



Global Sustainable Procurement Policy

SMA Solar Technology AG



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Purpose

For the SMA group, sustainable business means making a significant contribution to the company's long-term success by way of responsible and respectful treatment of people, the environment, and resources with increasing use of decentralized renewable energies along the entire supply chain.

Continuous collaboration with our suppliers is an integral part of our efforts to enhance our sustainability performance and to be prepared for current and future requirements. We expect our suppliers to share our values and principles and to conduct their business activities in a sustainable manner. This includes the implementation of comprehensive sustainability management, including compliance with recognized human rights standards in their business activities.

We understand that improving the sustainability performance is a continuous process, not only for us, but also for our suppliers. This policy summarizes sustainability principles and requirements that we expect from our suppliers. All the policies and guidelines we refer to in this document, will be constantly updated and can be found on our corporate [Website](#).

Values and principles of the SMA group



/ Code of Conduct for Employees

We have clear, uniform guidance and principles to help us make the right business decisions. In addition, to fully comply with all applicable legal and regulatory requirements, we commit ourselves to fulfil our corporate responsibility by always conducting business ethically, continuously improving our sustainability performance, and treating others respectfully. These principles and standards are outlined in our Code of Conduct for Employees and our Code of Conduct for Business Partners.



/ Code of Conduct for Business Partners

Our Code of Conduct for Business Partners outlines the minimum requirements we have towards business partner, including suppliers. Since we respect the rights, privacy, and dignity of all people, we expect the same from our suppliers. Compliance with human rights-related principles and laws is therefore a basic requirement of a functioning and sustainable partnership. We require our suppliers to comply with these principles and standards. It is bindingly stipulated in the purchasing conditions of SMA Solar Technology AG and needs to be accepted by all suppliers.

Policy Statement on Human Rights and Environmental Due Diligence

Our human rights strategy is specified within our Policy Statement on Human Rights and Environmental Due Diligence. It specifies and complements our minimum requirements regarding human rights and the environment, maps our prioritized human rights and environmental risks, and describes the implemented risk management system to address these risks.

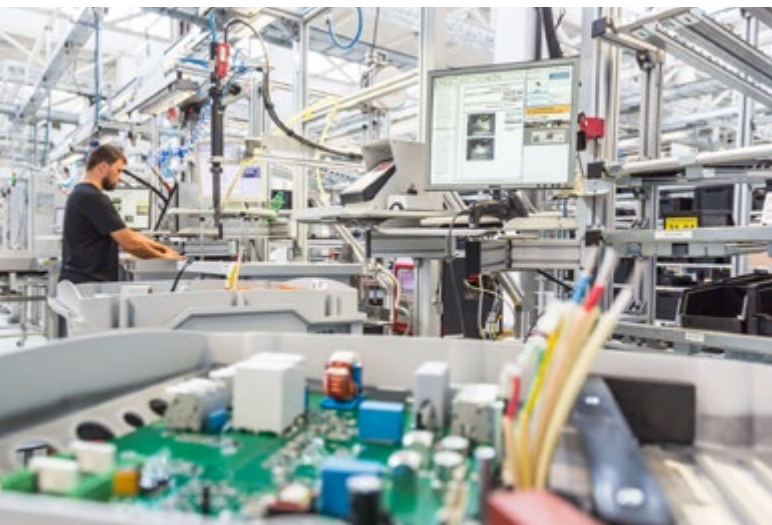


Responsible use of materials



/ Hazardous substances

Materials that are harmful to people and the environment are often required to produce electronic components. We require our suppliers to comply with relevant applicable laws such as the Regulation on the Registration, Evaluation, Authorization, and Restriction of Chemicals (REACH) and the Stockholm Convention on Persistent Organic Pollutants. We expect our suppliers to provide corresponding certificates upon request via our 3rd party service provider. In addition, SMA Solar Technology AG seeks continuously to substitute substances harmful to humans and the environment. These requirements are further specified in our Standard 01501.



/ Conflict minerals

Conflict minerals, such as tin, tantalum, tungsten, and gold (3TG), from politically unstable areas, are often mined by armed groups which use forced labor. They then sell those minerals to fund their activities. Thus, we require our suppliers to ensure that their goods do not come, for example, from the Democratic Republic of the Congo or an adjoining country. We expect our suppliers to provide corresponding certificates upon request via the platform of our 3rd party service provider. These requirements are further specified in the SMA Standard 01501.

Supplier sustainability performance

We believe that our global supplier network plays a key role in becoming more sustainable since it is an integral part of our value chain and contributes significantly to our innovative capability.

Consequently, the overall supply chain performance is determined by all stakeholders involved, and improving performance requires cooperation and knowledge sharing. Sustainability performance includes the areas of environment, labor and human rights, ethics, and sustainable procurement. The sustainability performance of our suppliers is part of our supplier selection and development process. Additional criteria for supplier selection and development are costs, quality aspects, technical potential, and performance in supply chain management.



/ Self-disclosure

A third party service provider helps us evaluate the individual sustainability performance, shows strengths and weaknesses, and derives recommendations for action. We expect that all selected suppliers provide us with a valid sustainability self-disclosure and commit to working on their performance improvement. Our goal by 2025 is to have 100% of our direct material suppliers, who account for 95% of our corresponding spending, rated by our service partner. We initially focus on the suppliers who meet our set spending threshold and are accountable for the largest share in terms of the value of the goods or are in a certain risk category. Suppliers who do not already have a sustainability assessment by our service provider must complete the evaluation and will be categorized according to their results.

We will monitor progress on an ongoing basis and review all suppliers with a low score or without an assessment to determine an action plan to improve their performance. The SMA group seeks to continuously minimize the number of suppliers that do not meet our expectations by finding alternative sources or supporting existing suppliers in their individual performance.

/ Supplier audits

In addition to the self-disclosure, we expect our suppliers to allow on-site audits by the SMA group or one of its third-party auditors to verify compliance with our requirements. Our objective is to continuously improve each supplier's performance so that, over time, overall supplier performance will accelerate and our risk will decrease constantly.



Vision

Sustainability is a constant process of development and adaptation. Therefore, it is our vision to build strong and long-term relationships with our partners to constantly work on sustainability-related topics along the supply chain.

We understand that achieving more sustainable business practices might be challenging, but when our partners see this as an opportunity to improve their processes and performance, our partnership can grow, and we can incrementally work together on achieving our mutual goals. Accordingly, we welcome and appreciate additional commitment in the area of sustainability beyond the above-mentioned minimum requirements.

On our path towards holistic sustainability in the supply chain, the SMA group has developed a supporting set of goals we want to reach in the future:

- 1. We aim to increase supply chain transparency along the entire supply chain**
- 2. We aim to decarbonize our supply chain by increasing the use of decentralized renewable energy and increasing the share of secondary raw materials in our products**
- 3. We aim to avoid or significantly decrease the use of hazardous materials in our components and products**

Further questions?

Feel free to get in touch: sustainability@sma.de



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