



Non-Financial Report 2020  
SMA Solar Technology AG

# Future Energy. Delivered.

Sustainably. Reliably. Inspiring.

# **ENERGY**

## **THAT CHANGES**

**As a leading global specialist for photovoltaic system technology, SMA is setting the standards today for the decentralized and renewable energy supply of tomorrow.**

**More than 3,000 SMA employees in 18 countries have devoted themselves to this task.**

**Our innovative solutions for all photovoltaic applications and our unsurpassed service offer our customers worldwide greater independence in meeting their energy needs.**

**In collaboration with our partners and customers, we are helping people around the world transition to a self-sufficient, decentralized and renewable energy supply.**



## Non-financial report

[GRI 102-14] Since SMA was founded, sustainability has been an essential part of its corporate mission statement. In addition, "Integrated sustainability" was included as an independent goal in the SMA Strategy 2025 in the reporting year.

We understand sustainability as combining long-term economic success with protection of the environment and social responsibility. Our sense of identity includes satisfied employees thanks to an attractive corporate culture, a fair and honest business policy, social commitment, exemplary handling of environmental issues and resources through sustainable production, and the use of renewable energy sources at all levels of the value chain. With our products and services, we are driving the transition to a globally sustainable, renewable energy supply and are helping to curb global climate change.

The SMA Managing Board is committed to the ten principles of the UN Global Compact, which SMA signed back in 2011. Based on these principles and the 17 UN Sustainable Development Goals (SDGs), we continuously develop our commitment to sustainability. In this way, we want to help meet the challenges associated with the global climate change, a steadily growing population and increasingly scarce resources. An overview of the Sustainable Development Goals that SMA has contributed to can be found at the end of the Annual Report on page 136. Our work focuses particularly on Goal 7: "Affordable and clean energy," Goal 11: "Sustainable cities and communities," Goal 12: "Responsible consumption and production" and Goal 13: "Climate action."

[GRI 102-11, 12, 14, 18, 48-52, 54] On the following pages, we report on the developments and progress we made in terms of sustainability in the 2020 fiscal year. Significant risks from the company's business activities and from its products and services that could have negative effects on the aspects covered in the Non-Financial Statement are described in the Risks and Opportunities Report starting on page 62 of the SMA Annual Financial Report 2020. An overview of sustainability key figures can be found at the end of the Non-Financial Statement on page 18 et seq. In addition, we publish information about sustainability at SMA on our website at [www.SMA.de/en](http://www.SMA.de/en).

The report uses the Core option of the Global Reporting Initiative (GRI) standards. The disclosures also fulfill the criteria of the UN Global Compact annual progress report. In the future, we will also report on how our corporate activities measure up against each of the 17 UN Sustainable Development Goals. The precautionary principle, as outlined in the Rio Declaration on Environment and Development, is also an integral part and driving force of our sustainability commitment.

## Sustainability – an important element of the SMA strategy

[GRI 102-14, 22, 23, 34] SMA knows that a comprehensive, credible commitment to sustainability is possible only when it is an established part of the corporate strategy. That is why sustainability is already an essential element of the SMA Strategy 2020. In the further development of the SMA strategy in the reporting year, "Integrated sustainability" was defined as an independent goal within the corporate strategy 2025. Our aspiration here is to practice sustainability in all areas of the company and to take a leading role in climate protection. Further information on the strategy can be found on page 18 et seq. of the SMA Annual Financial Report 2020.

We have defined four areas of action as the focal points of our commitment to sustainability that comprise the following topics:

PRODUCTS AND PROCESSES	ENVIRONMENT AND ENERGY	EMPLOYEES	SOCIAL RESPONSIBILITY
Quality and safety	Resource efficiency	Culture of feedback	Responsibility in the supply chain
Customer satisfaction	Preventive environmental protection	Advanced training	Stakeholder dialogue/transparency
Circular economy	Holistic energy management	Diversity	International principles and values
Sustainable profitability	Sustainable mobility	Occupational safety and health management	Social commitment

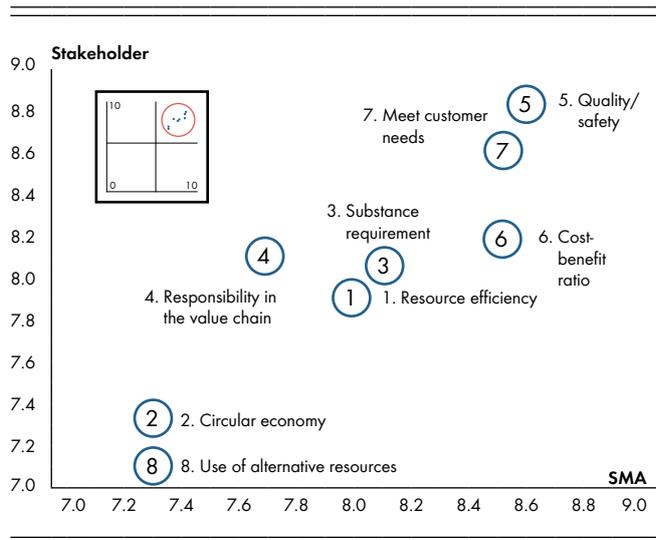
In terms of content, they relate to factors both at the company and product level.

For all company activities, the Global Quality unit coordinates implementation of the sustainability commitment. Decisions are made by the Group Management Committee, which consists of the Managing Board and top-level managers.

**KEY FACTORS DETERMINED USING STAKEHOLDER ANALYSIS**

[GRI 102-40, 42-44, 46, 47, 103-1] Ongoing dialogue with various interest groups and the general public is important to us. In 2017, we carried out a stakeholder analysis to identify key areas of action for a sustainable company strategy. Our survey gave internal and external interest groups (customers, suppliers, employees, NGOs) the chance to directly influence the development of SMA's sustainability commitment. The survey included three sections: sustainable company, sustainable product design and sustainable value chain. The results of the stakeholder analysis serve as the basis for continuous development of our commitment to sustainability.

Using the example of sustainable product design, the graphic below shows the analysis of the key areas of action. Internal and external stakeholders were asked about the relevance (materiality) of presorted issues from the points of view of the stakeholders and SMA. The materiality analysis revealed that many of the issues relating to sustainable product design we identified were highly relevant. We review and update the stakeholder analysis at regular intervals.



During the reporting period, we maintained contact with key stakeholders despite the coronavirus crisis and initiated increased communication relating to the topic of sustainability. In doing so, we have also taken particular account of the growing interest of the public and consumers in honest and transparent corporate sustainability communication. Internal stakeholders were also regularly surveyed on aspects of sustainability.

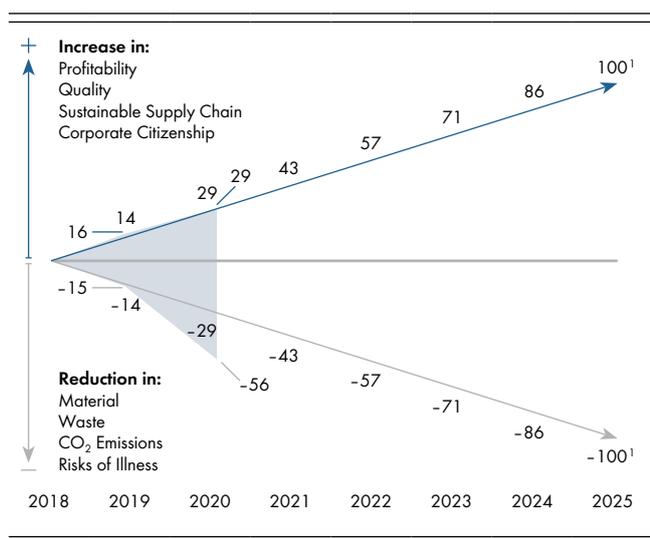
**SUCCESS MEASURED BY COMPANY AND PRODUCT KPI**

We have defined two key figures as primary variables that help us measure the success of our commitment to sustainability: the Company Key Figure and the Product Key Figure. In dialogue between specialists from different areas of the company, we specified the main sustainability drivers in the four areas of action and determined the key parameters required to measure them. Each driver is allocated a formula and a measurable target, which can then be used as the basis for measuring the sustainability performance in the Company Key Figure and the Product Key Figure. This gives all stakeholders a clear picture of the progress that SMA is making with its sustainability performance – both on the basis of a large number of individual key performance indicators and in the overall view of the interaction of all factors based on an overarching sustainability key figure. The merging of different parameters illustrates that sustainable business is possible only if there is a balance between economic, environmental and social aspects.

The Company Key Figure measures the use of resources and the value that this creates within the company. The aim here is to create more value with fewer resources. The bigger the gap between the value created and the resources used to do so, the more sustainable the company. For this, we have defined the following parameters and goals based on the underlying values determined for the 2018 fiscal year:

Driver	Target by 2025
Profitability	Increase in EBITDA margin to > 10%
Quality	1% field failure rate
Sustainable supply chain	55% overall score for suppliers in EcoVadis assessment
Corporate citizenship	Increase in CC index by 5%
CO <sub>2</sub> emissions	50% reduction in scope 1 + 2 CO <sub>2</sub> emissions in kg/kW of inverter output produced
Waste	25% reduction in waste per metric ton of product produced
Use of materials	25% reduction of the ratio of material input to product output
Accident frequency	Lost time incident rate of <1.5

In 2020, SMA again achieved a high sustainability performance, and in some cases significantly exceeded the goals set:



<sup>1</sup> Planned level of target achievement by 2025 in %  
 ■ Performance achieved

The excellent successes in reducing CO<sub>2</sub> emissions and the extremely low accident frequency in the past fiscal year in particular contributed to the goals being exceeded.

The Product Key Figure follows the same pattern as the Company Key Figure and measures the increase in sustainability of our products and services. Here, we do not limit ourselves to performance within the company, but rather incorporate the entire product life cycle from raw material extraction to disposal or recycling and reuse. We evaluate this using the following sustainability criteria and goals, which are based on the results of our stakeholder analysis and internal expert dialogue:

Driver	Target by 2025
Use of renewable energy sources	50% ratio of renewables in total energy consumption
Quality/longevity	1% field failure rate
Design for recycling/disassembly	90% of recyclable product components
Preferable materials	25% increase in the ratio of secondary raw materials used
Product footprint	25% reduction in CO <sub>2</sub> emissions in kg/kW of inverter output
Use of materials	30% reduction in product weight in kg/kW of inverter output
Non-preferable materials	15% reduction in the quantity of non-preferable materials
Waste	50% reduction in special waste disposal

To determine the Product Key Figure, we mostly consult data from our product life cycle assessments. Important factors include not only materials, CO<sub>2</sub> emissions and energy consumption during raw material extraction, production and operation of the products, but also the quality and service life of our products. As a baseline and comparative figure, we have determined the data for 2019. When it comes to the Product Key Figure, data recording for performance determination is subject to a high degree of complexity and requires considerable effort, especially since we include the entire product life cycle. Significant progress is also measured from product generation to product generation. Against this background, a performance assessment for the reporting year is not yet possible.

## Developments in the four areas of action in the reporting year

[GRI 103-1-3] As a result of the integrated management system implemented at the headquarters in Niestetal/Kassel, we follow clearly defined management approaches and also meet the requirements in accordance with DIN EN ISO 9001, DIN EN ISO 14001, DIN EN ISO 50001 and DIN EN ISO 45001. These also influenced the specification of key aspects within the four areas of action. Our management systems were reviewed and recertified in the reporting year. We report below on the measures implemented and progress achieved during the reporting year in the four areas of action.

### AREA OF ACTION: PRODUCTS AND PROCESSES

Customer satisfaction is the basis for the long-term economic success of the company. With our high capacity for innovation and high quality along the entire value chain, we develop sustainable products and processes that meet the changing demands of an increasingly digitalized world, the requirements for sustainability and a circular economy. Here we concentrate on the following issues:

#### Ongoing improvement of quality and waste reduction in all business processes – construction of new Test Center almost completed

[GRI 416-1-3] When serving our customers, our goal is to fulfill the highest quality requirements at all times. We aim for added value, zero defect tolerance and flexible quality concepts on a global level. SMA's headquarters in Kassel/Niestetal have been certified by the DIN EN ISO 9001 standard for over 20 years, thus guaranteeing compliance with internationally recognized quality principles. Our high standard of quality is also enhanced by the accreditation of our in-house Test Center for Electromagnetic Compatibility (EMC) by ISO/IEC 17025, the international standard for test and calibration laboratories. In addition to these and other management certifications, our products meet all the safety standards required by each of our markets (e. g. UL, JET, VDE, etc.). Furthermore, our sustainable product design concept focuses on the longevity of the products. Our practices of continuously reducing wearing parts and using efficient maintenance routines serve this purpose.

Effective and efficient inspection and testing procedures help us achieve our quality goals. In the reporting period, we constructed a new EMC Test Center for large-scale inverters, which will go into operation in the first quarter of 2021. We have introduced recognized quality and risk management practices for customer support and in supplier management that we are continuously developing. Thanks to a sound quality index system, we can also identify sources of error at an early stage and address risks to a large extent.

#### Sustainable profitability and limited capital tie-up – SMA inverters avoid environmental damage amounting to €10 billion

[GRI 201-2, 203-2] In the reporting year, SMA successfully overcame the considerable challenges posed by the coronavirus crisis and achieved the goals set at the beginning of the year. Thanks to prudent and forward-looking management, ongoing close collaboration with customers and suppliers and the high commitment of our employees, we were able to increase our sales and profitability despite the constraints imposed by the coronavirus pandemic.

In addition, environmental damage avoided will increasingly be taken into account in the economic analysis of companies. Assuming an average value, SMA's total current inverter output of 100 GW to date is equivalent to avoided environmental damage amounting to €10 billion. Our inverters enable a cost-effective and environmentally friendly energy supply worldwide, helping support the fight against climate change and contributing to the achievement of UN Sustainable Development Goals 7, 11 and 13. The PV inverters produced by SMA to date help prevent nearly 56 million tons of CO<sub>2</sub> emissions every year worldwide (calculation: 100 GW of output x 1,300 kWh of power generation a year per kW x 0.43 kg CO<sub>2</sub>/kWh). The total value of CO<sub>2</sub> savings and the avoided environmental damage are both lower than in the previous year because the underlying savings per kWh were revised downward in the calculation for 2020 in line with the increasing share of renewable energies in the German fuel mix.

### Achieving a comprehensive circular economy – guidelines for sustainable product design integrated into development process

[GRI 301–2, 3] As a sustainability-conscious company aiming for high resource efficiency, creating a circular economy is hugely important to us. Our inverters already stand out due to a long service life. Defective devices that need to be serviced are immediately replaced by reconditioned devices, repaired wherever possible, and transferred to the replacement device pool. In our Global Repair Program, we are consistently developing this approach in order to return equipment parts that are no longer usable to the material cycle, in addition to providing optimum customer service and recycling used equipment and components as comprehensively as possible.

This is part of our integrated circular economy strategy, which we began developing in 2019. It contributes to our Product Key Figure and the factors it encompasses. The aim of the strategy is to return as many materials as possible to the material cycle as secondary raw materials once our inverters reach the end of their useful lives. We thereby wish to become less dependent on raw material extraction, which involves working and environmental conditions that are difficult to control, and simultaneously improve our supply reliability. We developed the guidelines for sustainable product design with the aim of implementing this in our product development. And in 2020, we integrated the guidelines into our product development process as a binding component.

We intend to define recyclability quotas for our inverter categories and to continuously improve them on the basis of key figures. At the same time, we are also working on steadily increasing the percentage of secondary raw materials that we use in our products. Another aspect involves materials that we would like to scale down in the future or replace with substitutes, so-called non-preferable materials. This includes not only materials that are subject to legal regulations, but also materials to be classified as critical with respect to supply reliability or based on environmental, health or human rights factors. In 2020, we conducted a comprehensive analysis based on a sample inverter for this purpose. In addition to evaluating individual parameters, we focused on obtaining a comprehensive picture of the most sustainable solutions and choices when selecting substances and materials. Based on this, we have created a matrix which allows us to compare materials within the various categories, such as materials that are harmful to the environment and health or recyclability. Comparing materials across all categories allows us to make informed sustainable decisions for our products.

Other key issues that we are bearing in mind in relation to circular economy are the high quality and service life of our products as well as their material and energy efficiency. Goals in relation to this include waste reduction, increased recovery rates and improved disposal (see also Area of Action: Environment and Energy).

We are successively expanding the guidelines for sustainable product design to make new product generations ever more sustainable. New project results from within the company are continually incorporated.

### Increase in customer satisfaction – close collaboration with customers continued despite restrictions resulting from the coronavirus pandemic

[GRI 102–43, 44] To understand exactly what our customers expect from us, we engage in constant dialogue with them and actively request feedback, independent of regular operational customer support. This takes place at customer events, as part of the SMA partner program, at SMA Solar Academy seminars and regular international trade fairs. Despite the significant restrictions imposed due to the coronavirus pandemic, we continued this dialogue and close collaboration with our customers in 2020. To this end, we have developed various virtual formats and communication channels. Besides virtual product presentations and a global virtual customer event with around 1,000 participants, this includes 590 webinars from our Solar Academy with a total of around 25,000 participants worldwide.

## AREA OF ACTION: ENVIRONMENT AND ENERGY

SMA will continuously reduce its use of resources in terms of raw materials, energy, mobility and waste along the entire value chain, increase its use of renewable energies, environmentally friendly materials and sustainable forms of mobility as well as improve its recycle and reuse rates. This will be taken into consideration early on in the development of new products and solutions. Important issues here are:

### Increasing resource efficiency throughout the entire product life cycle – material efficiency increased again

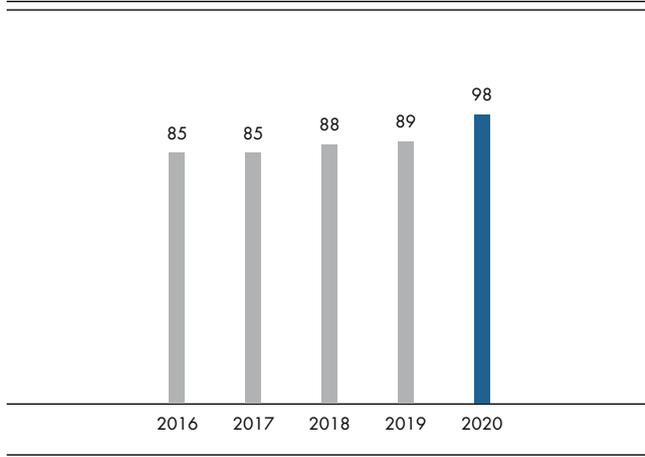
[GRI 301-1, 303-1, 304-1, 2, 306-2, 307-1] In resource efficiency, SMA sees a responsibility to the environment and also an economic advantage. Here the product life cycle assessment helps us find the greatest possibilities within our value chain, define the right goals and continuously improve the product sustainability key figure. The results of the assessment have already largely been incorporated into our guidelines for sustainable product design. We have used this method in recent years for inverters of the Sunny Boy, Sunny Tripower and Sunny Central product families. We will continue this practice in order to review the impact of measures aimed at improving the product footprint. The results of previously prepared product life cycle assessments showed that the high efficiency and high-quality standard of our inverters and their associated long service life have a positive influence. We record the effects of the upstream supply chain with a detailed survey of the relevant parameters of our most important suppliers. These include, for example, the use of secondary raw materials and the CO<sub>2</sub> footprint in component production. The aim of working closely with our suppliers is to make our products more sustainable along the entire value chain.

**Material efficiency** – We once again increased the material efficiency of our inverters in 2020. Whereas in the previous year the weight of our string inverters had averaged 2.47 kg/kW output, in the reporting year, this was brought down to just 2.25 kg/kW. We also increased the power density of our central inverters such that the weight across all products is now just 1.05 kg/kW output. Our latest generation of Sunny Central inverters now even weigh only 0.85 kg/kW output. The high power density also reduces the number of inverters required within a PV power plant. We know that material savings partially go hand in hand with the use of critical raw materials. That is why, in addition to the warranty with which we already comply to avoid the use of conflict minerals in our inverters, we aim to act in accordance with material requirements such as REACH and RoHS and to gradually reduce the use of critical and rare substances. Our standard for the use of hazardous substances includes both the requirements of the Montreal Protocol and SMA's own restrictions. Our suppliers have an obligation to comply with the standard. These are all aspects that we are focusing on in our circular economy strategy and the enhancement of our product development process. The matrix for evaluating sustainable substances and materials described in the "Products and processes" area of action enables us to make informed decisions.

**Waste** – The issue of waste reduction is to be closely connected with our circular economy strategy. We regard waste products as a secondary raw material and seek to avoid waste as much as possible and to reuse materials. In addition to the comprehensive separation of all garbage categories introduced in all office areas, we are optimizing the homogeneous separation of production waste. Due to the concentration of our production at one site in Niestetal, Germany, during the reporting year, we were only able to test and optimize the separation of production waste by type on a pilot line in the second half of the year. The transition has already enabled us to achieve a significant increase in the recycling rate on site. The share of recyclable waste in total waste generation was 98.4% at the end of 2020. Starting 2021, the process will be transferred to all production lines, to achieve our target of a 100% recycling rate. We are also working to reduce and avoid hazardous waste materials. The packaging for some of our product groups already consists almost completely of environmentally friendly materials.

## Share of recyclable waste in total waste generation

Share of recyclable waste in %



In addition to improving the recycling performance of our products, we also raised employee awareness of e-waste in 2020. We achieved this by providing information on the topic at the Hessian Sustainability Day and setting up containers for outdated small electrical appliances, which are subsequently recycled. In addition, we participated in a campaign initiated by the Naturschutzbund Deutschland (NABU) to recycle outdated cell phones. The more than 400 cell phones handed in by SMA employees were not only returned to the material cycle, but the proceeds were also used by NABU for insect protection projects.

**Water** – Water consumption does not play a significant role in production at SMA. In some buildings, we use well water to cool the building in an environmentally friendly way. We direct the water close to the surface, which has had the positive side effect of creating a wetland habitat. In our upstream supply chain, we expect our key suppliers to have an environmental plan in place that provides for ways of reducing water consumption where production processes are water intensive.

**Biodiversity** – Some of SMA's properties border on conservation areas. We comply in full with the conditions imposed on us in this respect. There have been no administrative penalty proceedings in this regard since the company was founded. We offset the unavoidable space our production and administration buildings take by using green roofs on most of our buildings.

## Preventive environmental protection – energy supply at SMA headquarters is completely CO<sub>2</sub>-neutral and regionally based

[GRI 302-2, 5, 305-1-5] The environmental management system used for our inverter production is certified in accordance with DIN EN ISO 14001. This system ensures that we avoid environmental damage at every stage of the value chain and act in accordance with current environmental legislation.

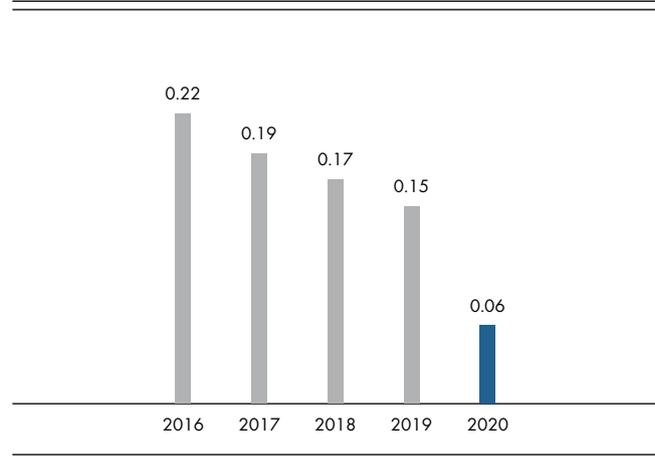
It is important to us to keep the environmental impact of our products as low as possible, beginning in the development phase. Our guidelines for sustainable product design therefore lay down key design criteria that ensure that our products become more sustainable from one generation to the next. It is not just material efficiency, efficiency and safety that contribute to sustainable design, but also the definition of "non-preferable materials." Efforts to avoid these materials, which pose environmental or health risks, or whose production involves a violation of human rights, are to be taken into consideration in the pre-development stage and tracked through to the upstream supply chain. We also evaluate "preferable materials." These are materials that should be used as a matter of preference because they contain secondary raw materials or otherwise have a very minimal impact on health, environmental and social factors. The Product Key Figure will illustrate the progress that has been achieved in each individual area. To reach this figure, we take into account all stages of the value chain. Here responsibility throughout the supply chain plays a decisive role. Our life cycle assessments have shown us that the biggest lever for improving our product life cycles is our suppliers' use of renewable energy sources. In addition to the company's internal climate neutrality, the collaboration with our suppliers therefore plays a decisive role on the path to completely climate-neutrally produced products.

By collecting data in accordance with the GHG Protocol Standard, we transparently map our CO<sub>2</sub> footprint. At the Kassel/Niestetal location, thanks to our excellent energy and mobility management, energy-efficient buildings and a CO<sub>2</sub>-neutral electricity supply, we already have an exemplary CO<sub>2</sub> balance. The heat supply at the headquarters has also been completely CO<sub>2</sub>-neutral since the beginning of 2020. The aim is to extend this to all locations worldwide and become a fully CO<sub>2</sub>-neutral company in the medium term that meets the highest standards of climate neutrality and considers CO<sub>2</sub> offsets only where no other solution is possible. We are demonstrating our path to this goal with the further development of our SMA Climate Roadmap. Furthermore, the long-term plan is to expand this to the entire value chain and also factor in the production of raw materials, all our suppliers, the utilization phase and recycling of our products. We will also join the Carbon Disclosure Project ([www.cdp.net](http://www.cdp.net)) in 2021 and publish our emissions even more transparently. Furthermore, in the future, we will extend our climate roadmap from our own locations to those of our suppliers, helping them make their energy supply sustainable and efficient.

Our goal is to reduce our already very low emissions as defined in GHG Scope 1 and GHG Scope 2 by another 5% per year. Following the very good successes in electricity and heat supply, we will expand our focus in the coming years to include mobility and cooling supply. We are able to determine GHG Scope 3 emissions to a limited extent only. Here, the data situation will continue to improve as a result of joining the Carbon Disclosure Project. In addition, we can refer to our primary key figures, which show the CO<sub>2</sub> footprint of the company and its products. We are currently working on recording CO<sub>2</sub> emissions in the supply chain. However, the results of our life cycle assessments already provide us with better insights into the main emission factors in the value chain.

#### Development of CO<sub>2</sub> emissions per produced kW of inverter output

CO<sub>2</sub> emissions Scope 1 + Scope 2 in kg/kW, Germany only



#### Excellence in energy management – use of renewable energy sources and energy efficiency again increased

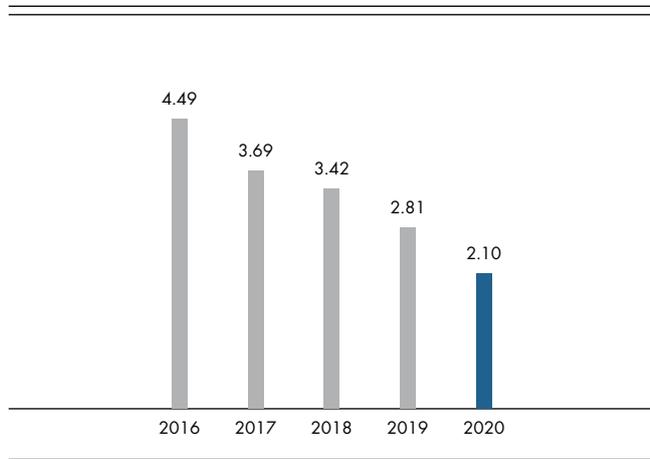
[GRI 302-1-5] Another important starting point for sustainability is our DIN EN ISO 50001-certified corporate energy management policy. In 2020, SMA was recertified according to the new version of DIN EN ISO 50001 without any deviations. SMA's energy concept is based on three levels from which we work to improve energy-related performance: avoiding energy consumption, using energy more efficiently and increasing the share of renewable energies used.

SMA has already undertaken a number of flagship projects in the past with its CO<sub>2</sub>-neutral inverter production facility at its Solar Factory 1 in Kassel, Germany, the Solar Academy in Niestetal near Kassel, which functions independently from the utility grid; and the Data Processing Center, which was completed in 2013 and is one of the most resource-efficient centers of its kind. These projects are a testament to the high priority SMA places on its sustainable energy strategy. In 2020, the amount of self-produced solar power in our total electricity consumption in Germany increased to 42% (2019: 38%). Since the turn of the year 2020/2021, we have been procuring the remaining electricity via certificates from wind turbine systems in the region. By the end of the reporting year, we had thus achieved our goal of supplying the German SMA locations entirely with decentralized renewable energy from the immediate surroundings.

In the course of merging our production activities at one of our production facilities, we started to optimize energy use at our Solar Factory 3 in 2020. We will take inspiration from the energy optimization of Solar Factory 1, which we completed in 2018 and has helped lower energy consumption in the heating/cooling area alone by 3,300 MWh per year compared to 2016. We already switched the hall lighting in Solar Factory 3 over to efficient LED lighting. This enabled us to reduce our lighting energy consumption by up to 50%. We also achieved an exceptionally high energy efficiency performance in the new test area for large-scale central inverters. Overall in 2020, we continued to reduce energy consumption per produced kW of inverter output to 2.22 kWh (2019: 2.81 kWh) at our headquarters in Germany. In addition to the improvements mentioned above, this was due in particular to better utilization of our production capacities and the increased use of mobile working by our employees as a result of the coronavirus pandemic. A special energy management software makes it possible for us to monitor all types of consumption on an ongoing basis.

#### Development of energy consumption per produced kW of inverter power

Total energy consumption in kWh/kW, Germany only



#### Sustainable mobility – proportion of e-vehicles in company fleet doubled to 40%

[GRI 305-5] SMA's commitment to sustainability also includes corporate mobility management that has already won multiple awards and that raises employee awareness of environmentally friendly forms of transportation. Our fleet organization, recognized by nonprofit environmental and consumer protection association Deutsche Umwelthilfe as a good example of climate protection, includes a bonus/malus system for our vehicle fleet's CO<sub>2</sub> emissions. Among other things, we aimed to reduce vehicle CO<sub>2</sub> emissions to 95 g/km by 2020 through greater use of e-mobility. Unfortunately, we have not yet been able to achieve this goal. This is due in particular to new and stricter requirements for measuring vehicle emissions. At our headquarters in Kassel/Niestetal, we currently provide our employees and visitors with 45 charging stations, at which electric vehicles can be charged with CO<sub>2</sub>-neutral electricity. In 2020, we did not survey the amount of CO<sub>2</sub> saved by employees using electric cars to get to work, as it would not be comparable with previous years due to the high proportion of employees working from home as a result of the coronavirus pandemic.

Along with providing the charging infrastructure, we are promoting e-mobility by giving all employees the option of electric vehicle leasing. We are also gradually changing over the in-house vehicle fleet to e-mobility. The proportion of electric vehicles in our fleet doubled to 40% in 2020. This means that we have narrowly missed our goal for 2020 of powering at least half of the fleet vehicles electrically using renewable energy.

Another aspect of the corporate mobility management system relates to increasing the proportion of cyclists. In 2020, around 400 employees made use of the bicycle leasing system introduced in 2016. These and other measures have enabled us to almost double the percentage of employees who cycle to work from 9% to 17% within the past ten years (most recent data collected in 2019). Not only this, but the flexible working option we give our employees to work from home also results in a CO<sub>2</sub> saving on their commute to work. During the coronavirus pandemic, this was of particular benefit to us. The excellent SMA IT infrastructure enabled a high proportion of mobile work at SMA without any preparation time. We will continue to pursue this concept and anchor it in a corresponding works council agreement, particularly to support a reduction in the volume of traffic during peak hours.

This also applies to avoiding air travel. The special circumstances here caused by the coronavirus pandemic have shown that we are able to replace many flights with videoconferencing. We will continue to build on this experience in the coming years.

#### AREA OF ACTION: EMPLOYEES

The high level of commitment and willingness of our employees to always learn are essential factors in SMA's success. In the competition for talent, it is extremely important to us to be perceived as an attractive employer. That is why we are continuously developing our corporate and leadership culture, which is characterized by fairness and respect, putting our values of trust, performance and team spirit into practice in our day-to-day work and creating scope for responsible, entrepreneurial action and opportunities for shaping international collaboration. This paid off in 2020, given the significant challenges posed by the coronavirus pandemic. In addition to the very good SMA IT infrastructure, it is thanks in particular to the high level of commitment, flexibility and extraordinary willingness to learn on the part of SMA employees that business operations were seamlessly maintained under the conditions of the pandemic and that our close collaboration with customers and suppliers was successfully continued using new tools and communication channels.

#### New positions filled in strategically important future fields

[GRI 102-7, 8, 401-1; UNGC 6] As of December 31, 2020, SMA had 3,264 employees worldwide (December 31, 2019: 3,124 employees; figures do not include temporary employees). Employee figures increased in Germany to 2,262 (December 31, 2019: 2,186) and to 1,002 abroad (December 31, 2019: 938). This increase was due to the creation of jobs in strategically important future fields and for the implementation of major orders such as operation and maintenance services for PV power plants in the U.S.

SMA still uses temporary employees to absorb order fluctuations. As of the reporting date, the number of temporary employees decreased by 54 to 388 worldwide (December 31, 2019: 442). Temporary employees at SMA are paid the same hourly rate as SMA employees performing similar duties.

#### Employees

Reporting date	2020/ 12/31	2019/ 12/31	2018/ 12/31	2017/ 12/31	2016/ 12/31
Employees (excl. temporary employees)	3,264	3,124	3,353	3,213	3,345
of which domestic	2,262	2,186	2,212	2,077	2,093
of which abroad	1,002	938	1,141	1,136	1,252
Temporary employees	388	442	290	701	530
Total employees (incl. temporary employees)	3,652	3,566	3,643	3,914	3,875

#### Full-time equivalents

Reporting date	2020/ 12/31	2019/ 12/31	2018/ 12/31	2017/ 12/31	2016/ 12/31
Full-time equivalents (excl. trainees and temporary employees)	3,065	2,950	3,177	3,006	3,118
of which domestic	2,089	2,028	2,053	1,888	1,881
of which abroad	976	922	1,124	1,118	1,237

Additional key figures on employees, in particular on the gender balance at management level, can be found in the overview of sustainability key figures on page 139.

#### High transparency and strong feedback culture

[GRI 102-41, 402-1; UNGC 3] As a global company, SMA ensures that respect for human rights, including freedom of association and the International Labour Organization (ILO) rules, is guaranteed at all locations at any time. Open and trustful interaction with each other as well as the highest possible transparency and involvement of employees in corporate decisions are highly important to us. That is why we provide our employees with regular and comprehensive information about developments and changes in the company.

We use our annual employee appraisals to coordinate the tasks of each employee and the associated qualification requirements, to measure performance and to provide feedback on collaboration in an exchange between manager and employee. Global employee surveys, carried out at least every two years, complement our culture of feedback. We derive internal measures from the results of these surveys.

The “Global Leadership Fundamentals” that were jointly developed in 2018 and 2019 by employees from all countries, all hierarchical levels and all divisions of SMA, were rolled out throughout the entire company in virtual workshops in 2020. The fundamentals globally specify what employees can expect from their managers and what managers can expect from their employees. Leadership ambassadors from all areas help the managers with the process of implementation.

#### Lifelong learning and targeted development of talent

[GRI 404-1, 2] SMA operates in a dynamic environment that places high demands on our employees. Radical developments, such as rapid digitalization of the energy supply and Work 4.0, require new skills and competencies. For us, sustainable personnel development therefore means providing our employees with opportunities for lifelong learning, individual development and building qualifications to current and future challenges. In addition to external training, SMA employees benefit from a diverse internal training program comprising a variety of topics. Furthermore, we offer our Technology and Sales employees, in particular, subject-specific content via our SMA University and Online Sales Academy. To make existing knowledge accessible throughout the company and to ensure we learn from each other, information is exchanged and channeled through peer groups. We also continue to give attention to the topic of “new work.” We focused on supporting initiatives from motivated employees, in particular, and on continuously developing working environments that are conducive to agile working practices in changing project teams.

The extremely quick and flexible switch to mobile and virtual collaboration, with which we were able to successfully meet the particular challenges posed by the coronavirus pandemic, has shown that SMA is already operating at a very high level. Through the interdisciplinary development of guidelines for mobile working in the reporting year, we intend to build on this very good foundation. In this way, we create optimal conditions for our employees to work independently and flexibly in a way that meets their needs, while motivating them to take responsibility for their own individual learning and knowledge sharing.

We also continued our talent management in a virtual format in 2020. Our talent management team aims to give employees with distinct potential long-term development opportunities at the company. We support talented employees with individual development plans and group-oriented measures over a period of at least 12 months and prepare them for project management or management tasks. We thus want to create a global network to ensure success in current and future business fields.

The Leadership Development Program, designed to promote a culture of leadership and cross-divisional global collaboration, is aimed at middle-management executives from all departments. The program includes various aspects of leadership topics, which are communicated through individual coaching and working on global projects and serve to promote entrepreneurial thinking and action with a focus on strategic management. We work to ensure that the composition of these programs is at least representative of the proportion of women in the company as a whole.

Vocational training as a key element in securing and fostering the next generation is also a high priority at SMA. We currently offer training at the Kassel/Niestetal location in five different training occupations in the industrial/technical and commercial sectors. As of December 31, 2020, 58 young people were in vocational training at SMA (December 31, 2019: 59 people). Following vocational training, a transfer concept creates the possibility for further employment at SMA. The trainees benefit from the international nature of the organization and, apart from the opportunity to complete language training courses, they have the chance to complete an internship on project work at an international location for a defined period of time. We are committed to supporting the next generation of MINT (mathematics, information technology, natural sciences and technology) trainees in several ways, including running the annual Girls Camp at SMA.

### Continuously increasing diversity

[GRI 405-1] We see the diversity of our employees as an asset to our company. SMA is committed to equal opportunities and promotes collaboration in “mixed” teams. In joining the “Diversity Charter” in 2011, we undertook to create a work environment in which all employees have the same opportunities for development, regardless of gender, nationality, religion or ideology, disability, age or sexual orientation.

Given the company’s strong technology orientation, the proportion of male employees is comparatively high. On December 31, 2020, 74.4% of employees were male and 25.6% female. Our aim is to continuously increase the percentage of female employees. We offer our employees family-friendly working conditions. This includes flexible working hours and models, the possibility of working from home, childcare and other family services. Other measures to support female employees include mentoring and targeted support for self-managed internal networks.

We also intend to integrate different cultures and strengthen collaboration between employees of different nationalities. SMA employs people of 62 different nationalities in 18 countries. In addition to promoting international collaboration, the possibility of deployment to our international locations and intercultural training, in 2017, we started implementing a concept to integrate refugees into our vocational training program. In the reporting year, this involved refugees from Syria.

### Performance-based remuneration for motivated employees

[GRI 202-1, 401-2] In addition to appreciating our employees in the form of qualified feedback and further development opportunities, it is important to us to acknowledge their commitment and performance through appropriate remuneration. Our job level model, which has been implemented at the vast majority of global SMA locations since 2016, helps create transparency and enable comparison of pay across all areas of the company. It is based on the requirements of each position and the individual performance.

For us, it goes without saying that there are no systematic differences in the remuneration of female and male employees. In addition to fixed and performance-related remuneration components, our remuneration system also includes non-cash remuneration and components of the company pension plan. In addition, both permanent employees and temporary staff participate financially in the company’s success. In recognition of their high level of commitment under the difficult conditions caused by the coronavirus pandemic, all employees and temporary staff were paid an additional coronavirus bonus of €400 at the end of 2020. Temporary employees at SMA are paid the same hourly rate as SMA employees performing similar duties. It also goes without saying that SMA complies with the legal provisions on minimum wage.

### Attractive employer with exemplary occupational safety and health management

[GRI 403-1-7] Occupational safety and health management, a health promotion policy and workplace rehabilitation management are part of sustainable safeguarding of the company’s future. The focus of occupational safety and health management at SMA is on avoiding work-related accidents and illnesses. The systematic performance of hazard assessments; regular safety inspections and training; the inclusion of occupational safety and health management in workplace design; and the introduction of binding regulations for occupational safety and health responsibility are just a handful of the measures that enforce prevention and ensure a safe workplace environment. Integrating laws and ordinances as well as implementing technical standards into our business processes has always been a matter of course for us. Occupational safety and health management processes are regulated by the provisions of the management system BS OHSAS 18001, which was introduced at the Kassel/Niestetal headquarters in 2012 and was superseded in 2018 by the new DIN EN ISO 45001 standard. Various subject-specific and department-specific meetings take place regularly to ensure that the topic of occupational safety and health management is firmly established within the company. These include the quarterly meetings held by the occupational safety committee, chaired by the responsible Managing Board member, with the participation of the occupational health physicians.

In 2019, the SMA Crisis Management department was also given its own website and an emergency number, clearly distinguishing it from Emergency Management. The objective of crisis management at SMA is to enable the company and all its subsidiaries to manage the impact of unforeseeable circumstances in an effective and efficient manner. Crisis management aims to avert risks to employees and to the company's material and immaterial assets and to limit expected losses. In 2020, Crisis Management was used for the first time during the coronavirus pandemic and proved fully effective. In February already, the SMA Corona Taskforce was founded with employees from all relevant functions. Since then, it has generally met every working day to assess the current situation and decide on and coordinate appropriate measures in close consultation with the Managing Board. The taskforce provides information to all employees in a weekly newsletter and makes additional information available on the intranet. Thanks to the measures implemented at an early stage, some of which were prescribed by new occupational health and safety standards, internal infection chains were prevented and business operations were maintained in full and without interruption.

The management of the SMA Corona Taskforce and other measures in connection with the pandemic took up almost all the resources of SMA Health Management in the reporting year. In addition to generating knowledge for the interdisciplinary taskforce team and continuous exchange with external experts, this included a telephone hotline as well as a consultation hour for employees specifically related to the coronavirus, case management and support for the introduction of new infection control measures.

In 2020, we also made further progress in ergonomics management, a key health program at SMA. In the production, testing and logistics areas, for example, projects were completed on age-appropriate workplace design. This brings us another step closer to our goal of 70% age-appropriate workstations in these areas. The sickness rate, including long-term sickness, fell to 5.2% in 2020 (2019: 5.9%).

## AREA OF ACTION: CORPORATE SOCIAL RESPONSIBILITY

As an international company, SMA meets its societal and moral responsibilities with regard to all relevant interest groups. Internationally applicable laws and standards are binding for both our locations and the entire supply chain. We are a member of national and international organizations and associations to promote the growth of renewable energy sources.

### Compliance with all international regulations, fair and transparent along the entire value chain

[GRI 102-12, 16, 205-1-3, 407-1, 408-1, 409-1, 412-1, 3, 413-1] Respect for human rights and compliance with legal regulations are of the utmost priority to SMA. By signing the UN Global Compact in 2011, we made a public declaration of our commitment to responsible corporate governance. At the core of the UN initiative are ten principles in the areas of human rights, labor standards, environmental protection and anti-corruption.

Since 2009, SMA has recognized the code of conduct of the German Association for Supply Chain Management, Procurement and Logistics (BME e.V.) and used this as the basis for its own guidelines for suppliers (SMA Supplier Code). In the reporting year, this Code was revised with the participation of stakeholders and newly implemented under the name "SMA Code of Conduct for Business Partners." Our goal here is to enshrine general principles with regard to fairness, integrity and corporate responsibility in business relationships and the supply chain. The "SMA Code of Conduct for Business Partners" prescribes standards for sustainable activity and gives expression to what we expect of suppliers and significant other business partners with regard to social, ecological and ethical aspects. The key points of the guidelines are a ban on child labor, forced labor, abuse and discrimination of employees, fighting against corruption, fair working conditions, occupational health and safety, environmental protection, and quality and product safety. Suppliers and select other business partners must sign the "SMA Code of Conduct for Business Partners" as a binding commitment when concluding a contract.

Compliance – with legal provisions and internal directives – has become increasingly important in recent years. A risk-oriented and preventive compliance strategy is now more important than ever. The SMA Group Compliance function has formulated the business principles and directives from which basic work sequences and processes are derived and implemented globally. SMA is committed to the “Business Principles for Countering Bribery” of Transparency International. All employees are obligated, in the context of their work for SMA, to act ethically in accordance with the directives, laws and regulations of their country. Compliance with these obligations is consolidated through regular, global obligatory compliance training. At the end of 2018, we also published the SMA Compliance Manual, in which all corporate compliance guidelines were revised and compiled. At regular intervals, Group Compliance reports to the Managing Board and Supervisory Board with information on the latest developments, suspicious cases, measures and processes. The SMA Compliance Board, in which the entire Managing Board is represented alongside other management functions, meets on a quarterly basis. In 2020, no risks of corruption or complaints were determined in this respect.

For employees with questions or suspicions about compliance, Group Compliance officers are on hand as a direct point of contact and information is also available on the intranet and via the Speak-Up Line, which can be accessed by telephone or online (at [www.sma.de/en/company/group-compliance](http://www.sma.de/en/company/group-compliance)) and guarantees the anonymity of users. SMA assures all employees freedom from sanctions for reports made in good faith. Our executives are supported by the legal provisions task force on important issues in environmental and occupational safety law. There were no violations identified in these areas during the reporting period. SMA actively promotes the shaping of corporate co-determination. In Germany, the foundations for this are regulated by the Works Council Constitution Act and elsewhere.

#### Responsibility along the entire supply chain – 90% of goods volume tested for sustainability

[GRI 102-9, 308-1, 2, 414-1, 2] In 2020, SMA purchased goods of more than €500 million from around 450 suppliers in Europe, North and South America and the Asia-Pacific region. Based on our comprehensive analyses of the environmental and societal impact of our products as part of our product life cycle assessments, we defined the supply chain as a key point of focus. In 2017, we began the evaluation of our entire supply chain’s performance in terms of sustainability. Since 2018, this has been handled by the external company EcoVadis. Supplier participation in the evaluation is mandatory. We evaluated suppliers corresponding to around 90% of our goods volume. This revealed a largely positive picture and a continuous improvement in the sustainability performance of our suppliers. The evaluation criteria include guaranteed compliance with internationally recognized standards such as the United Nations Global Compact as well as with the universal SMA standards, such as respect for human rights, freedom of association, avoidance of child labor and forced labor, and the use of a sustainable, climate-friendly energy supply. Our commitment to the supply chain is complemented by our Supplier Sustainability Guideline, which goes beyond our Supplier Code and in particular includes environmental targets in the upstream supply chain.

SMA also subjects itself to assessment by EcoVadis as a means of comparing its sustainability performance with that of its suppliers and having an external organization to show up potential areas for improvement. In 2019, EcoVadis awarded us a silver medal. The assessment for 2020 is not yet available.

#### Social commitment – paving the way for a sustainable, reliable and cost-effective energy supply

[GRI 102-13] For SMA, supporting and guiding social development for a sustainable future is a matter of course. Over the past years, we have thus supported projects, organizations and initiatives from different areas – on a regional and national level as well as in newly industrialized and developing countries. The traditional Christmas donation by SMA employees is used to support regional projects and initiatives via the fund-raising organization A.M.S. Employee donations are usually collected every year at the SMA Christmas party, but as this took place digitally in 2020 due to the coronavirus pandemic, the possibility of donating overtime and vacation days in addition to money was introduced. In total, donations amounting to around € 85,000 were collected. This amount was supplemented by the Managing Board with a corporate contribution, which was in line with previous years.

Our social commitment focuses on encouraging the widespread use of renewable energies. This can contribute to countries' national and international obligations to reduce greenhouse gas emissions and to increase climate and resource protection. In this regard, as part of its close partnership with the University of Kassel, SMA funds an endowed chair for the specialist field of economics with a focus on the decentralized energy industry. Since 2020, we have also been a member of the Climate Protection Council of the city of Kassel, Germany, and are supporting the implementation of the goal to make the Kassel region climate-neutral by 2030. We are also committed to numerous networks, partnerships and initiatives that play a significant role in further development of photovoltaics, climate protection and the digitalization of the energy supply. For example, SMA is represented on the managing boards of the German Solar Association (Bundesverband Solarwirtschaft) and the European industry association SolarPower Europe (SPE). As part of the German Renewable Energy Federation (Bundesverband Erneuerbare Energie), we are committed to the cross-technology use and integration of renewable energies. We also provide technological expertise on the company advisory board. In this context, we work with politicians, industry associations and the general public advocating for increased installation of renewable energy in conjunction with cross-sector energy management and optimizing the conditions for a completely decentralized and digital energy supply based on renewable sources. To this end, we are also increasingly using our company's own social media channels.

SMA supports the EU initiative to implement measures for a circular economy and to develop a uniform eco-design directive and energy efficiency labeling for PV systems.

Our principles on political dialogue and representation of interests form the basis for a set of responsible, reliable and honest practices aimed at reconciling commercial and social interests. One such practice is neutrality with respect to political parties and lobby groups.

#### Transparent stakeholder dialogue – providing information openly and responding to suggestions

As a globally operating company, we are subject to a wide variety of political changes and decisions that affect our business activities. To safeguard the future of SMA, it is important to us to communicate our company's interests in open dialogue with governments, industry associations and organizations, as well as societal stakeholders. We also respond to our stakeholders' suggestions and interests with the same openness, valuing them as reliable partners.

We place high value on ongoing, transparent dialogue with important interest groups. We report important events within the company in ad hoc messages, press releases, on our website and social media channels. By sharing information on all relevant issues, we ensure that we are always acting in the interests of our core stakeholders. Our stakeholder analysis, performed in 2017, enabled us to explore in more detail the key issues of a sustainable company and sustainable products. All internal stakeholders are assessed at regular intervals to check materiality. In addition, we will update the analysis of all stakeholders in the coming years. The international customer satisfaction analysis carried out in 2019 has already yielded important findings with regard to further activities.

Another contribution to the stakeholder dialogue was the participation of the CEO in an international panel discussion on sustainability in the solar industry. The discussion was part of an initiative by the specialist publication PV Magazine that SMA is sponsoring, which is looking to increase sustainability in the PV industry. The Managing Board also addressed this issue in interviews with trade and business media. With the online company magazine "Sonnenallee" ([www.sonnenallee.sma.de/en](http://www.sonnenallee.sma.de/en)), SMA also established an innovative medium in the reporting year that focuses on sustainability topics for important target groups far beyond the company.

We will continue this open and transparent dialogue with key interest groups in the future.

# SUSTAINABILITY KEY FIGURES OF THE SMA GROUP

## AREA OF ACTION: PRODUCTS AND PROCESSES

		2020	2019
Sales	€ million	1,026.6	915.1
Inverter output sold	MW	14,416	11,409
Capital expenditure	€ million	38.8	27.6
Research and development expenses (including own work capitalized)	€ million	71.2	63.1
Research and development ratio in relation to sales	%	6.9	6.9
EBITDA	€ million	71.5	34.2
EBITDA margin	%	7	3.7
Patents and utility models		1,635	1,491
Prevented emissions <sup>1</sup>	Millions of tons of CO <sub>2</sub>	56	59
Prevented environmental damage <sup>2</sup>	€ million	10,062	10,541
Quality - field failure rate	%	1.48	1.44

<sup>1</sup> Global CO<sub>2</sub> savings by SMA products compared with the fuel mix in Germany. The figure for 2020 is lower than the previous year's figure because the calculation for CO<sub>2</sub> savings in 2019 was based on a value of 0.53 kg/kWh. In line with the growing proportion of the German fuel mix accounted for by renewable energy, this value was adjusted to 0.43 kg/kWh for the calculation of the savings in 2020.

<sup>2</sup> €180 per prevented ton of CO<sub>2</sub> emissions (source: Federal Environment Agency)

## AREA OF ACTION: ENVIRONMENT AND ENERGY<sup>1</sup>

		2020	2019
Total energy consumption	GWh	27.78	28.47
Energy consumption per kW <sup>3</sup>	kWh/kW	2.34	3.09
Total energy consumption, Germany	GWh	24.92	25.89
Energy consumption per kW, Germany	kWh/kW	2.10	2.81
Total power consumption	GWh	21.47	22.76
Power consumption per kW <sup>3</sup>	kWh/kW	1.82	2.47
Total power consumption, Germany	GWh	19.67	20.97
Power consumption per kW, Germany <sup>3</sup>	kWh/kW	1.66	2.27
Share of photovoltaics in total electricity consumption, Germany	%	40.6	38
Share of regional/decentralized renewable electricity, Germany	%	100	86.4
Total heat consumption	GWh	6.31	5.71
Total heat consumption, Germany	GWh	5.25	4.92
Water/effluent <sup>4</sup>	m <sup>3</sup> /employee	4.27	8.74
Total waste	t	2,468	1,835
Total waste, Germany	t	2,137	1,603
Share of recyclable waste	%	98.4	88.8
Share of hazardous waste	%	11.8	10.0
Waste per GW, Germany <sup>3</sup>	t/GW	186.8	173.7
Intensity of greenhouse gas emissions <sup>2</sup>	t/€ million	2.33	3.21
CO <sub>2</sub> emissions S1 total	t	934	1,085
CO <sub>2</sub> emissions S2 total	t	1,461	1,855
CO <sub>2</sub> emissions S1+S2 total	t	2,395	2,940
Total CO <sub>2</sub> emissions S1+S2, Germany	t	762	1,339
CO <sub>2</sub> emissions S1+S2 per kW, Germany <sup>3</sup>	kg/kW	0.06	0.15
CO <sub>2</sub> emissions of SMA vehicle fleet passenger cars, Germany <sup>4</sup>	kg/employee	114.3	173.1
Ø CO <sub>2</sub> emissions of company cars <sup>5</sup>	g/km	101	112
CO <sub>2</sub> emissions S3			
CO <sub>2</sub> emissions aircraft <sup>4</sup>	kg/employee	49	485
CO <sub>2</sub> emissions rail <sup>4</sup>	kg/employee	0	1.86
CO <sub>2</sub> emissions logistics truck	%	20	16
CO <sub>2</sub> emissions logistics aircraft	%	49	69
CO <sub>2</sub> emissions logistics ship	%	31	15
CO <sub>2</sub> emissions logistics rail	%	0	0

<sup>1</sup> Total SMA production locations (Germany and Poland), if not specified otherwise

<sup>2</sup> CO<sub>2</sub> emissions S1+ S2 in relation to sales

<sup>3</sup> In relation to inverter output sold

<sup>4</sup> In relation to the number of employees at the end of the period

<sup>5</sup> In accordance with manufacturer specifications as outlined in the WLTP standard

## AREA OF ACTION: EMPLOYEES

		2020/12/31	2019/12/31
<b>SMA Group employees</b>			
Employees (excl. temporary employees)		3,264	3,124
of which domestic		2,262	2,186
of which abroad		1,002	938
Temporary employees		388	442
<b>Total employees (incl. temporary employees)</b>		<b>3,652</b>	<b>3,566</b>
<b>Trainees</b>			
		<b>58</b>	<b>59</b>
<b>Gender diversity of SMA employees</b>			
male	%	74.4	74.7
female	%	25.6	25.3
<b>SMA Group executives</b>			
male	%	83.2	83.7
female	%	16.7	16.3
<b>Domestic executives</b>			
male	%	88.5	88.4
female	%	11.5	11.6
Managing Board			
male	%	100	100
female	%	0	0
General Managers/Vice Presidents			
male	%	96.8	94.1
female	%	3.2	5.9
Directors			
male	%	84.9	86.2
female	%	15.1	13.8
<b>Executives abroad</b>			
male	%	74.5	76.1
female	%	25.5	23.9
<b>SMA Supervisory Board</b>			
male	%	67	67
female	%	33	33
<b>Occupational safety and health</b>			
Domestic Lost Work Day Rate <sup>1</sup>	Sick days/ working hours	15.27	13.37
Domestic Lost Time Incident Rate <sup>2</sup>	Accidents/ working hours	1.37	1.68
Deaths		0	0

<sup>1</sup> Sick days due to work-related accidents x 200,000 in relation to working hours

<sup>2</sup> Accidents >1 lost day x 200,000 in relation to working hours

## AREA OF ACTION: CORPORATE SOCIAL RESPONSIBILITY

		2020	2019
Sustainability performance of suppliers according to EcoVadis <sup>1</sup>	%	49.6	48.6
Locations assessed for risks of corruption	%	0 <sup>2</sup>	86
Employees given corruption avoidance training		1,726	1,177
Cases of corruption		0	0

<sup>1</sup> Since 2018, sustainability performance evaluation of the main suppliers is done by EcoVadis. The sustainability performance of SMA suppliers is in the green area of the EcoVadis scale.

<sup>2</sup> The comprehensive corruption risk analysis for the sites is performed every two years.



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