

# Compliance at SMA



Group Compliance



## What is Compliance?

### **What Compliance means:**

- Acting in accordance with external laws and internal guidelines
- Providing the tools and systems to support all employees in acting compliant

### **The goal of Compliance is prevention:**

- Identifying Compliance risks early to prevent violations of the law, which in turn prevents non-compliance damages
- Preventing non-compliance by proactively tackling the reasons behind it

**The first priority of Compliance at SMA is to effectively support, advise and train employees.**



## Added Value of Compliance

### Increased Effectiveness in Preventing Non-Compliance

- Increased awareness of Compliance risks
- Better understanding how to act properly
- Effective processes to reduce Compliance risks

### Reduction of Costs & Damages

- Reduction of damages through early detection of Non-Compliance
- Mitigation of fines or exculpation

## Compliance

Global

Systematic

Continually improved

### Protection of SMA

- Prevention of Compliance damages
- Protection of reputation
- Good Governance is important to investors

### Protection of Management and Employees

- Prevention of Board Member liability
- Protection of individuals

## The Players in Compliance

### Employees & Management

- Process Owners
- Responsible for compliance with external laws and internal guidelines

### Group Compliance

- Goal: Prevention!
- Establishes Compliance systems
- Supports Process Owners

### Corporate Internal Audit

- Detects & Investigates
- Uncovers instances of non-compliance and weaknesses in the Compliance Management System

**The mutual objective is to prevent non-compliance damages by continuously improving our global business practices.**

## The Core Components of our Compliance Management System

- Business Principles
- Guidelines & Processes
  - Speak-Up Line
  - Mandatory Compliance Training
- Compliance Helpline
  - External Communication
  - Local Compliance Officers





## In Detail: The SMA Business Principles



**1 | We will always keep our personal interests separate from the interests of the company.**

**2 | We will never abuse our position for personal benefits.**

**3 | We will never provide anyone with undue advantages.**

**4 | We will treat all information related to the company as strictly confidential.**

**5 | We will observe all data protection laws and regulations.**

**6 | We will adhere to the rules of fair competition.**

**7 | We will protect the property of SMA, including intellectual property.**

**8 | We embrace diversity, equality of opportunity and tolerance.**

**9 | We promote fair and safe working conditions.**

**10 | We protect the environment.**

# In Detail: The SMA Compliance Helpline - For Quick Answers to Everyday Compliance Questions



## What is the Compliance Helpline?

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- The Compliance Helplines are available worldwide (per telephone or email), and they provide open and direct answers to employees and external business partners to questions they have concerning the SMA Business Principles or the legality of certain issues they may encounter
- The Group Compliance Helpline in Germany can be reached at:



**Group Compliance @ SMA**  
+49 561 9522 424242  
[Compliance@sma.de](mailto:Compliance@sma.de)

# In Detail: The SMA Speak-Up Line - A Confidential Outlet for Employees and External Parties



## What is the SMA Speak-Up Line?

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- The SMA Speak-Up Line is a telephone and web-based reporting system operated by an external service provider
- The SMA Speak-Up Line offers SMA employees, who
  - have concerns about the legality of certain business transactions or conduct and
  - do NOT wish to speak openly about the issue with management or Compliance, a secure - even anonymous - channel of communication
- The SMA Speak-Up Line is also available to external parties (e.g. suppliers)
- Please visit the Group Compliance page at [www.SMA.de](http://www.SMA.de) for Speak-Up Line contact details



