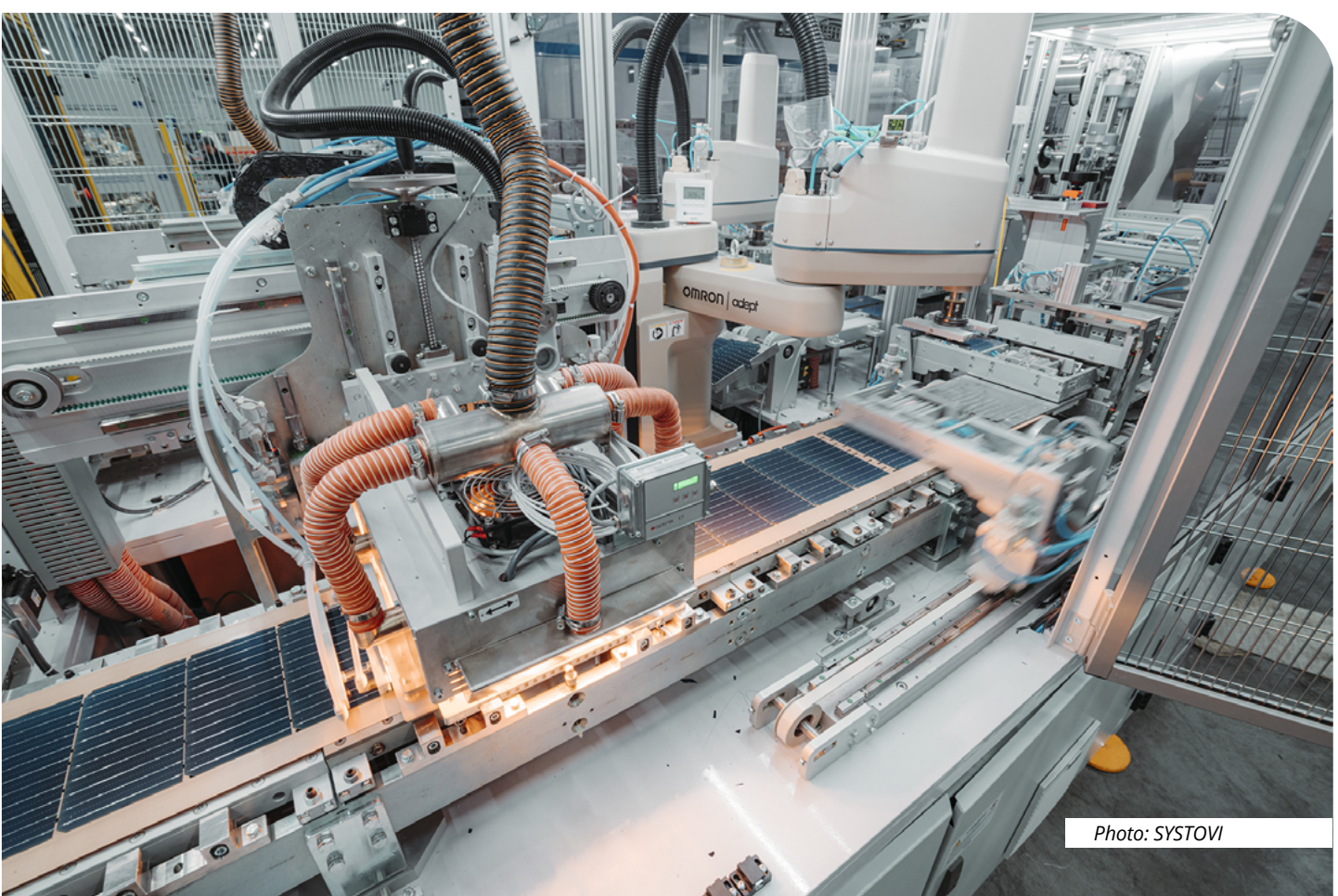
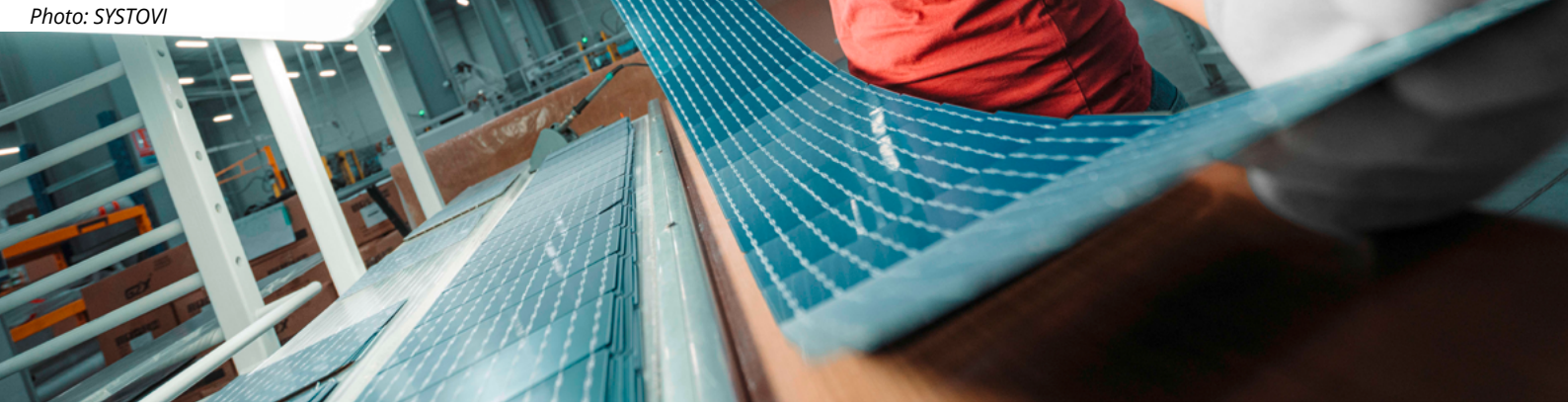


■ **ESMC**
■ **Quarterly Recap 3 2023**



Significant developments have taken place during summer and autumn with regard to the European industrial policies, our organisations and the global landscape. In this communication, we look back at the third quarter of 2023.



Words from our Secretary General

A lot has happened on multiple levels at ESMC during summer and autumn. The efforts within the European Solar PV Industry Alliance (ESIA) and with the European Commission have reached a new level of intensity, underscoring the critical nature of the topics being discussed for all stakeholders involved, sub-production cost prices of imported modules circulating on the European market and the rising stockpiles

I regret to say that this quarter has been a challenging one for our members, to say the least, and for the entire European PV manufacturing industry. We are of course fully aware that sub-production cost prices of imported modules circulating on the European market and the rising stockpiles could prove fatal for many European PV manufacturers if nothing is done.

We've engaged in numerous meetings with representatives from the European Commission and the European Parliament to describe the situation and the necessary actions to rescue our industry, and with it, our energy security and resilience. It's utterly troublesome that unsustainable cheap modules are being dumped on our continent as a consequence of it being the only unregulated market left — after import tariffs and regulations have been introduced in other major markets such as the US and India. We take pride in the unity of our industry and the signing of the [letter](#) we circulated in September, addressed to the European Commission and European Parliament. ESMC, along with 48 companies, startups, organizations, and research centers, demonstrated in September that we can unite behind an [analysis](#) and concrete proposals for change. The solution, as we see it, is to launch a [solar package](#) like what has been adopted for the wind industry. Of course, the package is not a goal itself, but we need several concrete actions to be delivered here and now to safeguard European PV manufacturing industry. Additionally, we are closely monitoring developments to support the local PV manufacturing industry in Germany and hope that more EU Member States will be inspired to take swift actions. We are also advocating that the current situation should be addressed by the high level attention from the EU Member States and supporting European Commission efforts on that.

On a positive note, the issue of modern-day slavery has gained prominence in the EU. The [initial steps](#) toward realizing this immensely important legislation were taken on October 16 when the European Parliament's committees for the Internal Market

and International Trade voted for the draft of the new legislation aimed at eradicating forced labour in supply chains. We have also prepared a [position paper](#) with clear recommendations for our members on how we believe this issue should be addressed, along with various resources related to organizations, legislative references, and reports on the subject.

In the European Solar PV Industry Alliance (ESIA), our work continues, and we have jointly managed to release three recommendation papers, [firstly](#), to provide an analysis and recommendations regarding the financial gap and financial support mechanisms, [secondly](#), to address the issue of antimony in imported modules and [thirdly](#), to propose non-price criteria in specific public procurements, public auctions, and residential market segments for solar PV systems.

We had the pleasure of participating as official organisational partners at the EU PVSEC in Lisbon in September and greatly appreciated the discussions, meetings, and social interactions we had with you there. Special thanks to our members who joined us at our booth. Speaking of members, our organisation continues to grow, and we've happily welcomed 9 new members since our last quarterly report, so please extend them an extra warm welcome or a handshake when the opportunity arises!



Dr. Johan Lindahl
lindahl@esmc.solar

New position paper:

ESMC Official Position Paper against Forced Labour

In a new [position paper](#), developed by [ESMC's Working Group on Forced Labour and Socially Sustainable Supply Chain](#), ESMC strongly condemns all forms of forced labour.

It explains ESMC's position against forced labour, presents improvements to the proposed European regulation, and includes recommendations to ESMC's members on how to use due diligence to discover and act against forced labour as well as to completely refrain from suppliers and sub-suppliers from the Xinjiang province in China. Read it [here](#).

According to the Global Slavery Index 2023, the manufacturing of solar panels is the fourth most prevalent product category exposed to forced labour (together with electronics, garments, and palm oil). This means that the solar industry must proactively work at all levels to eradicate forced labour from our supply chains.

In short, ESMC's recommendation to the European legislators is to adopt legislation that prohibits the sale of products made with forced labour as soon as possible. In awaiting the legislation, the EU must act urgently to prevent products made with forced labour from entering the European market.

Webinar:

ESMC Webinar about Forced Labour

On September 26th, we held an ESMC webinar on combating forced labour within the solar supply chain. We are pleased to report that there was a high interest with more than 100 participants.

During the session, we delved into the critical subject of identifying and addressing forced labour. It provided insights, not only from expert researchers and ESMC members active in combatting this issue, but also featured presentations by the European Commission and well-established human rights organizations. It also included strong firsthand testimonies from Uyghurs who have tragically endured oppression and forced labour, shedding light on the human aspect of this pressing issue.

For those of you who were unable to join us live or wish to revisit the content and access the presentation slides retroactively, we've made it easy for you. Simply click here to access the [slides](#) and find the recording of the meeting [here](#).

Interested in learning more about PV social sustainability?

Besides the new ESMC Position Paper, our Sustainability Policy Director, Jens Holm, recommends you to browse the following key documents to get more insight in the topic on social sustainability in the PV Supply chain.

1. [Over-Exposed: Uyghur Region Exposure Assessment For Solar Industry Sourcing \(2023\)](#)
2. [European Commission: on Banning Products Made with Forced Labor](#)
3. [Draft Report from the Committees INTA and IMCO in the European Parliament](#)
4. ["In Broad Daylight"](#)
5. [Information about the U.S. Legislation on Forced Labor, "The Uyghur Forced](#)



Webinar September 26th 2023

Cover slides of some of the presentations that were given during the ESMC webinar. Proposed Forced Labour Regulation (Lennart Grundberg, European Commission, GROW D3), Over-Exposed: Uyghur Region Exposure Assessment



for Solar Industry Sourcing (Laura Murphy, Sheffield Hallam University), European perspective: Tackling forced labour in Supply chains (Hélène de Rengervé, Anti-Slavery International).





Changes to the ESMC Board

After faithfully serving as a Board member of ESMC since the organization's inception, it is with mixed emotions that we announce that Anis Jouini (Former Director General at INES) has stepped down from the ESMC Board. He has transitioned to an exciting new role as the CEO of another ESMC member company, ECM Greentech, and can thus no longer fill CEA/ Ines' Board seat.

However, we are thrilled to welcome his replacement, Pierre-Jean Ribeyron, Head of Technology at CEA. He has already started contributing to ESMC's work, bringing his extensive knowledge of the European industry and technical expertise in both established and emerging PV technologies.

EU PVSEC 2023

Industry forum

ESMC is happy to once again participate as an organizational partner to the EU PVSEC event, this time taking place in Lisbon. This meant to offer special prices on booths for ESMC members as well as contribution in developing the industry summit.

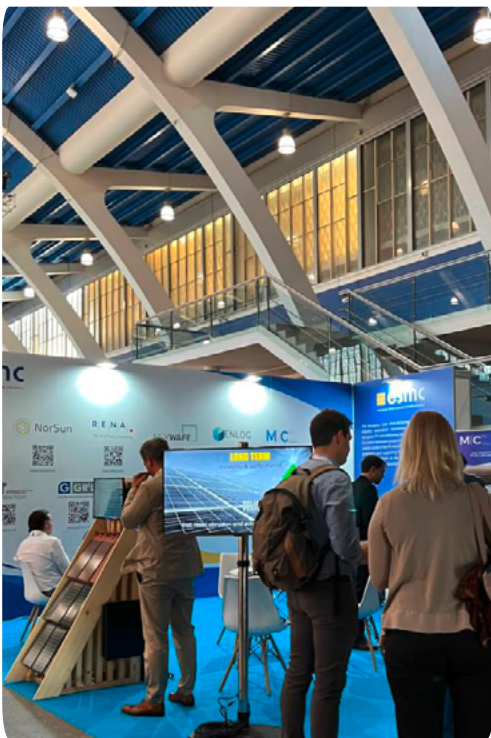
During the first day's Industry Summit session, our Secretary General Dr. Johan Lindahl, delivered a presentation named "Hope and despair — The one-year roller coaster ride for the European PV manufacturing industry", highlighting the ongoing challenges posed by unsustainably low-priced PV modules from China and its impact on our members. He also presented the existing support policies in place to bolster European manufacturing in the context of the global race for securing PV manufacturing.

In addition, several of our Board members and representatives of Member companies participated in numerous talks and sessions about the PV industry and value chains.

ESMC's booth

Strategically positioned at the entrance of the exhibition, ESMC proudly presented the ESMC members booth at the EU PVSEC exhibition. It worked as a European manufacturing center of the exhibition and within the booth, our members got the opportunity to showcase their innovations, achievements, and activities.

We are delighted to consider this collaborative booth initiative a success and



○ Lisbon September 18 – 22nd 2023.

Our Secretary-general Johan Lindahl holding a presentation named "Hope and despair — The one-year roller coaster ride for the European PV manufacturing industry" and the 36 m² ESMC booth at the exhibition, shared by ESMC and 11 members.

Report from our Policy Director Žygimantas Vaičiūnas

In a quarter dominated by summer holidays, it has been a remarkably eventful period on the regulatory and market fronts in Europe. As we previously reported, it was crucial for us to alert the European Commission before the summer about the low prices recorded for imported PV modules in Europe and the potential impact on our domestic industry. Our message was well-received, and we maintained close contact with the relevant Directorates General and the Cabinets of the Vice Presidents and Commissioners within the European Commission. By September, the situation had become increasingly unsustainable, especially in light of the struggles faced by the few wafer and ingot companies we have left in Europe, which declared either bankruptcy or temporarily halted production due to financial difficulties.

In parallel with this communication, a significant effort was initiated to prepare an analysis and a letter aimed at uniting the European PV industry. On September 11th, the [letter](#), signed by 48 stakeholders, both ESMC members and non-members, encompassing virtually the entire industry, was released to the European Commission, European Parliament, EU Presidency and media. The message was clear: “The future of the European solar industry and a resilient European energy supply are in grave danger. Without immediate action, the European PV manufacturing industry will vanish forever”. Although the letter was well-received, and we sense an understanding in the corridors of Brussels, it is evident that support will not come easily. ESMC’s primary messages continue to be: 1) Urgent removal of solar modules produced with forced labour from the European market; 2) Rapid acquisition of PV module inventories from European PV manufacturers to address the price drop caused by Chinese specific trade practices; 3) Decision to incorporate a minimum share of European production along the entire PV value chain, including the implementation framework, for European PV deployment.

Two days later, in State of the European Union [speech](#), European Commission President Ursula von der Leyen announced an anti-subsidy investigation against the Chinese electric vehicle batteries industry. While this is a reasonable action to protect one industry, our question arises: What about the Chinese solar modules that are practically flooding the European market? Aside from the price dumping, Chinese production comes at a significant human and environmental cost. President von der Leyen rightly acknowledged, “We have not forgotten how China’s unfair trade practices affected our solar industry”. ESMC believes that the lesson learned will deliver concrete policy changes not only in other net zero industries, but also in PV manufacturing, which equally is the strategic sector for today and for the future. Although various perceptions exist about Europe’s capability to be competitive while global PV repercussions take place, we are strongly addressing the issue to the European Commission representatives and policy officials. In line with these deliberations, we have also proposed [several concrete actions](#) which would rescue our industry today and would ensure its sustainable competitiveness in the future.

In September, we began to witness [support](#) from the regional governments of Saxony and Saxony-Anhalt in Germany, as they called upon the European Union and the German Federal Government in Berlin to protect the German solar industry from an influx of solar modules that do not adhere to the EU’s environmental and labour standards. Earlier in the summer, to prevent manufacturing from relocating to the US, Germany successfully sought proposals for 10 GW of PV manufacturing, including a minimum annual production capacity of 2 GW of highly efficient, low-carbon modules. While we continue to encourage more EU Member States to engage in national programs supporting domestic manufacturing, we have also seen positive developments in Spain (with a call for interest for €1 billion dedicated to net-zero industries), the Netherlands

(allocating €412 million through the National Growth Fund for the SolarNL program), and Norway (announcing the inclusion of PV in the national “grønt industriløft” or Green Industrial Promotion). It is expected that Spain will be able to deliver more concrete actions on elaborating €1 billion financing for the net-zero industries as Spanish Recovery and Resilience Plans with included REPowerEU chapters has been adopted by the European Council on 17th October.

In conclusion, we are actively engaged on multiple fronts, both as ESMC and within the ESIA, to advocate for support measures benefiting European PV manufacturing. These efforts encompass a range of initiatives, including but not limited to amendments to the NZIA, a “European Solar PV Manufacturing Package,” dedicated tenders and auctions favoring local content, Ecodesign and energy labeling, and, indirectly, through the prohibition of forced labour. Without any doubts the time is critical, and we need dedicated concrete actions of the European Commission, European Parliament, EU Member States and the entire PV manufacturing industry to work together to rescue our industry today and to prepare it for the future to be competitive, sustainable and with a clear presence in European and global PV markets.



NET-ZERO INDUSTRY ACT

On 25th of October, the ITRE Committee in the European Parliament voted for the proposed amendments in the Net-Zero Industry Act. ESMC has directly and indirectly expressed the need for a higher target for the European PV manufacturing and we are pleased that our and our allies' efforts have resulted in improvements in the proposed amendments.

Firstly, the weight of sustainability and resilience contribution in tenders are now suggested to be extended to at least 30% in public (procurements instead of 15–30% previously proposed by the European Commission). Secondly, the weight of sustainability and resilience's contribution in tenders is extended to 35–50% in auctions (instead of 15–30% previously proposed by the European Commission). Thirdly, the costs difference will be assumed as disproportionate when the price difference is above 30% in public procurements (instead of 10% previously proposed by the European Commission). Fourthly, costs difference will be assumed as disproportionate when the price difference is above 15% in auctions (instead of 10% previously proposed by the European Commission). Fifthly, pre-qualification criteria are introduced for public procurements and auctions — no more

than 50% of the net-zero technology part of the tender shall originate from third countries that are not signatories of the World Trade Organization (WTO) Agreement on Government Procurement (GPA).

These amendments are in line with the position and efforts of ESMC to extend the weight of non-pricing criteria and extend the tolerance of the price difference.

We are making further efforts to ensure that the vote will be made in favour to these amendments in the Plenary of the European Parliament (expected on 21st of November) and maintained in further negotiations when the trilogues (interinstitutional negotiations on final text by the European Commission, European Parliament and the Member States) will be started.

Read more about our position [here](#).

A SPECIAL WELCOME TO OUR NEW MEMBERS JOINING IN Q3-2023!

The logo for WACKER, featuring the word "WACKER" in a bold, black, sans-serif font inside a white rectangular box with a black border.The logo for POWER ELECTRONICS, featuring a stylized blue and black graphic above the text "POWER ELECTRONICS" in a bold, black, sans-serif font.The logo for ROS, featuring the letters "ROS" in a bold, blue, sans-serif font with three vertical bars to the right.The logo for STÄUBLI, featuring the word "STÄUBLI" in a bold, grey, sans-serif font.The logo for LAMBERTS, featuring the word "LAMBERTS" in a bold, black, sans-serif font with "est. 1887" below it.The logo for Smart SOLAR TECHNOLOGIES, featuring the word "Smart" in a blue, sans-serif font with a green leaf icon to the right, and "SOLAR TECHNOLOGIES" in a smaller, red, sans-serif font below it.

Our monthly ESMC Member ESIA meetings provides a platform for all our members, whether they are actively involved in the ESIA or not, to stay informed about the ongoing ESIA process and other important actual developments. If you haven't received invitations to these meetings, please reach out to us.

Ongoing work

As part of its steering committee, the work within the European Solar PV Industry Alliance (ESIA) is an ongoing effort, and for the past few months, consolidation efforts have been underway between the Working Group on Supply Chain and Non-pricing conditions to produce recommendations related to the [Net Zero Industry Act](#). As the sherpa of the Supply Chain working group, ESMC is working diligently in this process to ensure the best possible outcome for our members. Certain compromises were needed to be able to reach consensus and get the recommendation paper endorsed and published.

Recommendation papers

ESIA has finally released three during the autumn, at the end of September ([ESIA Recommendation paper on financial mechanisms to fill the cost gap and restore the PV industry in Europe](#)), at the beginning of October ([ESIA Recommendation Paper Addressing uncertain antimony content in solar glass for recycling](#)) and at the beginning of November ([ESIA Recommendation paper on effective and practical implementation of non-price criteria in specific public procurement, public auctions, and residential market segments for solar PV systems](#)). ESMC secretariat representatives played an active role in the Financing and Demand Side Working Groups, while our Secretary-General actively contributed as the sherpa in the Supply Chain Working Group.

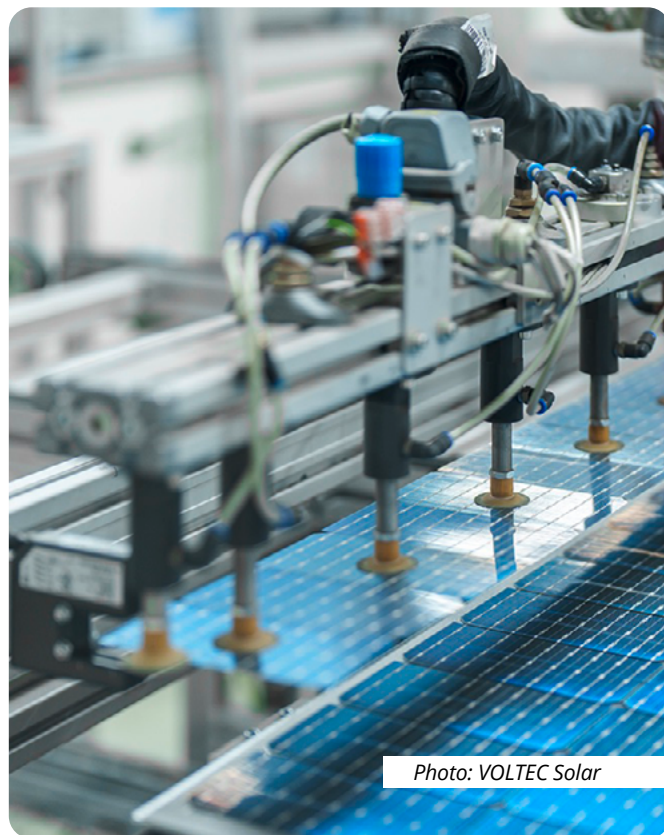


Photo: VOLTEC Solar

ESIA Webinar Carbon Footprint Calculation Methodologies

Following a Fraunhofer comparison study initiated by the ESIA Supply Chain Working Group, a webinar was conducted on September 7th. During this webinar, the researchers presented the in-depth analysis of the two significant carbon footprint calculation methods, PEFCR and EPEAT. The objective was to determine whether EU PV manufacturers might face challenges depending on the chosen methodology.

The results of the study revealed specific strengths and weaknesses regarding the alignment with the Ecodesign Directive goals for each methodology. Notably, the findings confirmed what ESMC has been communicating before.

EPEAT displayed a low risk of greenwashing because it relies on national grid electricity (75%) and enforces strict minimum requirements for module lifespan and degradation. On the other hand, PEFCR, which applies uniform standards of a 30-year lifespan and 1% degradation for all modules, places a strong emphasis on the credibility of certificates and certifiers, potentially favoring non-European modules. See the slides [here](#).

These results provide us with a third-party verified analysis that we can present to the European Commission in our discussions related to carbon footprint methodologies for the Ecodesign Scheme, tender/auctions, and public procurement models.

Upcoming Events

ESMC takes pride in recommending and collaborating with the most relevant conferences for our members, as well as planning internal events. Find below the upcoming events.



PV CELLTECH EUROPE 2024

[PV CellTech](#) is coming back to Europe on March 12–13, 2024, in Frankfurt, Germany. This time, it's going to be bigger and better, to fully map out the European roadmap for advanced solar PV manufacturing capacity additions out to 2030 and beyond. We'll not only cover the latest global trends in solar technology and manufacturing, PV Cell-Tech Europe 2024 will also examine the ecosystem in Europe for full value-chain PV manufacturing, looking at the prospects for existing and new entrants in coming years.

ESMC is teaming up with PV CellTech as an official partner, and we'll soon share more details about ESMC's side-events, ESMC member discounts, and ESMC's involvement.

Pssst! We might also plan our General Assembly Meeting in connection to the conference. Save the date and stay tuned!



INTERSOLAR 2024

As always, we will welcome European summer at the [Intersolar](#) exhibition in June, and we're eagerly anticipating the busy schedule and exciting exhibition at Messe Munich. In 2024, it's scheduled for June 18–21. We highly recommend booking your accommodation well in advance, as the UEFA EURO 2024 will coincide with this event in Munich.

Stay tuned for upcoming communications, where we'll share more details about ESMC's participation, an Intersolar ESMC members booth, and ESMC member gatherings during Intersolar.



EU PVSEC 2024

Continuing our strong collaboration tradition with [EU PVSEC](#), we're once again teaming up as organizational partners to EU PVSEC 2024 in Vienna, Austria, on September 23–27.

EU PVSEC is the world's largest international conference for photovoltaic research, technologies, and applications, combined with a PV industry exhibition where leading PV companies showcase their innovations in the upstream PV sector. This event brings together the global PV community to share the latest developments in solar technology, foster networking, and facilitate business interactions. It's a renowned platform that bridges the gap between scientific research and industry in the PV solar sector.

We'll provide more details about the benefits you can enjoy as ESMC member, our side-events and how you can be part of the ESMC members booth when the conference is approaching.

Official Meetings in Q3

Date	Topic	Contact	Title
7 Jul	ESIA Finance Working Group Meeting	Several industry and R&D representatives	
17 Jul	Antimony in solar glass ban in EcoDesign legislation	Davide Polverini Niels Schreude Antoine Chalaux	Policy Officer, DG Grow Public Affairs, AGC Glass General Manager, ROSI Solar
16 Aug	Unsustainably ultra-low price of PV modules — follow-up to ESMC note	Daniel Gerber Jennifer Karle	Policy Officer, DG GROW Policy Officer, DG GROW
21 Aug	ESIA Steering Committee	Jennifer Karle Eleftheria Vounkoui Javier Sanz Walburga Hemetsberger Carmen Correas Lopez	Policy Officer, DG GROW Policy Officer, DG Internal Market Thematic Leader Renewable Energies, InnoEnergy CEO, SolarPower Europe Policy Advisor, SolarPower Europe
7 Sep	General situation in European PV manufacturing industry & view on trade defence measures	Valdis Dombrovskis Maija Celmina	Executive Vice-President, European Commission Policy Assistant, Cabinet of EVP V.Dombrovskis
8 Sep	JIR, Joint Industry Roundtable on Ecodesign, Energy Labelling & Circular Economy	Korrina Hegarty Matteo Rambaldi Dimitar Kolichev Rein Gelten Giorgia Murgia Veerle Beelaerts Thomas Nowak Manon Roussel Raffaele Rossi Dominik Flikweert Charlotte Röber Frederik King Federico Fucci Francesco Scuderi Elena Scaroni Gusts Kossovics	Policy Director, APPLiA Policy Director, APPLiA Advisor, Orgalim Secretary General, CEFACD Manager for Sustainability Policy, DIG-ITALEUROPE Head Of Technology, EHI Secretary General, EHPA Policy Officer, EPEE Head of Market Intelligence, SolarPower Europe Head of Advocacy, EVIA Managing Director, EPPA Managing Director at EUnited Vehicle Cleaning Policy Officer, EuropeOn Secretary General, Eurovent Secretary General, LightingEurope Eeu.bac
8 Sep	ESIA Supply Chain Working Group Meeting	Several industry and R&D representatives	
13 Sep	ESIA Steering Committee	Stefano Soro Eleftheria Vounkoui Jennifer Karle Javier Sanz Dries Acke Carmen Correas Lopez Baptiste Buet	Head of Unit, DG Internal Market Policy Officer, DG Internal Market Policy Officer, DG GROW Thematic Leader Renewable Energies, InnoEnergy Director at SolarPower Europe Policy Advisor at SolarPower Europe EU Business Unit Director at InnoEnergy
14 Sep	ESIA Supply Chain and Demand Side Working Group Meeting	Several industry and R&D representatives	
21 Sep	The EPEAT vs PEFCE carbon footprint methodology for the Ecodesign legislation	Davide Polverini Sebastian Nold Abeer Ali Khan	Policy Officer, DG Grow Head of Team, Fraunhofer ISE Sustainability analyst, Fraunhofer ISE

Official Meetings in Q3

Date	Topic	Contact	Title
22 Sep	Discussion about market data	Antonio Caruso Cathy De Backer	Policy Officer, DG TRADE Head of Sector, DG TRADE
25 Sep	TCTF	Thomas Woolfson	Member of the Cabinet, EVP M.Vestager
25 Sep	Emergency buy-out of European produced PV modules as a donation to Ukraine	Marcus Lippold Torsten Wollert	Team leader, Support Group for Ukraine, DG NEAR Minister Counsellor, Delegation of the European Union to Ukraine
25 Sep	Possible EU Ministerial meeting, Emergency buy-out of European produced PV modules as a donation to Ukraine & SPE and ESMC letters to the European Commission	Eleftheria Vounkou Jennifer Karle	Policy Officer, DG Internal Market, Policy Officer, DG GROW
25 Sep	Net-Zero Industry Act — Common views and concerted actions before voting in ITRE	Giles Dickson	CEO, Wind Europe
26 Sep	General situation in European PV manufacturing industry, potential for a EU Solar manufacturing package & the 10% price threshold in NZIA	Catharina Sikow Magny	Director of ENER.C, DG Energy
26 Sep	REPowerEU & Potential for inclusion of PV manufacturing in the European semester	Yolanda Garcia Mezquita Yann Mercier	Head of Unit, DG Energy Policy Assistant, DG ENERGY
26 Sep	General situation in European PV manufacturing industry & Potential for EU Solar manufacturing package	Adam Romanowski	Member of the Cabinet, EVP M.Šeřčovič
27 Sep	The letter from ESMC to the European Commission & potential fast-track actions	Angelika Gruber	Policy Assistant, Commissioner T.Breton Cabinet
27 Sep	General situation in European PV manufacturing industry & the industry's views on anti-subsidy and anti-dumping investigations	Sofija Ribkina Caroline Boeshertz Antonio Caruso Cathy De Backer	Member of the Cabinet, EVP V.Dombrovskis Member of the Cabinet, EVP V.Dombrovskis Policy Officer, DG TRADE Head of Sector, DG TRADE
27 Sep	Emergency buy-out of European produced PV modules as a donation to Ukraine	Anna Jarosz-Friis	Acting Director, DG NEAR

Official Presentations in Q3

Date	Conference	Organiser	ESCM Representative
15 Sep	ESIA Webinar on Ecodesign and labelling requirements	ESIA	Johan Lindahl
18 Sep	Industry forum	EU PVSEC	Johan Lindahl
26 Sep	How to stop forced labour in the solar PV supply chain	ESMC	Jens Holm

FOLLOW US ON SOCIAL MEDIA:



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