



CORRUPTION PREVENTION AT SMA

The term “corruption” describes the “abuse of entrusted power for private gain.”¹ Corruption has serious negative consequences for many areas of society and threatens fair competition.

SMA does not tolerate corruption from its employees or its business partners and is actively committed to Transparency International’s “**Business Principles for Countering Bribery.**”

To strengthen this commitment, SMA has implemented a **comprehensive corruption prevention program** as described below:

- Regular **compliance risk analyses** with a focus on corruption risks form the basis of all of SMA’s anti-corruption activities.
- In the **Code of Conduct** (*SMA Business Principles*), which is binding for all employees, we commit ourselves to never abusing our positions at SMA to gain personal benefits and not providing anyone with undue advantages.
- **Anti-corruption guidelines** provide clear rules of conduct for all employees, including avoiding even the appearance of questionable conduct. For example, higher-value gifts, invitations and other personal benefits, as well as any benefit to a public official, must be approved by the Group Compliance function. Payments for the unlawful expediting of administrative procedures (“**facilitation payments**”) are explicitly prohibited at SMA.
- Regular **compliance training** ensures that employees are aware of the anti-corruption rules and their purpose. Web-based courses are used for general staff training and face-to-face courses are utilized for more in-depth guidance. The frequency and scope of the training depends on the specific risks faced by the employees and their functions. In addition, new employees **actively commit** to these principles and rules after they complete their first compliance course.
- All business partners who are in a position to influence third parties during the performance of their services for SMA must go through the **Business Partner Due Diligence Process**. This ensures that risks are appropriately assessed and that partners who work with SMA are selected carefully and share SMA’s standards of ethics and integrity. These business partners also sign the SMA Business Partner Code of Conduct, which sets out the legal and ethical standards that all business partners must fully comply with while conducting business with SMA and when making decisions that affect SMA.
- SMA also offers an IT-supported misconduct reporting system – **the SMA Speak-Up Line** – which is operated by an external service provider. The system is available worldwide and in several languages. Any employee as well as any external person can use this tool to report (also anonymously, if desired)

¹ Source: Transparency International

information relating to possible misconduct to Group Compliance. The **SMA Misconduct Reporting Policy** ensures that reporting persons are adequately protected against retaliation and other detrimental treatment. The SMA Speak-Up Line can be accessed on the corporate website under <https://www.sma.de/en/company/group-compliance.html>.

- The Group Compliance function has set up a **Compliance Helpline** for all employees as well as external parties, which is available especially for questions surrounding anti-corruption. Concerns about possible misconduct can also be reported through this tool. The SMA Compliance Helpline can be reached either via the e-mail address Compliance@SMA.de or the central telephone number +49 561 9522 424242.