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FOR CALENDAR YEAR 2009

➔ Cf. to text passage • page//
Ⓜ Cf. to to chart • page//
🌐 www.internetlink.com
📍 Cf. to sustainability index • page//
📍 Cf. to solar World Map • Insert//
Cf. to glossary⁹

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Dipl.-Ing. Frank H. Asbeck
CEO of SolarWorld AG

Letter by the Chairman

Dear Customers, Shareholders, Employees and Friends of SolarWorld AG,

As an international group we have long attached particular importance to sustainable management. Indeed, it is a fundamental SOLARWORLD principle, which is why we have been incorporating the reporting on our sustainability performance into our Group Annual Reports since 2007. It seems only logical, therefore, that we have fully integrated the concept of sustainability into our strategic decision-making.

➔ [*Group management report • p. 031//*](#)

But why is it so important to consider sustainable management in such detail, and what makes it so special? Sustainable development enables present generations to satisfy their own needs without jeopardizing the potential needs of future generations. And yet even among the generations living today, for example between rich and poor countries, equal opportunities and the fair distribution of resources are core issues in the sustainability debate. Sustainability can be structured along three dimensions – economically, ecologically and socially. All three must be seen in conjunction, i.e. in an integrated way, because they are very closely connected.

Only by adopting this comprehensive approach can opportunities and risks be anticipated more effectively. We firmly believe, therefore, that broad-based sustainability management will generate crucial innovative and competitive advantages in the future, not only in industrialized countries but also in developing countries and emerging economies. For us, these regions will also become increasingly important.

In 2009, we have further developed our sustainability management system. Solar energy is our answer to climate change and increasingly scarce resources. It is our core competence, and we have been setting technical standards in this field for years. But even beyond this we want our actions to be guided consistently by the principles of sustainability. You can monitor these developments in our report on sustainable corporate management.

In this field, too, we are standard-setters. Since 2007 we have been using the GRI framework for our reporting, and in 2009, as in the preceding years, we again achieved A+ status, as attested by both GRI and our auditors. Since 2007 SOLARWORLD has been the only solar company in the world to meet the requirements of this reporting level. Since 2008 SOLARWORLD has additionally been applying the sustainability indicators of the German Society of Investment Professionals (DVFA), making us the first company in the world to adopt these criteria in our reporting. These DVFA criteria are subject to continuous further development. We actively participate in these discussions and, in our reports, will take any progress made into consideration. Moreover, on 16 October 2009 SOLARWORLD became the first purely solar company in the world to sign up to the UN Global Compact. We subscribe to the ten principles of the Global Compact in the fields of human rights, labour rights, environment protection and anti-corruption, and we hope to encourage the implementation of those principles in our sphere of influence. We integrate the annual progress report into our Group management report – just as we do with our reporting on our sustainability performance.

Our vision and strategy are extensively spelled out in the Group management report. ➔ [Vision](#) • p. 002// With our sustainability strategy, we are addressing the issues of quality and environmental management, and also social responsibility. ➔ [Interlinking of management tools](#) • p. 044// [Solar2World – not-for-profit commitment stepped up](#) • p. 087// But there is one thing we always remember: the foundation for all this is our commercial success. It gives us a firm footing and the leeway for action we need.

Together with my colleagues on the Executive Board, I invite you to form your own impressions of the accomplishments and challenges that have marked the evolution of the SOLARWORLD Group during the reporting year 2009. We would welcome your comments and suggestions and hope you will enter into a dialogue with us via [\[E\] sustainability@solarworld.de](mailto:sustainability@solarworld.de). We look forward to your feedback!

Please visit our website, too, where you will find detailed information about our commitments to corporate social responsibility. [\[G\] www.solarworld.de/sustainability](http://www.solarworld.de/sustainability)

With sunny regards,



Dipl.-Ing. Frank H. Asbeck
CEO of SolarWorld AG

SUSTAINABILITY: ANNEX TO THE ANNUAL GROUP REPORT FOR FISCAL YEAR 2009

BE INDEPENDENT

BE SUSTAINABLE

BE SUCCESSFUL

FACTS: SUSTAINABILITY




- Economically, ecologically and socially sustainable – today and tomorrow
- At the very core of our commercial operations → [Vision](#) • p. 002 //
- Nothing automatic about it: it isn't enough being a solar producer, because sustainability affects all business divisions and the impacts on society.
- Strategic objectives that take joint account of economic, ecological and social factors
 - [Including ecological and social aspects](#) • S. 040 //
- Contribution to regional development across the world → [Off-grid technology taps new markets](#) • p. 130 //
- [Solar2World – not-for-profit commitment stepped up](#) • p. 087 //

FACTS: SOLARWORLD SETS STANDARDS

- The first purely solar company in the world to sign up to the UN Global Compact (16/10/2009)
 - [Global Compact \(Communication on Progress\)](#) • p. 219 //
- The first company in the world to include the KPI's of the German Society of Investment Professionals (Deutsche Vereinigung für Finanzanalyse und Asset Management, DVFA) in reporting (since Group Annual Report 2008)
 - [KPI's for ESG \(Key Performance Indicators of the DVFA\)](#) • p. 221 //
- The world's first solar company to (1) integrate its report on sustainability performance into the Annual Group Report and (2) certify its performance: GRI A+ (since Annual Group Report 2007) → [Disclosure \(Global Reporting Initiative, Global Compact, DVFA\)](#) • p. 216 //

DISCLOSURE (GLOBAL REPORTING INITIATIVE, GLOBAL COMPACT, DVFA)

GLOBAL REPORTING INITIATIVE (CATEGORISATION AND INDEX)

BE INDEPENDENT		BE SUSTAINABLE		BE SUCCESSFUL			
63 GRI APPLICATION FRAMEWORK							
APPLICATION LEVELS		C	C+	B	B+	A	A+
REQUIRED CRITERIA	OUTPUT	REPORT ON: 1.1 2.1–2.10 3.1–3.8, 3.10–3.12 4.1–4.4, 4.11–4.15	IF REPORT IS EXTERNALLY CONFIRMED	REPORT ON: all criteria listed for Level C plus: 1.2 3.9, 3.13 4.5–4.13, 4.16–4.17	IF REPORT IS EXTERNALLY CONFIRMED	REPORT ON: same requirements as for Level B	IF REPORT IS EXTERNALLY CONFIRMED
G3 Profile Disclosures	OUTPUT						
G3 Management Approach Disclosures	OUTPUT	No disclosure of Management Approach.		Management Approach disclosed for each Indicator Category.		Management Approach disclosed for each Indicator Category.	
G3 Performance Indicators & Sector Supplement Performance Indicators	OUTPUT	Report on a minimum of 10 Performance Indicators, including at least one from each of: social, economic and environment.		Report on a minimum of 20 Performance Indicators, including at least one from each of: economic, environment, human rights, labor, society, product responsibility.		Report on each core G3 and Sector Supplement indicator* with due regard to the Materiality Principle by either: a) reporting on the indicator, or b) explaining the reason for its omission.	
<small>* where final version of sector supplement is available</small>							
	STEP I Self categorisation.						
	STEP II The report segments “KPI’s for ESG (core performance indicators of the DVFA)” and “Performance indicators” underwent an audit review by BDO Deutsche Warentreuhand AG Wirtschaftsprüfungsgesellschaft. BDO Deutsche Warentreuhand AG also takes account of information from audits according to ISO 9001 and 14001. Unless otherwise indicated the GRI data refer to the SolarWorld Group.						
	STEP III The GRI has confirmed that our reporting meets the requirements of Application Level A+.						

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Disclosure to GRI standard	Page/Info	Status	Disclosure to GRI standard	Page/Info	Status
1.1	Statement from the most senior decision-maker	224 ●	4.9	Procedures of highest governance body for overseeing sustainability performance	230 ●
1.2	Key impacts, risks and opportunities	224 ●	4.10	Procedures for evaluating the highest governance body's own sustainability performance	230 ●
2.1	Name of organization	2 ●	4.11	Precautionary principle	231 ●
2.2	Brands, products, services	050 ●	4.12	External agreements, principles or initiatives	231 ●
2.3	Operational structure	047 ●	4.13	Memberships	232 ●
2.4	Location of the organization's head-quarters	047 ●	4.14	Stakeholder groups	234 ●
2.5	Countries where the organization operates	050 ●	4.15	Selection of stakeholders	235 ●
2.6	Nature of ownership	066 ●	4.16	Stakeholder Engagement	235 ●
2.7	Markets served	051 ●	4.17	Key topics and concerns raised by stakeholders	237 ●
2.8	Scale of organization	097, 105 ●	5.	Management approach EC, EN, LA, HR, SO, PR	237 ●
2.9	Significant changes in size, structure or ownership	047, 111, 139 ●		Economic	
2.10	Awards	226 ●	EC1	Direct economic value generated and distributed	242 ○ ^{1,3}
3.1	Reporting period	226 ●	EC2	Financial implications due to climate change	242 ●
3.2	Date of last report, if applicable	227 ●	EC3	Coverage of organization's defined benefits plan	243 ○ ²
3.3	Reporting cycle (annual, biennial, etc.)	227 ●	EC4	Financial assistance received from government	243 ●
3.4	Contact for questions on report or its contents	227 ●	EC5	Entry level wage compared to local minimum wage	Additional indicator Data
3.5	Process for defining report content	227 ●	EC6	Selection of locally based suppliers	243 ●
3.6	Reporting boundary	227 ●	EC7	Locally based hiring of employees	243 ●
3.7	Limitations on scope of reporting	227 ●	EC8	Infrastructure investments and services provided mainly for public benefit	244 ●
3.8	Joint ventures, subsidiaries, leased facilities, outsourced operations	228 ●	EC9	Indirect economic impacts	Additional indicator n.m.
3.9	Data measurement techniques	228 ●		Environmental	
3.10	Re-statement of information from earlier reports	229 ●	EN1	Materials used	244 ○ ³
3.11	Changes in reporting scope, boundary or measuring methods	229 ●	EN2	Recycling input materials	244 ○ ^{2,3}
3.12	GRI index	This table ●	EN3	Direct primary energy consumption	245 ○ ¹
3.13	External assurance	229 ●	EN4	Indirect primary energy consumption	245 ○ ^{1,2}
4.1	Governance structure of the organization	229 ●	EN5	Energy savings	Additional indicator Data
4.2	Indication whether the Chair of the highest governance body is at the same time the Managing Director	229 ●	EN6	Initiatives for energy efficiency and renewable energy	Additional indicator Data
4.3	Details of unitary organization	n.z. ●	EN7	Initiatives to reduce indirect energy consumption and reductions achieved	Additional indicator Data
4.4	Mechanisms for recommendations or instructions to the highest governance body	229 ●	EN8	Total water withdrawal	245 ○ ¹
4.5	Relationship between compensation for members of the highest governance entity, the executive board and other executives and the performance of the organization	229 ●	EN9	Impact of water consumption	Additional indicator n.m.
4.6	Mechanisms for avoidance of conflicts of interest within the highest governance body	229 ●	EN10	Water recycled and reused	Additional indicator n.m.
4.7	Qualifications and expertise of members of the highest governance body with respect to sustainability topics	230 ●	EN11	Land in or adjacent to protected areas or areas of high biodiversity value	245 ●
4.8	Statements of mission, code of conduct, principles	230 ●	EN12	Impact on biodiversity	246 ●
			EN13	Habitats protected or restored	Additional indicator n.m.
			EN14	Strategies for protection of biodiversity	Additional indicator n.m.
			EN15	Threatened species	Additional indicator n.m.
			EN16	Greenhouse gas emissions	247 ●

Disclosure to GRI standard	Page/Info	Status
EN17 Other relevant indirect greenhouse gas emissions	247	○ ²
EN18 Initiatives to reduce greenhouse gas emissions	Additional indicator	Data
EN19 Emissions of ozone-depleting substances	247	●
EN20 NO _x , SO _x and other air emissions	247	●
EN21 Total water discharge	248	○ ^{1,2}
EN22 Waste by type and disposal method	248	○ ^{1,2}
EN23 Significant spills	248	●
EN24 Hazardous waste under Basel Convention	Additional indicator	n.a.
EN25 Impact of water discharges on biodiversity	Additional indicator	n.a.
EN26 Initiatives to mitigate environmental impacts	248	●
EN27 Packaging materials	248	○ ²
EN28 Sanctions for non-compliance with environmental laws and regulations	249	●
EN29 Environmental impacts of transporting products	Additional indicator	Data
EN30 Environmental protection expenditure	Additional indicator	Data
Social		
LA1 Total workforce by employment type, employment contract and region	249	○ ³
LA2 Employee turnover	250	○ ^{2,3}
LA3 Benefits to full-time employees	Additional indicator	Data
LA4 Employees covered by collective bargaining agreements	250	●
LA5 Minimum notice periods regarding significant operational charges	250	●
LA6 Employees represented in health & safety committees	Additional indicator	n.m.
LA7 Injuries, occupational diseases, lost days, absenteeism and work-related fatalities	251	○ ³
LA8 Education and training on serious diseases	252	●
LA9 Health & safety topics covered in agreements with trade unions	Additional indicator	n.m.
LA10 Initial and further training for employees	252	○ ²
LA11 Programs for skills management and life-long learning	Additional indicator	n.m.
LA12 Performance and career development reviews for employees	Additional indicator	Data
LA13 Composition of governance bodies	252	○ ^{2,3}
LA14 Ratio of basic salary of men to women	253	○ ^{2,3}
HR1 Investment agreements	254	●
HR2 Screening of suppliers and contractors on human rights	255	●
HR3 Training on aspects of human rights	Additional indicator	n.a.
HR4 Incidents of discrimination	255	●
HR5 Freedom of association and collective bargaining	255	○ ²
HR6 Child labour	255	○ ²
HR7 Forced and compulsory labour	255	○ ²

Disclosure to GRI standard	Page/Info	Status
HR8 Training of security personnel	Additional indicator	n.a.
HR9 Violations of rights of indigenous people	Additional indicator	n.a.
S01 Impact on communities	255	○ ²
S02 Risks related to corruption	255	●
S03 Training in anti-corruption policies	255	●
S04 Corruption incidents and action taken	256	●
S05 Lobbying	256	●
S06 Contributions to political parties, politicians and related institutions	Additional indicator	n.m.
S07 Legal actions for anti-competitive behaviour	Additional indicator	n.a.
S08 Sanctions for non-compliance with laws and regulations	256	●
PR1 Impacts on customer health and safety	256	●
PR2 Non-compliance with health and safety regulations and voluntary codes	Additional indicator	n.a.
PR3 Product information	256	●
PR4 Non-compliance with codes concerning product labelling	Additional indicator	n.a.
PR5 Customer satisfaction	Additional indicator ESG 11-1 p.222	Data
PR6 Standards related to advertising	257	●
PR7 Non-compliance with marketing standards	Additional indicator	n.a.
PR8 Breaches of customer data privacy	Additional indicator	n.a.
PR9 Sanctions for non-compliance with product and service regulations	257	●
+ Confirmation	258	●
+ No appropriate sector supplements exist		n.a.

LEGENDE

- Reported in full
 - Reported in part
 - Data Data not available
 - n.m. Not material
 - n.a. Not applicable
 - n.s. Not specified
- 1) **Explanation Type 1:** The performance indicator is not material or not applicable. An explanation is provided why the performance indicator is immaterial with regard to tests and concepts of the materiality principle. An explanation is given on why immateriality exists with regard to business processes and why corporate activities in this specific area do not have any effect.
 - 2) **Explanation Type 2:** Information on the performance indicators is not available. The barriers to tests and concepts of the materiality principle are explained. The time horizon for implementation of the improvements is further specified (short-term, mid-term, long-term).
 - 3) **Explanation Type 3:** Explanation Type 3: Information on the performance indicators is not allowed (protected). It is outlined to what extent data must not be reported, i. e. whether data capture/disclosure is legally prohibited or whether the performance indicator represents confidential business information.
- e) Data marked with an “e” in the reporting are estimated values.

GLOBAL COMPACT (COMMUNICATION ON PROGRESS)

This Communication on Progress includes the statement of Commitment to the Global Compact → *Letter by the Chairman* • p. 213//, the description of practical steps to implement the ten Principles of the Global Compact in fiscal year 2009 as well as the measurement of outcomes based on application of the GRIs performance indicators

63 OVERVIEW ON THE COMMUNICATION ON PROGRESS (GLOBAL COMPACT)

Issues	Principles of the Global Compact
Human Rights	Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights. Principle 2: Businesses should make sure that they are not complicit in human rights abuses.
Labour	Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to free collective bargaining. Principle 4: Businesses should uphold the elimination of all forms of forced and compulsory labour. Principle 5: Businesses should uphold the effective abolition of child labour. Principle 6: Businesses should uphold the elimination of discrimination in respect of employment and occupation.
Environment	Principle 7: Businesses should support a precautionary approach to environmental challenges. Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility. Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies.
Anti-Corruption	Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.
Principles	Self-commitment: Quotes
Principles 1, 2, 6	Guideline 1: "We stand for humane treatment and equal opportunities"
Principle 7	Guideline 2: "Our production is compatible with the protection of the environment using the best possible processes and product standards."
Principle 7	Guideline 3: "We use existing resources responsibly and sparingly."
Principles 1 and 2	Guideline 4: "State-of-the-art methods are used to avoid any health hazards and risks that may be caused by SolarWorld processes and products."
Principle 10	Guideline 5: "Fair competition is the very basis of our business activities. Bribery and corruption are unlawful and not tolerated."
Principles 1-10, especially Principles 4 and 5	Guideline 10: "We support the Global Compact of the United Nations - especially the ban on child labour and on forced labour - and also demand compliance with it from our suppliers and business partners."
Principles 1 and 2	Code of Conduct*: "We respect the rights and dignity of all employees."
Principle 3	Code of Conduct*: "SolarWorld upholds the freedom of association and respects the right to free collective bargaining. Each site complies with the provisions of law, collective bargaining agreements and company rules applicable in its context. The management of each site guarantees compliance with these rules and determines local company policy in this regard."
Principles 4 and 5	Code of Conduct*: "Forced and child labour are strictly forbidden by law in most countries and worldwide at SolarWorld."
Principle 6	Code of Conduct: "Nobody in the SolarWorld Group shall be subjected to discrimination. This also applies to the choice of contractual and business partners [...]"
Principles 7-9	Code of Conduct*: "The SolarWorld Group devotes particular attention to protecting the environment. It is our declared aim to promote the protection of climate and resources in active ways. We therefore pledge to respect all applicable rules to the full. Moreover, we shall take pains to keep any negative environmental effects which might derive from our activities to a minimum and to reduce such effects continually [...]"
Principle 10	Code of Conduct*: "The SolarWorld Group accepts the ICC Rules of Conduct on Extortion and Bribery in International Business Transactions of 1999 and the OECD Convention of 1997. [...]"

* Approval planned for 2010. Examination by works council still outstanding.

Principles	Systems	Notes/Cross References
Principles 1-10	Values and Guidelines	www.solarworld.de/values-and-guidelines
Principles 1-10	Suppliers' Code of Conduct	→ 4.8 • p. 230 // 5 • p. 237 //
Principles 1 and 2	Health & Safety Management	→ 5 • p. 237 // LA7 • p. 251 //
Principles 1 and 2	No use made of private security personnel	→ 5 • p. 237 //
Principle 3	Guidelines and procedures that are neutral regarding associations or trade unions	→ 5 • p. 237 // HR5 • p. 255 //
Principle 3	Creation of prerequisites permitting employees to exercise functions in associations or trade unions	→ 5 • p. 237 // HR5 • p. 255 //
Principle 4	Pay always more than the local minimum wage	Group-wide standard
Principle 4	Maximum regular working week 40 hours, with incremental pay for overtime	Group-wide standard
Principle 5	Minimum working age respected, including when selecting suppliers	Minimum age 15 years (reference: ILO Convention 138(7)) or higher local minimum, Group-wide standard
Principle 6	Standards enshrined in the German Equality Act (AGG) applied	Group-wide standard (voluntary)
Principles 7-9	Environmental management	→ 5 • p. 237 // EN1-28 • p. 244 //
Principles 1-7, 10	High legal standards in Germany and the United States	→ 5 • p. 237 // EC7 • p. 243 // EN20 • p. 247 // EN27 • p. 248 // LA7 • p. 251 // HR5 • p. 255 // PR3 • p. 256 // PR6 • p. 257 // PR9 • p. 257 //
Principle 10	Compliance Officer	SolarWorld has a Compliance Officer.
Principles	Measures in 2009	Notes/Cross References
Principles 1-10	Finalization of the Code of Conduct	→ 4.8 • p. 230 // 5 • p. 237 //
Principles 1-10	Executive Board adopts a Suppliers' Code of Conduct	→ 4.8 • p. 230 // 5 • p. 237 //
Principles 1-10	A contact form posted on the website that can be used for sending messages anonymously, and hence also for whistle blowing.	www.solarworld.de/stakeholder → 4.16 • p. 235 //
Principles 1-10	Sustainable Group governance	→ 4.1 • p. 229 // 4.8 • p. 230 //
Principle 3	Agreements with trade unions	→ 5 • p. 237 // HR5 • p. 255 //
Principles 7-9	Participation in sector-wide collaboration on Life Cycle Analysis	→ 4.16 • p. 235 //
Principle 7	Precautionary principle	→ 4.11 • p. 231 //
Principle 8	PR activities to raise awareness	"Climate marketing" (e.g. Spiegel supplement), promotion of research, contribution to regional development (Solar2World)
Principle 9	Continuous because our business is exclusively solar energy	Annual Group Report 2009
Principle 9	Technical innovations in Research & development (purely solar group)	→ Group management report • p. 031 //
Principle 9	Solar2World projects	→ Group management report • p. 031 //
Principles	Performance (see GRI Performance Indicators)	Notes/Cross References
Principle 1	LA4, LA7-8, LA13-14, HR1-2, HR4-7, SO5, PR1	→ Social performance indicators • p. 249 //

Principles	Performance (see GRI Performance Indicators)	Notes/Cross References
Principle 2	HR1-2, HR4-7, S05	→ <u>Social performance indicators</u> • p. 249//
Principle 3	LA4-5, HR1-2, HR5, S05	→ <u>Social performance indicators</u> • p. 249//
Principle 4	HR1-2, HR7, S05	→ <u>Social performance indicators</u> • p. 249//
Principle 5	HR1-2, HR6, S05	→ <u>Social performance indicators</u> • p. 249//
Principle 6	EC7, LA2, LA13-14, HR1-2, HR4, S05	→ <u>Economic performance indicators</u> • p. 242// <u>Social performance indicators</u> • p. 249//
Principle 7	EC2, EN18, EN26, S05	→ <u>Economic performance indicators</u> • p. 242// <u>Ecological performance indicators</u> • p. 244// <u>Social performance indicators</u> • p. 249//
Principle 8	EN1-4, EN8, EN11-12, EN16-17, EN19-23, EN26-28, S05, PR3	→ <u>Ecological performance indicators</u> • p. 244// <u>Social performance indicators</u> • p. 249//
Principle 9	EN2, EN 26-27, S05	→ <u>Ecological performance indicators</u> • p. 244// <u>Social performance indicators</u> • p. 249//
Principle 10	S02-5	→ <u>Social performance indicators</u> • p. 249//

KPI's FOR ESG (KEY PERFORMANCE INDICATORS, DVFA)

The German Society of Investment Professionals (DVFA) Commission on Non-Financials (CNF) has been working since 2006 on the development of Key Performance Indicators to integrate extra- and non-financial performance indicators on ESG (environmental, social and governance issues), sustainability, corporate governance and risk management, into established corporate analysis and investment decision methodology. We are actively participating in this discussion and are for the second time including the DVFA criteria (status: 2008) in our reporting. Up to today, the data are not yet available for all criteria, but progress is indicated annually.

64 THE KEY PERFORMANCE INDICATORS OF THE DVFA

General Key Performance Indicators for Environmental, Social and Governance Issues (KPI's for ESG)

Prio	Indicator	Name	Description	2008	2009	2010	Comments
1	ESG 1-1	Total Energy Consumption	Total corporate energy consumption (primary & secondary sources) in MWh	269,600e	368,002e	↑	As in previous year a growth of similar size (underproportionate to production increase) is expected.
1	ESG 1-2	Energy Intensity	Total corporate energy consumption in MWh/sales in €	300	363e	↓	Strong increase in production, production figures are not disclosed, price drop of some 30% in the module and kit market in 2009.
1	ESG 2-3	Renewable Energy	Investments in renewable energy consumption as percentage of total investments	100%	100%	100%	Due to the business field all investments are connected to the use of renewable energies.
1	ESG 3-1	Staff Turnover	Percentage of full-time employees leaving in year	3.6%	9.3%	↓	No distinction has been made hitherto between full-time and part-time. (In the 2008 report absolute figures were quoted)

General Key Performance Indicators for Environmental, Social and Governance Issues (KPI's for ESG)

Prio	Indicator	Name	Description	2008	2009	2010	Comments
1	ESG 4-2	Training & Qualification	Average expenditure on training/employee (in €)	382.13	356.53	↑	Expenditure on training by external providers has hitherto not been included.
1	ESG 5-2	Maturity of Workforce	Percentage of workforce to retire within the next 5 years of reported period	n.s.	2e%	↔	Estimate (basis: employees aged 60+): 20 employees at German sites, 27 at US locations, no employees at locations in Spain, Singapore and South Africa.
1	ESG 6-1	Absenteeism Rate	Working times lost/ employee	2.5%	3.4%	↓	Causes of increase so far not known.
1	ESG 7-1	Restructuring related relocation of jobs	Total cost of relocation in k€ including indemnity, pay-off, outplacement, hiring, training, consulting	n.s.	427	↔	Data not yet collected in this aggregated form, but values available for 2009 in the USA (including indemnities, outplacements, extended health insurance).
1	ESG 8-1	Contributions to political parties	Contributions to political parties in k€/revenue	45	40	↔	To promote renewable energies and climate and resource protection SolarWorld exerts social influence. In this context we also give financial support to individuals, parties and associations who work in favor of renewable energies.
1	ESG 9-1	Anti-competitive behaviour, anti-trust, monopoly practices	Expenses and fines on actions and law suits related to anti-competitive behavior, anti-trust and monopoly practices	n.s.	0	↔	
1	ESG 10-1	Corruption	Percentage of business in regions with Corruption Index below 6.0	16e%	31%	↑	2009 incl. wafers for first time; Wafers: 53%, Trade: 7%
1	ESG 11-1	Customer Satisfaction	Percentage of satisfied customers as percentage of total customers	n.s.	> 85%	↑	Aggregate figure (trade) Satisfaction analysis (wafers) will come to hand in Summer of 2010.
1	ESG 12-1	Revenues from New Products	Percentage of revenues from products with lifecycle shorter than 12 months	n.s.	35%	↔	

Specific Key Performance Indicators for Environmental, Social and Governance Issues (KPI's for ESG)

Prio	Indikator	Name	Beschreibung	2008	2009	2010	Kommentar
1	ESG 13-8	CO _{2eq} emissions	CDP definition (in CO _{2eq})	96,310e	139,278e	↑	Estimate. With strong production increase in 2009.
1	ESG 14-8	NO _x , SO _x emissions of all production sites; entire company	GRI definition (in tonnes)	2.05e	3.5e	↑	Estimate. With strong production increase in 2009.
1	ESG 15-1	Waste	Total waste related to production (in tonnes)	9,383e	13,010e	↑	Estimate, only absolutely specified, as production figures are not disclosed (strong production increase in 2009).
1	ESG 16-2	Environmental Compatibility	Percentage of ISO 14001 certified sites (weighted by average capacity)	74%	64%	↑	USA not yet certified due to relatively small production/trading volumes (strong production increase in year 2009).
1	ESG 17-1	End-of-life-cycle impact	Percentage of material recovered for reuse at end of lifecycle of product	Ca. 0%	Ca. 0%	↔	Products fully recyclable; goal: to maximize material recovery for new PV products; recycling of SolarWorld modules ("scrap") so far not significant due to reliable long-life technology (so far very little recovered material in relation to newly produced goods). Recycled material (production and semi-conductor waste) used in manufacturing; "reject" approx. 20% of silicon consumption. Member of PV Cycle

Specific Key Performance Indicators for Environmental, Social and Governance Issues (KPI's for ESG)

Prio	Indikator	Name	Beschreibung	2008	2009	2010	Kommentar
1	ESG 18-1	Diversity	Female employees as percentage of total employees	19%	22%	↔	Ratio of women fell from 2007 to 2008 due to relocating US wafer and cell production from Camarillo (solar and semi-conductor market with high percentage of women) to Hillsboro (solar and semi-conductor market with low percentage of women); by now group-wide share of women close to 2007 level again
2	ESG 23-1	Supplier agreements and supply chain partners screened for compliance with ESG	Number of suppliers screened for compliance with ESG as percentage of total number of suppliers	n.s.	n.s.	↑	Supplier agreement exists since end of 2009 and will be incorporated into contracts in 2010.
2	ESG 24-2	Health & Safety aspects of products	Number of product recalls for safety or health reasons as percentage of total products sold or shipped	0	0	↔	
2	ESG 25-1	Litigation payments	Total litigation payments in k€	n.s.	17e	↔	Amount rounded. Extraordinary influence: Trademark lawsuit in the USA (payments for the litigation not neatly separable from payments for settlement, therefore not included).
2	ESG 26-1	Dimension of pending legal proceedings	Amount in dispute in k€	n.s.	42e	↔	Amount rounded. Active litigation, counter-claims and cases with no fixed amount in litigation are not considered.
1	ESG 27-1	R&D expenses	Total R&D expenses (in m€)	13.0	11.8	↔	
2	ESG 28-1	Patents	Number of invention claims registered within the last 12 months	18	28	↑	Our control variable is the number of inventions claimed and not the number of patents registered (value for 2008 was appropriately adjusted).
2	ESG 30-2	Customer Retention	Average length of time of customer relationship in years	n.s.	6e	↔	Have hardly ever lost customers, but are steadily gaining new ones; in the market for 11 years; Number of specialist partners rose by 20% to about 500 in 2009.

THE DVFA

THE DVFA has for years been considered the trend setter for industrial standards, like for example the German Standards for Financial Research (Deutsche Grundsätze für Finanz-Research = DGFR), the standards for effective financial communication as well as the rating and validation standards.

STRATEGY AND MANAGEMENT

/ 1.1 / STATEMENT FROM THE MOST SENIOR DECISION-MAKER

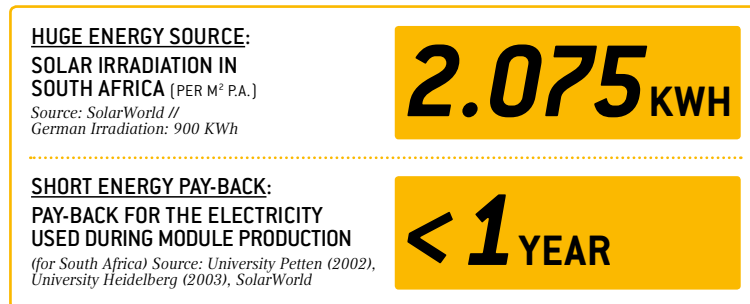
➔ *Letter by the Chairman • p. 213 //*

/ 1.2 / KEY IMPACTS, RISKS AND OPPORTUNITIES

PART 1: PRINCIPAL SOLARWORLD IMPACTS ON SUSTAINABILITY AND CONSEQUENCES FOR STAKEHOLDERS

The sun's power is available to everyone around the planet. In terms of human time, radiation from the sun offers an infinite source of energy. Creating the systems to convert that energy only requires a fraction of the energy which the system will generate during its life cycle:

65 THE POTENTIAL: ENERGY CREATES THE BASIS FOR DEVELOPMENT



Using it poses no dangers, and production is reliable. Solar energy in conjunction with other renewable sources is the answer to the global energy shortage and advancing climate change. SOLARWORLD exerts a direct influence on the progress of solar energy and, as a result, on the lives of millions of people around the world.

66 THE IMPACT OF SOLARWORLD AG

Economic aspects

Profitability as a fundamental prerequisite for sustainable economic action; customer orientation (price/performance ratio, warranties, delivery reliability, service); compliance with quality standards; contribution to technological development

Ecological aspects

Consideration of ecological aspects in operative business; controlled use of resources; involvement for conservation of resources and climate protection; recycling

Social aspects


Creation of jobs; shaping working conditions; qualification in the organization; provisioning for old age

Corporate governance

Compliance with the law; maintaining employees' rights; fair business relationships; reliability; solid investment for investors (transparency, accuracy of disclosures and good corporate governance); fair competition

67 POSSIBLE CONSEQUENCES FOR STAKEHOLDERS

Opportunities	Stakeholders	Priority	Reasons
Good future prospects in a growth market	Employees	medium	Differentiation from competitors and other industries
Participation in changes towards sustainable social development	Employees	high	Strengthens employee motivation and identification with their own work
Financial participation in the success of the company	Employees	medium	Identification with corporate development (feeling of appreciation in good times, solidarity in bad times)
Guaranteed product quality	Customers	medium	Long-term investment
Growth and security due to solid business relations with SolarWorld (competent high-quality manufacturer with longstanding expertise)	Customers, suppliers	medium	Increasing competitive pressure, long-term networks as intangible resources
Ethically acceptable business practices	Customers, suppliers	medium	Differentiation in the market, preventing incidents and proceedings, protection of corporate image
Reliable finance partner	Shareholders, banks, creditors, suppliers, customers	high	Differentiation from competitors, protection of property
Potential consideration in sustainability funds	Shareholders	high	For long-term investments, steady and strong growth over many years
Risks	Stakeholders	Priority	Reasons
Potential termination of the employment relationship by the company	Employees	low	Few employees affected due to growth in market and organization
Work-related illness, accidents	Employees	medium	Health and safety management reduces accidents; no serious work-related illnesses were reported (reported on a voluntary basis)
Permanent change processes, rapid change	Employees	medium	Finding the right measure so that employees work productively
Sanctions in the event of rescission from contract, non-performance/faulty performance	Customers, suppliers	medium	Intact customer and supplier networks as valuable resource; investment in long-term good business relationships
Demand overhang: supply shortages and high prices	Customers	small	Bottleneck constellation no longer exists in the market
Supply overhang: excess supplies and price slumps	Suppliers	medium	Tightening of the legal framework, tougher competition, market consolidation to be expected
Poor capital market performance, slump in equity prices	Shareholders, investors, indirectly analysts and brokers	medium	In particular due to tougher legal background conditions nervous response by analysts and shareholders to corporate news
Lack of financial stability, sanctions against the company	Shareholders, banks, creditors	low	Sound corporate management, application of Group-wide corporate ethics and the Code of Conduct, zero tolerance
Nuisance caused for example by noise and/or light radiation in direct vicinity to the production sites	Residents/local population	medium	Production noise not to be fully avoided, full compliance with legal provisions, exchange with neighbors in neighborhood meetings and joint development of measures for example to reduce noise and light radiation

Achievements in the reporting period and performance enhancement programmes 2010+.  Target achievement 2009 and targets 2010+ • p. 038//

SECTION 2: IMPACT OF SUSTAINABILITY TRENDS, RISKS AND OPPORTUNITIES ON THE LONG-TERM DEVELOPMENT AND FINANCIAL PERFORMANCE OF SOLARWORLD AG

Information on the corporate risks, corporate opportunities, targets achieved for 2009 and targets for 2010+ as well as governance mechanisms is provided in the management report. ➔ [Report on expected development with its major opportunities and risks • p. 114](#)// [Statement on the corporate governance of the company • p. 053](#)// ⑧ [Target achievement 2009 and targets 2010+ • p. 038](#)//

/ 2.10 / AWARDS

Awards and distinctions received in the reporting period:

GERMANY'S BEST EMPLOYERS 2009 (GREAT PLACE TO WORK INSTITUTE GERMANY), 55TH PLACE (PREVIOUS YEAR: 57TH)

SOLARWORLD took part in the study for the second time, achieving a solid 55th place. The list of "Germany's best employers" was determined on the basis of standardized assessment criteria (the employee survey from the Great Place to Work Trust Index and a cultural audit among HR staff). Participation is voluntary. Any German or foreign company, or any public or private organization, employing at least 50 staff in Germany is entitled to take part.

BEST ANNUAL REPORTS (MANAGER MAGAZIN), 2ND PLACE (TECDAX)

In the annual awards by manager magazin for the best company reports, we defended our second place in the TecDAX. Following a third place in 2007 and seventh in 2006, we have secured this rank for ourselves since 2008. The jury, chaired by Prof. Jörg Baetge from Münster University as its scientific expert, checked the annual reports of the largest German companies in the categories contents, style and language.

DELOITTE TECHNOLOGY FAST 50 AWARD (DELOITTE), 34TH PLACE (PREVIOUS YEAR: 17TH)

In 2009 SOLARWORLD AG was once again among the fastest growing technology companies in Germany. On 21st October, following 350.3% growth over 5 years, the Group received the Technology Fast 50 award in Hamburg from business consultants Deloitte, marking us as one of 50 enterprises in the fields of technology, communication and life science. In granting this prize in 2009, the jury honoured the cumulative growth in sales over the last five fiscal years and a unique tale of growth and success. The award was presented in cooperation with the magazine Capital, Deutsche Börse AG and the German Society of Professional Investors (DVFA).

IÖW/FUTURE RANKING OF SME SUSTAINABILITY REPORTS, 2ND PLACE (SME WITH A HEADCOUNT OF > 250)

2009 was the first year that the Berlin Institute Ecological Economy Research (IÖW) and future e.V. carried out their ranking of small and medium-sized enterprises (SME). SOLARWORLD won 2nd place in the category of SMEs with a headcount of more than 250. The patrons were the German Minister Olaf Scholz and Dr. Volker Hauff, Chairman of the country's Sustainable Development Council.

JUNGE KARRIERE, FAIR COMPANY

SOLARWORLD is one of 1,400 companies identified by Junge Karriere, the monthly magazine for people setting out on a career, as a "Fair Company". Junge Karriere defines a Fair Company as one which does not replace full-time employees by interns or other unpaid or barely paid trainees/guests students who are supposed to be there to gain work experience, does not fob off young university graduates with an internship when they have applied for a proper job, does not lure interns with the vague prospect of a full-time job down the line, but does offer work experience above all to help youngsters make the right choices during their initial training, and pays interns an adequate financial compensation for their work.

/ 3.1 / REPORTING PERIOD

Calendar year 2009 (01 Jan 2009-31 Dec 2009) = fiscal year 2009

/ 3.2 / DATE OF LAST REPORT

Calendar year 2008 (01 Jan 2008-31 Dec 2008)

/ 3.3 / REPORTING CYCLE

Annual

/ 3.4 / CONTACT FOR QUESTIONS ON REPORT OR ITS CONTENTS

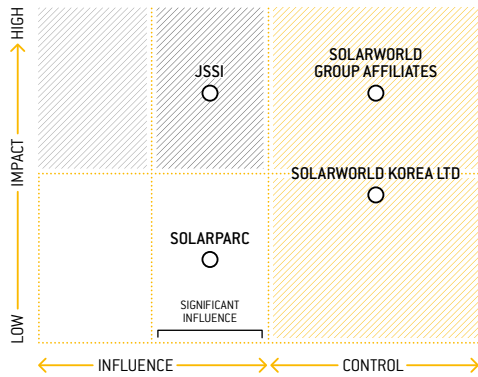
IR department

/ 3.5 / PROCESS FOR DEFINING REPORT CONTENT

MATERIALITY: Materiality is determined by the economic, environmental and social/societal impact of the topics and indicators. Disclosure is practiced for the purpose of informing stakeholders. It includes the topics and indicators which significantly influence the assessments and attitudes of stakeholders. We assume in principle that all Core Indicators contain significant information for the stakeholders in all organizations. Regarding the additional indicators, the data available were not sufficient in some cases. The other indicators were not considered relevant or are not applicable.

The following chart shows that the Annual Report covers topics of equally high priority for society and the company. Disclosures on the remaining issues are provided in the present Annex to the Annual Group Report for fiscal year 2009.

69 MATERIALITY MATRIX



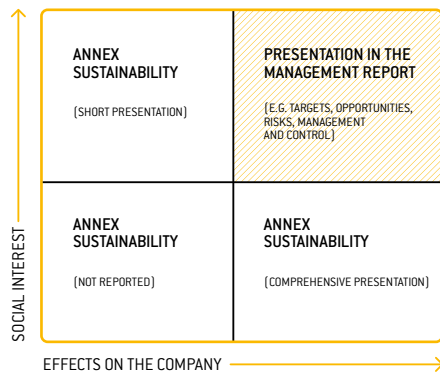
PRIORITIES: We have included the core indicators as much as our current data situation allowed. In some cases we have internal data available which we are not able to disclose because they include confidential information. We are making every effort to further increase the transparency of our GRI reporting. On the joint ventures we do not yet have sufficiently detailed statistical data available. We intend to pursue this more vigorously in the medium term along with our joint venture partners.

STAKEHOLDERS: The main stakeholder groups who will use the present report are investors (shareholders, institutional investors, analysts as intermediaries). In addition, the report will serve to inform employees and customers (wholesalers, installers, final customers) and suppliers of the SOLARWORLD Group. It will also be a source of information for the interested public.

/ 3.6 / **REPORTING BOUNDARY**

As a general rule, the reporting boundary includes all the organizational units that we control and significantly influence, i.e. all SOLARWORLD Group companies. Upstream and downstream stages of the value chain outside the SOLARWORLD Group are included only to a limited degree, due to lack of control and influence. Apart from the Group companies, management policy also applies to SOLARWORLD KOREA LTD. The strategic information in this report furthermore relates to the JOINT SOLAR SILICON (JSSI) VERWALTUNGS-GMBH and SOLARPARC AG (see also Annual Report of SOLARPARC AG 2009). Any reporting boundaries that depart from this principle are indicated for each individual item of the GRI.

Subsidiaries and leased facilities are included as a matter of course. Joint Ventures are only included if we exert operational control and significant strategic influence with regard to a specific indicator. Outsourced operations (such as logistics companies) are not included. The reporting boundaries are as congruent as possible with those of the previous year to ensure that reporting periods and data relating to different structures remain comparable. Any departures from this principle are indicated. The results are representative of the Group or are interpreted in that sense.

⑥9 **REPORTING BOUNDARY**

Control means “the power to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities” (GRI). A significant influence means “the power to participate in the financial and operating policy decisions of the entity but not control over those policies” (GRI).

/ 3.7 / **LIMITATIONS ON SCOPE OF REPORTING**

Limitations on scope are currently set by the reasons indicated. ➔ [3.5 Priorities](#) • p. 227 // Further details are highlighted for the specific indicators.

/ 3.8 / **JOINT VENTURES, SUBSIDIARIES, LEASED FACILITIES AND OUTSOURCED OPERATIONS**

See 3.6.

/ 3.9 / **DATA MEASUREMENT TECHNIQUES**

The GRI Indicator Protocols were used in reporting.

/ 3.10 / **RE-STATEMENT OF INFORMATION FROM EARLIER REPORTS**

We have not adjusted the fundamental format of the previous year but have updated reported figures if more accurate values were available.

/ 3.11 / **CHANGES IN REPORTING SCOPE, BOUNDARY OR MEASURING METHODS**

- Higher data breadth and depth particularly for the performance indicators LA1, LA2, LA7, LA10, LA13, LA14
- LA7: Standardization of the reporting method (accident must be reported if at least 3 days are lost)
- Extensive reporting about SOLARWORLD KOREA LTD., especially with reference to ecological indicators (EN)
- Progress report along the ten principles of the Global Compact.

/ 3.13 / **EXTERNAL ASSURANCE**

The present report, the Group management report and the financial statements were subjected to an auditing review by BDO Deutsche Warentreuhand AG Wirtschaftsprüfungsgesellschaft. → [Confirmation for the report on sustainable corporate management of SolarWorld AG for calendar year 2009](#) • p. 258//

/ 4.5 / **RELATIONSHIP BETWEEN COMPENSATION FOR MEMBERS OF THE HIGHEST GOVERNANCE ENTITY, THE EXECUTIVE BOARD AND OTHER EXECUTIVES AND THE PERFORMANCE OF THE ORGANIZATION**

Compensation for members of the Executive Board, senior executives and the members of top management is based on individual target agreements. Our integrated sustainability management Corporate → [Corporate management and control](#) • p. 040// thus also comprises sustainability aspects, but there is no separate compensation component. → [Compensation report](#) • p. 056//

/ 4.6 / **MECHANISMS FOR AVOIDANCE OF CONFLICTS OF INTEREST WITHIN THE HIGHEST GOVERNANCE BODY**

In 2007 an Ethics Council was set up, alongside the Strategy Council, to address issues relating to sustainable, ethical corporate governance. → [Corporate management and control](#); • p. 040// [Statement on the corporate governance of the company](#) • p. 053// [4.16](#) • p. 235// [SO1](#) • p. 255// Moreover, once the Code of Conduct → [4.8](#) • p. 230// has been adopted in 2010, SOLARWORLD ombudspersons are to be appointed who can be called upon in cases where there is a conflict of interest. This was originally planned for 2009, but delayed by complex internal coordination processes and the need to assess the document in the light of different jurisdictions. In early 2010 the Code of Conduct will be laid before the works council in Freiberg. As soon as it approves the document, the content can be rolled out across the Group.

/ 4.7 / **QUALIFICATIONS AND EXPERTISE OF MEMBERS OF THE HIGHEST GOVERNANCE BODY WITH RESPECT TO SUSTAINABILITY TOPICS**

The CEO, Frank H. Asbeck, holds a degree in agricultural engineering. He was involved in development projects in Africa before setting up SOLARWORLD AG. He is a founding member of the Green Party. Philipp Koecke (Dipl.-Kfm. tech.) joined SOLARWORLD AG after working in the finance and banking sector for a number of years. Boris Klebensberger (Dipl.-Ing.) joined SOLARWORLD AG at about the time when he was finishing his degree studies. Since then he has been working intensely on matters such as improvements in production processes. Frank Henn (Dipl.-WirtschaftsIng.) has many years of experience in sales and marketing in multinational companies.

/ 4.8 / **MISSION STATEMENT, CODE OF CONDUCT AND PRINCIPLES**

Our vision, values, guidelines and Code of Conduct as well as our strategy reflect our mission statements regarding economic, environmental and social aspects. These mission statements apply throughout the Group and are implemented by means of our management instruments → [Interlinking of management tools](#) • p. 044// and by the examples set by our senior executives. → [Vision](#) • p. 002// [Strategy and action](#) • p. 033// [Human resources 2009](#) • p. 105//

The Code of Conduct will be laid before the works council in Freiberg in early 2010. This has been a legal requirement since 2008 (ruling by the Federal Labor Court (BAG) in Germany on 22 July 2008 on Section 87 of the Industrial Relations Act (BetrVG)). Once the works council has granted its approval, the Code will be officially rolled out and publicized. The Code of Conduct is a voluntary standard for our conduct on the basis of applicable international and national law throughout the Group and will govern our actions in areas where no commercial or statutory rules have been formulated or where SOLARWORLD does not believe that these rules are sufficient. The topics should be included step by step into in-company training and continuing professional education. Internal coordination has proven to be more complex in 2008 and 2009 than originally expected. This means that we were unable to achieve the target we set ourselves of rolling out the Code in 2009. Nevertheless, in our opinion it made more sense to “sacrifice” that target and allow the internal coordination to take the time it needed.

Over and above this, we will be encouraging our suppliers and business partners to observe similar standards. In this context we adopted our SOLARWORLD Suppliers’ Code of Conduct in 2009.

Furthermore, SOLARWORLD signed up to the United Nations Global Compact in 2009 and has pledged to work for its ten Principles, and this includes making explicit reference to them in our Code of Conduct.

/ 4.9 / **PROCEDURES OF HIGHEST GOVERNANCE BODY FOR OVERSEEING SUSTAINABILITY PERFORMANCE**

Since 2007 we have systematically mainstreamed economic, ecological and social aspects into our management instruments to consider them in a combined light. The SOLARWORLD Scorecard reflects these Group-wide indicators. ISO 14001 certification was carried out in Bonn and Freiberg for the first time in 2008; in 2010 the other sites and the Joint Venture in South Korea are to follow suit. Opportunities and risks are covered by our risk management. The Code of Conduct looks set to be adopted in 2010. → [4.6](#) • p. 229// Sustainable performance is measured annually and has been disclosed since 2007 according to the GRI reporting standards. For the first time, the present report appears together with a Communication on Progress describing how we have been implementing the Global Compact principles. → [Human resources 2009](#) • p. 105// [Report on expected development with its major opportunities and risks](#) • p. 114//

PROCEDURES FOR EVALUATING THE HIGHEST GOVERNANCE BODY’S OWN PERFORMANCE

The performance of the members of the Executive Board is assessed on the basis of individual performance agreements. Our integrated sustainability management → [Corporate management and control](#) • p. 040// thus also covers sustainability aspects, but there is no separate performance assessment in this respect. → [Statement on the corporate governance of the company](#) • p. 053//

/ 4.11 / **PRECAUTIONARY PRINCIPLE**

The precautionary principle has been institutionalized in our company by way of our risk management, quality and environmental management, sustainability management as well as the internal auditing. If there is any danger of serious or irreversible damage, uncertainties in scientific assessment should not serve as a reason for postponing cost-effective anti-pollution measures until a later date. This basic orientation is also underscored by our voluntary disclosures such as GRI reporting and participation in the Carbon Disclosure Project (CDP). → *Corporate management and control* • p. 040// *Report on expected development with its major opportunities and risks* • p. 114//

/ 4.12 / **EXTERNAL AGREEMENTS, PRINCIPLES OR INITIATIVES**⑦ **EXTERNAL AGREEMENTS, PRINCIPLES OR INITIATIVES**

Principles/agreements/initiatives	Time-frame	Locations	Established by/ Including	Motivation
Principles of the Global Compact	Since 2009	Group	United Nations	Voluntary
Application of ISO Standard 14001	Since 2008	Bonn, Freiberg	ISO	Voluntary
Work on Code of Conduct	Since 2007	Group	Employees	Voluntary
GRI-based reporting	Since 2007	Group	World-wide multi-stakeholder dialogue	Voluntary
PV Cycle → <i>Pooling silicon production and recycling</i> • p. 077//	Since 2007	Group	Cell and module manufacturers	Voluntary
NetJets Climate Initiative → 1.2 • p. 224// EN17 • p. 247//	Since 2007	Group	NetJets	Voluntary
Participation in the Carbon Disclosure Project (CDP)	Since 2005	Group	Institutional investors	Voluntary
Application of ISO Standard 14001	Since 2005	Freiberg (Solar Factory)	ISO	Voluntary
Application of ISO Standard 9001	Since 2003	Bonn, Freiberg, Madrid, USA	ISO	Voluntary

232 / 4.13 / MEMBERSHIPS

② VOLUNTARY MEMBERSHIP OF ASSOCIATIONS/ADVOCACY ORGANIZATIONS

Organization	Since	Member	Function
SEMI (Semiconductor Equipment and Materials Institute)	1978	SolarWorld Industries America*/ Jim Moreland	Member Silicon Wafer Committee
Camarillo Chamber of Commerce	1980	SolarWorld Industries America*/ Janet Gagnon	Member und Bronze Sponsor
VCEDA (Ventura County Economic Development Association)	1989	SolarWorld Industries America*/ Janet Gagnon	Member
FlaSEIA (Florida Solar Energy Industries Association)	1989	SolarWorld California LLC*/ Peter DeNapoli	Board member
SEIA (Solar Energy Industries Association)	1990	SolarWorld Industries America*/ Raju Yenamandra, Boris Klebensberger	Board members
ASQ (American Society for Quality)	1992	SolarWorld Industries America*/ Steve Hunter (since 1988)	Senior member
ANSI (American National Standards Institute)	1997	SolarWorld Industries America*/ Paul Norum (since 2006)	Member
IEC (International Electrotechnical Commission) Technical Committee 82	1997	SolarWorld Industries America*/ Paul Norum (since 2008)	US TAG (Technical Advisory Group)
UL/PV section	1997	SolarWorld Industries America*	Advisory Council member
IEEE (International Electrical and Electronics Engineers)	1998	SolarWorld Industries America*/ Paul Norum (since 2006)	Member of the PV Standards Committee
SESHA (Semiconductor, Environmental, Safety and Health Association)	1998	SolarWorld Industries America*/ Sergio Vasquez	Member
NFPA (National Fire Prevention Association)	1998	SolarWorld Industries America*/ Sergio Vasquez	Member
DGS (Deutsche Gesellschaft für Sonnenenergie) e.V., Munich	1998	SolarWorld AG	Member
Eurosolar, Bonn	1999	SolarWorld AG	Member
access e.V.	1999	Deutsche Solar AG	Member
FSEC (Florida Solar Energy Center)	2000	SolarWorld California LLC*/ Peter DeNapoli	Board member
Freiberger Interessengemeinschaft der Recyclings- und Entsorgungsunternehmen (F.I.R.E.) e.V.	2002	Deutsche Solar AG	Member
Dresdner Gesprächskreis der Wirtschaft und Wissenschaft e.V.	2002	Deutsche Solar AG	Member
Solar Alliance	2003	SolarWorld California LLC*/Janet Gagnon	Board Member
InnoRegio Freiberg e.V.	2003	Deutsche Solar AG	Member
Bundesverband Solarwirtschaft	2003	SolarWorld AG (formerly Deutsche Solar)	Member
Silicon Saxony e.V.	2003	Deutsche Solar AG	Member
VIK (Verband der industriellen Energie- und Kraftwirtschaft)	2005	Deutsche Solar AG	Member
SEBANE (Solar Energy Business Association of New England)	2005/ 2010	SolarWorld California LLC*/Janet Gagnon (stopped and restarted in 2010)	Member
VCREA (Ventura County Regional Energy Alliance)	2005	SolarWorld Industries America*/ Janet Gagnon	Advisory Board member of technical committee
European Photovoltaic Industry Association (EPIA), Brüssel	2006	Boris Klebensberger	Board member

Organization	Since	Member	Function
Stiftung "Technische Universität Bergakademie Freiberg"	2006	Prof. Dr. Peter Woditsch	Member of the foundation council
Stifterverband für die deutsche Wissenschaft	2006	Prof. Dr. Peter Woditsch	Regional Trustee in Central Germany
International Advisory Board of the Zentrum für Entwicklungsforschung (ZEF), University of Bonn	2007	Frank H. Asbeck	Member of the advisory council
Bundesverband Solarwirtschaft	2007	Frank H. Asbeck	Board Member
NYSEIA (New York Solar Industry Association)	2007	SolarWorld California LLC/Janet Gagnon	Board Member
OSEIA (Oregon Solar Industry Association)	2007	SolarWorld California LLC/Bob Beisner	Board Member
Museum König	2007	Frank H. Asbeck	Chairman of the Trustees of Alexander-Koenig-Gesellschaft
Hillsboro Chamber of Commerce	2007	SolarWorld Industries America/ Bob Beisner	Member
UnternehmensGrün	2007	SolarWorld AG	Member
CanSIA (Canadian Solar Industry Association)	2007	SolarWorld California LLC	Member
PV Cycle	2008	Dr. Karsten Wambach	President
Oregon University System Engineering & Technology Industry Council (ETIC)	2008	Bob Beisner	Board Member
Oregon Business Association	2008	SolarWorld Industries America/ Bob Beisner, Ben Santarris	Members
American Solar Energy Society	2008	SolarWorld California LLC	Member
CALSEIA (California Solar Energy Industry Association)	2008	SolarWorld California LLC/Janet Gagnon	Member
AriSEIA (Arizona Solar Energy Industry Association)	2008	SolarWorld California LLC/Janet Gagnon	Member
MSEIA (Mid-Atlantic Solar Energy Industries Association)	2008	SolarWorld California LLC/Janet Gagnon	Member
TREIA (Texas Renewable Energy Industries Association)	2008	SolarWorld California LLC/Janet Gagnon	Member
HSEA (Hawaii Solar Energy Association)	2008	SolarWorld California LLC/Janet Gagnon	Member
MDV-SEIA (Maryland DC Virginia Solar Energy Industry Association)	2008	SolarWorld California LLC/Janet Gagnon	Member
Valley Industry and Commerce Association	2008	SolarWorld California LLC/Janet Gagnon	Member
Solar Oregon	2008	SolarWorld California LLC/Janet Gagnon	Member
Oregon BEST (Oregon Built Environment and Sustainable Technologies Center)	2008	Gordon Brinser	Board Member
GTZ Biodiversity Initiative	2008	SolarWorld AG	Member
Board of Trustees of the Stiftung Mittelsächsisches Theater	2008	Mario Behrendt (since 2009)	Member
Energy Advisory Council of the City of Freiberg	2009	Mario Behrendt	Member
UN Global Compact	2009	SolarWorld AG	Member
Deutsche Gesellschaft für Qualität	2009	Jörg Müller	Member
SEMI (Semiconductor Equipment and Materials Institute)	2009	SolarWorld Industries America/ Jim Moreland	Member PV Standards Commission
CoSEIA (Colorado Solar Energy Industries Association)	2009	SolarWorld California LLC/Janet Gagnon	Member

Organization	Since	Member	Function
Westside Economic Alliance	2009	SolarWorld Industries America/ Ben Santarris	Member
SEPA (Single Euro Payments Area)	2010	SolarWorld California LLC/Janet Gagnon	Member
Council of the Technische Bergakademie Freiberg	2010	Mario Behrendt	Advisory member
German Chamber of Foreign Trade, South Korea	2010	SolarWorld Korea Ltd./ Jörg Walberer	Member
SEMI (Semiconductor Equipment and Materials Institute) Europe	2010	Deutsche Cell GmbH	Member
Organization for International Investment	2010	SolarWorld California LLC/Janet Gagnon	Member
National Association of Manufacturers	2010	SolarWorld California LLC/Janet Gagnon	Member
SiSoC (Silicon Solar Consortium)	2010	SolarWorld Industries America/ Ethan Good	Chairman of the Industry Advisory Board
Software Association of Oregon	2010	SolarWorld Industries America/ Ben Santarris	Member

* This includes the former Shell Solar and/or Siemens Solar and/or Arco Solar.

/ 4.14 / STAKEHOLDER GROUPS

The stakeholder groups involved in the decisions taken by SOLARWORLD are primarily employees, customers (wholesalers, installers, but also end users), suppliers of the SOLARWORLD Group, banks/creditors and governments/agencies. Shareholders are included as stakeholders in this section. Other stakeholders included here are analysts and brokers as intermediaries, Non-Governmental Organisations (NGOs), competitors, local residents, associations/trading communities, employees' representatives or organizations, the press and interested members of the public.

/ 4.15 / SELECTION OF STAKEHOLDER GROUPS

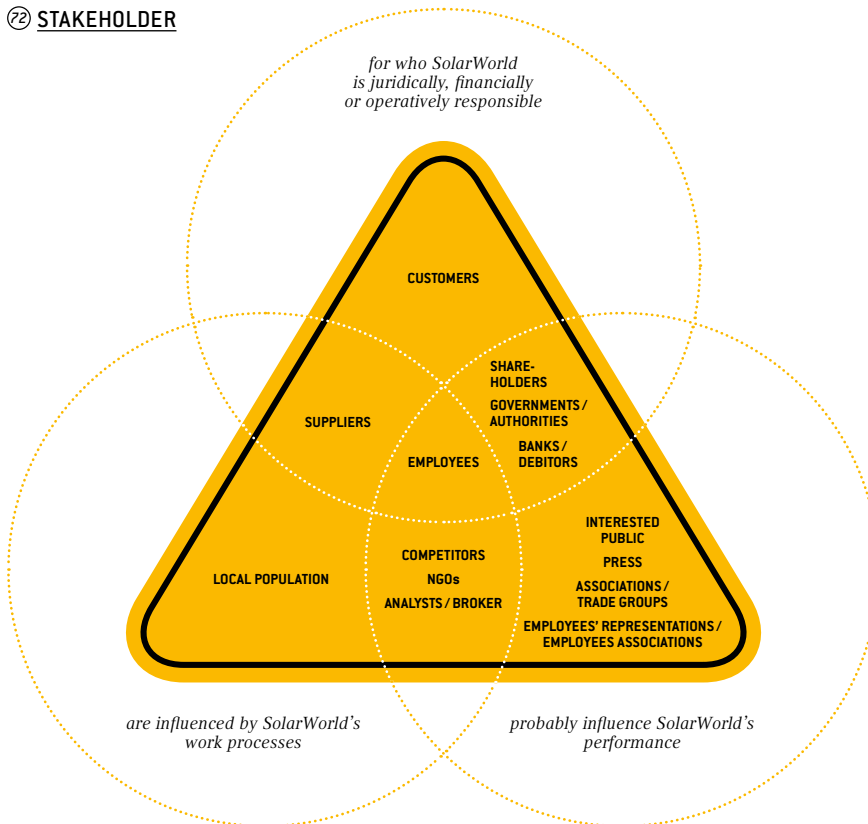
In determining the stakeholder groups for our activities we use the following questions*:

- Who are we responsible for (in legal/financial/operational terms)?
- Who is directly or indirectly affected by/dependent on our activities or the impact of such activities?
- Who is in a position to influence (hamper/promote) or decide about implementation of our activities?
- Who are we in close contact with or maintain close relationships with?
- Who has voiced their opinion on issues of relevance to us?
- Which groups (formed by demographic or other characteristics) are likely to be interested in our activities and the results of these activities?

* Based on Mason and Mitroff, 1981, and the criteria of the AccountAbility Standards AA 1000 SES

Our main stakeholders are those for whom we are directly responsible:

② STAKEHOLDER



The figure above provides an overview of our stakeholders based on the scheme underlying the AA1000 Standard. In 2009 a Stakeholder Analysis was performed in accordance with the AA1000 Stakeholder Engagement Standard to establish whether all stakeholder groups were being involved to an appropriate level. This process standard is made available by a member, the not-for-profit Institute of Social and Ethical AccountAbility. SOLARWORLD is currently not seeking certification.

/ 4.16 / **STAKEHOLDER ENGAGEMENT**

The needs of all stakeholder groups are currently already incorporated but they are analyzed to varying degrees of depth. An internal analysis is made for all stakeholder groups, based on information available within the company and in external studies. Regular surveys are carried out among our customers* (wafer clients, wholesalers and installers) → *ESG 11-1 • p. 222 // Majority of customers rates service quality as good • p. 083 //*, suppliers → *Critical selection of suppliers pays off – supplier capital • p. 080 //* and employees. → *SolarWorld is one of Germany's best employers • p. 111 // Human resources – future development • p. 144 //* In the medium term, we hope to do this for other stakeholder groups, too. We also maintain close links with the communities at our sites. Moreover, as a member of various associations and advocacy groups and through our collaboration with scientific bodies we are engaged in regular exchanges of socio-political views with further stakeholders. We exchange ideas on topics like Life Cycle, Recycling and Sustainability among others with members of PV Cycle, the EPIA, Silicon Valley Toxics Coalition (SVTC), as well as within the Solar Energy Industry Association (SEIA). We also make our expertise available by way of panel discussions for example in Philadelphia (Institute of Electrical and Electronics Engineers) and at the SolarPower in Anaheim as well as through our participation in Task 12 on the subject of Environmental Health and Safety of the of the International Energy Agency

Photovoltaic Power Systems. In our Solar2World projects www.solarworld.de/sustainability we work closely with the local stakeholders (e.g. municipalities and NGOs) in order to offer solutions that will give the population the maximum benefit and can be continued by the local people themselves after completion of the project. As a result, the company is aware of the needs and able to take them into account in its decision-making processes.

* So far, final customers can only be interviewed on an ad-hoc basis since such surveys still require a lot of time and effort.

When compiling this Report, we drew on specialist feedback from ratings agencies and sustainability experts. We are submitting our Report to the voting for the second “CR Reporting Award” for the online CorporateRegister.com www.corporateregister.com and the “GRI Readers’ Choice Awards 2010” <http://awards.globalreporting.org>. We also offer all stakeholders the opportunity to contact us any time via placement@solarworld.de and sustainability@solarworld.de. Since 2009 stakeholders have had the alternative option of sending us a message – anonymously if they so wish – via the website.

The Communication on Progress achieved around the ten Principles of the Global Compact is made through Annual Group Report, which means it is available to all stakeholders. Stakeholder initiatives can also influence the implementation of these Principles, for example via networks built by/with stakeholders or standards requested by stakeholders.

23 STAKEHOLDERS

Stakeholders	Instruments
Employees	Direct contact, employee surveys, works councils, company suggestions scheme
Specifically applicants	Direct contact, company presentations
Customers (wholesalers, installers, final customers)	Direct contact, annual customer survey
Suppliers	Direct contact, supplier surveys
Shareholders	Direct contact, feedback after road shows, corporate news
Banks and creditors	Direct contact
Residents/local population	Direct contact in the event of concerns or complaints voiced; for Solar2World projects direct involvement in the project
Other stakeholders	
Analysts, brokers	Direct contact, feedback after road shows, investor days, corporate news
Regional governments, municipalities, local authorities, public authorities	Direct contact, interviews
Non-governmental organizations (NGOs)	Networks, discussion forums
The interested public	Reporting, corporate news
Workforce representatives, employee associations	Direct contact in negotiations
(Professional) associations, industrial trading groups	Direct contact via networks, trade fairs, etc.
Competitors	Market research, informal discussions
Press	Interviews, press releases

/ 4.17 / **KEY TOPICS AND CONCERNS RAISED BY STAKEHOLDERS**

SOLARWORLD is championing compulsory recovery in the solar industry in Europe. A similar debate is currently also being held in the United States. SOLARWORLD is involved in intensive discussions on this matter within the Solar Energy Industry Association (SEIA) and with the Silicon Valley Toxics Coalition (SVTC) to drive this issue forward there too (Principles 7-9, Global Compact).

In the reporting period, there were no extraordinary questions or concerns regarding the sustainability of our business operations not covered under other items of our GRI reporting.

/ 5. / **MANAGEMENT APPROACH (EC, EN, LA, HR, SO, PR)**

We hope to anchor the concept of sustainability throughout the Group well into the future with the implementation of an integrated management system. ➔ *Corporate management and control* • p. 040// We outline below how the individual aspects have been included in our approach.

ECONOMIC

Economic success is the fundamental condition for sustainability. It gives us the necessary freedom of action to take account of environmental and social aspects. The management report provides detailed information on this dimension. ➔ *Vision* • p. 002// *Strategy and action* • p. 033// *Corporate management and control* • p. 040// Our commercial success also contributes to the development of the national economy, e.g. by creating jobs and promoting sustainable energy supplies geared to the future.

ENVIRONMENTAL

Environmental aspects are relevant mainly in the processes, especially in production. Our aim is to take greater account of the environmental impacts of our business partners. We already estimate energy consumption throughout the entire value chain, i.e. beyond company boundaries. By adopting our Suppliers' Code, we have moved another step in that direction. Involving the widely diverse customer base of wholesalers and installers will be an even greater challenge. To take systematic account of ecological aspects, we introduced environmental management systems according to ISO 14001 at our facilities in Bonn and Freiberg in 2007; the other sites and the joint venture in South Korea are to follow suit in 2010. ➔ *Interlinking of management tools* • p. 044// 77% of our suppliers are certified according to ISO 9001 and 30% are certified according to ISO 14001. ➔ *Critical selection of suppliers pays off – supplier capital* • p. 080// It goes without saying that our product – solar power – is also a critical aspect.

SOCIETY/SOCIAL

Our Code of Conduct sets out our ethical principles and behavioural rules and recommendations for all employees and Board members. It defines our working practices, our procedures to ensure compliance with human rights and acceptance of our social responsibility and product responsibility.

74 **MANAGEMENT APPROACH**

Dimension	Main aspects
Economic (EC)	<ul style="list-style-type: none"> Economic performance ➔ <i>Consolidated financial statements</i> • p. 147// <i>Competitive position and main sales targets</i> • p. 051// <i>Business development in 2010</i> • p. 063// Direct economic effects are included in our decision-making processes through our stakeholder analyses. ➔ 4.15 • p. 235// Thanks to our sustainable product and our growth (e.g. creation of jobs), the indirect economic impact of our business operations is to be assessed as positive.

Dimension	Main aspects
Environmental (EN)	<ul style="list-style-type: none"> • The environmental issues, especially the issues energy, water, emissions, discharge water and waste, are controlled by our environmental management. → Interlinking of management tools • p. 044// • The use of materials is controlled by our procurement management. → Procurement • p. 079// • Biodiversity is an aspect taken into account in planning new production sites. Our sales offices are not located in regions where they might impair biodiversity. • Our products and services are compatible with the sustainability approach. • Most of our packaging materials are recycled. → EN27 • p. 248// • Compliance with legal provisions is a key priority for us. This is also governed by our Code of Conduct. • Transportation services are performed by logistics service providers. The associated environmental effects are to be covered more comprehensively in our reporting. • Our Suppliers' Code of Conduct obliges our business partners to comply with all applicable environmental laws, provisions and standards and operate an efficient system to identify and remedy potential risks to the environment. Moreover, our suppliers are requested to ensure compliance with these standards by their sub-contractors and other business partners.
Society/social (LA)	<ul style="list-style-type: none"> • Employment, employee-employer relationship, initial and further training, health and safety, diversity and equal opportunities are part of our HR strategy → Human resources 2009 • p. 105// Human resources – future development • p. 144// • Occupational health and safety forms an element of our quality management system. → Interlinking of management tools • p. 044// • Diversity and equal opportunities are issues also covered by our Code of Conduct. • Occupational health and safety provisions, precautionary measures for operational failure, statutory pay and working hours as well as a ban on discrimination are also aspects covered by our Code of Conduct for Suppliers. Moreover, our suppliers are requested to ensure compliance with these standards by their sub-contractors and other business partners.
Society/social (HR)	<ul style="list-style-type: none"> • Investment and procurement practices, equal opportunities, freedom of association and right to collective bargaining as well as a ban on child labour, forced and compulsory labour are governed by our Code of Conduct and will be included in training schemes for executives. • Guidelines and procedures that are neutral regarding associations or trade unions: The recognition of the right to freedom of association is clearly expressed by, among other things, the existence of a works council (currently with 13 members), youth and trainee representatives, disability representatives and the collective bargaining agreement concluded between the company and the German trade union IG BCE. (This agreement applies at: Deutsche Solar AG, Deutsche Cell GmbH, Solar Factory GmbH and SolarWorld Innovations GmbH). Naturally we observe all the laws in this area (notably the German Industrial Relations Act or BetrVG). The statutory, collective bargaining and company rules (such as the company agreement on advertising vacancies) mean that we have transparent processes for selecting candidates, recruitment, transfer, promotion and dismissal. • The conditions for exercising a function in an association or trade union: It is always our aim to seek cooperation with the works council, and people who perform tasks for the works council or for the other bodies mentioned above are given the appropriate time off to do so and provided with the materials and space they need, as well as funding for further training, etc. Alongside day-to-day exchange, there is a regular meeting structure for the parties within the company and within the works council bodies. The works council and the youth and trainees representatives have their own pages/zones on the Intranet. These bodies can also use the notice boards (in all buildings on the Freiberg site) and send e-mails to employees. The trade union that organizes within the company (IG BCE) is also granted appropriate information and communication facilities. The works council and employees naturally also exchange information during open surgeries, workforce meetings and surveys. • Human rights clauses and the abolition of child labour and forced labour are included in our Suppliers' Code of Conduct. • Moreover, our suppliers are requested to ensure compliance with these standards by the sub-contractors and other business partners. • Any complaints are handled directly by the respective superior and/or the HR department. In order to maintain anonymity, there shall be SolarWorld ombudspersons from 2010 (originally planned for 2009 along with the Code of Conduct). • We offer training schemes for safety practices with regard to our business operations but we do not offer any specific training programs involving human rights aspects for our security staff (which isn't necessary because no private security personnel is deployed, apart from reception staff). • We respect the rights of indigenous people. To date there have not been any conflict constellations.

Dimension	Main aspects
Society/social (SO)	<ul style="list-style-type: none"> Community, corruption, politics, anti-competitive behaviour and compliance with the law are issues governed by our Code of Conduct. We also prevent corruption by means of the provision concerning inadmissible payments and bribery in our Suppliers' Code of Conduct for. Moreover, our suppliers are requested to ensure compliance with these standards by their subcontractors and other business partners.
Society/social (PR)	<ul style="list-style-type: none"> Customer health and safety, product and services labelling, advertising, protection of customer data and compliance with legal provisions are issues governed by our Code of Conduct.

Dimension	Targets and performance
Economic (EC)	⑧ <i>Target achievement 2009 and targets 2010+</i> • p. 038// <i>Group management report</i> • p. 031//
Environmental (EN)	⑧ <i>Target achievement 2009 and targets 2010+</i> • p. 038// ➔ <i>Interlinking of management tools</i> • p. 044//
Society/social (LA)	⑧ <i>Target achievement 2009 and targets 2010+</i> • p. 038// ➔ <i>Corporate management and control</i> • p. 040// <i>Human resources 2009</i> • p. 105// <i>Human resources - future development</i> • p. 144//
Society/social (HR)	⑧ <i>Target achievement 2009 and targets 2010+</i> • p. 038//
Society/social (SO)	➔ <i>Statement on the corporate governance of the company</i> • p. 053//
Society/social (PR)	

Dimension	Policies
All dimensions	<ul style="list-style-type: none"> Suppliers have to respect the SolarWorld Suppliers' Code of Conduct.
Economic (EC)	<ul style="list-style-type: none"> Taken into account in the framework of our quality management. ➔ <i>Interlinking of management tools</i> • p. 044// Behavioural rules, e.g. concerning anti-corruption or fair competition, are set out in our Code of Conduct. There are no specific policy guidelines on SolarWorld's economic obligations.
Environmental (EN)	<ul style="list-style-type: none"> Taken into account in the framework of our environmental management system. ➔ <i>Interlinking of management tools</i> • p. 044//
Society/social (LA)	<ul style="list-style-type: none"> Defined in the framework of our Code of Conduct. It also covers internationally recognized standards, e.g. those of the United Nations, the ILO and the Vienna Declaration.
Society/social (HR)	
Society/social (SO)	
Society/social (PR)	

Dimension	Responsibility
All dimensions	1st level – Board, 2nd level – Managing Director
Environmental (EN)	3rd level – Divisional Manager and Environmental Manager
Society/social (LA)	3rd level – Divisional Manager and Quality Manager
Society/social (HR)	
Society/social (SO)	3rd level – Divisional Manager
Society/social (PR)	3rd level – Divisional Manager and Environmental Manager

Dimension	Training schemes and awareness-raising programs
Environmental (EN)	<ul style="list-style-type: none"> Implemented by our quality and environmental management. Apart from this, our employees tend to show a very high level of environmental awareness due to the nature of our business operations.
Society/social (LA)	<ul style="list-style-type: none"> We already implement training schemes on health and safety. The additional topics will be included in our executive training programs in future.

Dimension	Training schemes and awareness-raising programs
Society/social (HR)	• In future, topics shall be integrated in our executive training programs.
Society/social (SO)	
Society/social (PR)	
Dimension	Monitoring and follow-up
Environmental (EN)	• Monitoring activities are carried out by each individual site. Corporate environmental goals are defined every year and checked at year-end. More specific measures are taken at the individual locations. The Freiberg and Bonn sites have been certified according to ISO 14001. ➔ <i>Interlinking of management tools</i> • p. 044// Others are due to follow in 2010.
Society/social (LA)	• Monitoring is effected at the individual sites. Surveys are implemented on a regular basis. Measures to be taken by the Board and the HR department are derived from these surveys.
Society/social (HR)	• Monitoring and follow-up are partly initiated by the HR departments and partly directly at top management level.
Society/social (SO)	• Monitoring and follow-up at top management level.
Society/social (PR)	• Monitoring and follow-up are initiated by the corresponding departments and reported to the top management level.
Dimension	Key successes
Economic (EC)	• SolarWorld again winner of the Photon test. ➔ <i>Quality "Made by SolarWorld"</i> • p. 088//
Environmental (EN)	• HSSE Management System, adjusted to the demands of ISO 14001, established in the USA. • Number of reportable accidents reduced ➔ <i>LA7</i> • p. 251// • Reduction of resource consumption in Deutsche Cell (e.g. reduction of energy consumption and waste water volume) • Tetrafluorocarbon (CF4) no longer emitted (previous year: 0.44e tons). ➔ <i>EC1</i> • p. 242// • Energy efficiency of the Holding strongly improved: no use of fossil fuels, power consumption cut, own generation (PV) on roof surfaces which covers about 50% of consumption. ➔ <i>Innovation report</i> • p. 090//
Society/social (LA)	Progress in data acquisition and disclosure (LA1, LA2, LA7, LA10, LA13, LA14).
Society/social (HR)	• "Germany's Best Employer 2010" of the Great Place to Work® Institute: No. 55 (previous year: No. 57) • Graduates' Barometer: No. 15 • Share of trained employees: 89 (previous year: 61) per cent ➔ <i>Human resources 2009</i> • p. 105//
Society/social (SO)	➔ <i>Statement on the corporate governance of the company</i> • p. 053//
Society/social (PR)	
Dimension	Key shortcomings
All dimensions	• No comprehensive information possible for all indicators as some data are not yet available in this form.
Environmental (EN)	• Increase of resource consumption in Deutsche Solar due to the increase in production
Society/social (LA)	• Staff turnover increased at our US locations due to restructuring measures: 9.3 (previous year: 3.6) per cent • Increase of absenteeism to 3.4 (previous year: 2.5) per cent
Dimension	Key opportunities and risks
All dimensions	➔ <i>Report on expected development with its major opportunities and risks</i> • p. 114//
Economic (EC)	

Dimension	Key opportunities and risks
Environmental (EN)	<ul style="list-style-type: none"> • Opportunities for solar energy arise from the increasing scarcity of fossil fuels and continuing climate change → EC2 • p. 242// • Risks are inherent in production but have to be considered as low in comparison with other sectors. They are mapped and controlled via our environmental management → Interlinking of management tools • p. 044// and our health and safety management.
Society/social (LA)	<ul style="list-style-type: none"> • Opportunities arise from our positioning as a responsible Group in international competition. • Risks derive primarily from production with regard to health and safety, but compared with other sectors they should be rated as small. Other risks are the potential loss of credibility and sanctions that would be imposed if fundamental principles were violated.
Society/social (HR)	
Society/social (SO)	
Society/social (PR)	
Dimension	Major changes to systems or structures in the reporting period in order to improve performance
Economic (EC)	→ Group management report • p. 033//
Environmental (EN)	<ul style="list-style-type: none"> • Improved waste recycling (broken quartz, used wire, plastic film, wastewater sludge, wood waste) • Improved registration (electronic incident report tracking system): the system notifies management directly of incidents (area safety and environment), documents the facts and monitors counter-measures. • Improved Job Safety Analyses: the tool serves early detection of hazards, identification of job-related risks, risk prioritization and the implementation of preventive measures)
Society/social (LA)	→ Human resources 2009 • p. 105// Major business events 2009 • p. 037// Business development in 2009 • p. 063//
Society/social (HR)	
Society/social (SO)	
Society/social (PR)	→ Statement on the corporate governance of the company • p. 053//
Dimension	Key strategies and procedures for implementing policies or achieving goals
Economic (EC)	• Total Productive Management → Interlinking of management tools • p. 044//
Environmental (EN)	• Environmental targets ⊕ Target achievement 2009 and targets 2010+ • p. 038//
Society/social (LA)	<ul style="list-style-type: none"> • Employer Branding ⊕ Target achievement 2009 and targets 2010+ • p. 038// • Program for executive development → Promoting employees, developing talents, shaping growth • p. 108// • Signing of Global Compact of the United Nations → Letter by the Chairman • p. 213// • Approval of Supplier Code of Conduct → 4.8 • p. 230//
Society/social (HR)	
Society/social (SO)	
Society/social (PR)	

Further details about our management systems are provided in the management report. → [Sustainable corporate management](#) • p. 040//

PERFORMANCE INDICATORS

The error margin (i.e. potential inaccuracies in estimates or measurements) in our quantitative data is so small that it does not impair decision-making by stakeholders. The quantitative statistical error tolerance cannot be calculated. More detailed information on the methods is provided for each of the estimates outlined below.

ECONOMIC PERFORMANCE INDICATORS

/ EC1 / CORE // DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED

25 VALUE CONTRIBUTION

Directly generated financial value	Value 2009	Value 2008	Comments
a) Revenues	1,088,493 k€	959,260 k€** (prev.: 969,978 k€)	Sales revenues + Other operating earnings + Net result from shares value at equity + Interest earnings
Distributed financial value			
b) Operating costs	-811,639 k€	-573,044 k€** (prev.: -586,209 k€)	Changes in inventories of finished goods + Own work capitalized + Cost of materials + Depreciation/amortization + Other operating expenses
c) Salaries and company benefits	-99,783 k€	-90,130 k€	Staff cost
d) Payments to capital providers	-45,319 k€	-107,417 k€** (prev.: -104,970 k€)	Interest expenses + Net result from financial instruments
e) Payments to government	-46,193 k€	-56,838 k€***	Income tax (for split between domestic and international taxes, see → <i>Consolidated financial statements</i> • p. 180//)
f) Investments in the community*	-264 k€	-277 k€	Donations
Retained financial value	85,295 k€	131,554 k€	

* Donations in money and in kind (donations to political parties are not included)

** Exchange rate gains and losses now reported in the Financial Result

*** Editorial error (correct in 2008 management report), therefore deviation from the total of originally 131,964 k€)

→ *Comments on the individual items of the income statement* • p. 176//

Reasons for partial reporting: Data on this indicator disclosing more information than our Group management report and Group financial statements are confidential (Explanation Type 3). Moreover, we do not break results down by country and region because we currently do not regard these as significant, and we put Group performance in the foreground (Explanation Type 1).

/ EC2 / CORE // FINANCIAL IMPLICATIONS DUE TO CLIMATE CHANGE

We take account of the opportunities and risks related to climate change for our business activities. → *Renewable energies gaining importance* • p. 128// Opportunities arise from the upswing in the market for renewable energies, offering a competitive edge over conventional forms of energy. → *Opportunities* • p. 128// Risks for companies are higher insurance premiums due to more frequent storms/fires/drought periods. The financial consequences of climate change were not estimated on a detailed quantitative basis because they are to be considered as positive overall in view of the nature of our business activities. Our company is not exposed more strongly than other companies to risks such as damage from more frequent storms/fires or costs resulting from drought periods and flooding. Current risks are largely covered by our insurance policies. → *Individual risks* • p. 118//

/ EC3 / CORE // COVERAGE OF ORGANIZATION'S DEFINED BENEFITS PLAN

In Germany, SOLARWORLD AG offers a company pension scheme for employees in the form of “direct insurance” and the “pension fund”, either funded by the employer or with transformation of salary into pension rights (with employer subsidy). Employees who were employed at the former Munich site are entitled to “direct pension commitments”, funded directly by the company. In 2009 the commitments amounted to 7,995 (previous year: 7,912) k€. ➔ [Noncurrent and current provisions](#) • p. 192//

In the USA, there is a program for retirement savings, the SOLARWORLD 401k program. Under this program, employees may receive a company match of funds at a rate of 0.50 US\$ for every 1.00 US\$ contributed by the employee – up to a maximum of 3% of annual base rate of pay. All 401k regulations in the USA tax code apply to this program, which is administered by Diversified Investment Advisors. Eligibility for this program begins after 90 days of employment in regular status and is a voluntary program for all eligible employees. Participation rates vary by work site and are purely voluntary. Participation rates are 42% of regular employees as of the end of 2009.

There are no specific programs at the other sites. The amount paid into the programs is determined by the employees on conversion of compensation. Where funding comes from the employer, the amount is specified in the contract of employment. Participation is voluntary. On the basis of the data available to us, no statement can be made concerning the extent to which this will be used since this data has not been collected on a uniform basis so that it is impossible to draw up statistics (Explanation Type 2). We hope to address this issue in the medium term.

/ EC4 / CORE // FINANCIAL ASSISTANCE RECEIVED FROM GOVERNMENT

Significant financial assistance received from government: In the reporting period, investment grants of 10,461 (previous year: 10,210) k€ were received and research grants of 1,813 (previous year: 2,353) k€. There is no government body holding shares in SOLARWORLD.

/ EC6 / CORE // SELECTION OF LOCALLY BASED SUPPLIERS

The term “locally based” is defined in a way that is analogous to our segments. There is no company guideline under which preference is given to local suppliers. The geographical position plays a minor role in selecting suppliers since the equipment and commodity market is an international market. Most suppliers (95 percent or more, depending on the product at stake) are based in industrialized countries. In South Korea we are working with a local equipment manufacturer SOLARPARK ENGINEERING CO. LTD. in our joint venture SOLARWORLD KOREA LTD. For our (not-for-profit) Solar2World projects we involve local partners as far as possible (in particular for rack technology and installation).

/ EC7 / CORE // LOCALLY BASED HIRING OF EMPLOYEES

We are an international Group and mainly recruit locally at our various sites, although there is no company guideline on this. We try to keep the number of “expatriates” down, but we need some employees (senior executives) from our existing subsidiaries and from Head Office at the location because that is important for harmonization of the various facilities in the framework of the acquisition of former Shell activities. Under various non-discrimination provisions like the federal agreement on application of equal opportunities legislation (Germany), action plans (USA) and our Group-wide Code of Conduct local candidates must not be given preference nor discriminated against in recruitment processes.

Percentage of local senior executives: Germany 100 (previous year: 100) per cent, USA 81 (previous year: 83) per cent, Spain: 100 (previous year: 100) per cent, Singapore 0 (previous year: 100) per cent and South Africa 100 (previous year: 100) per cent. The definition of “local” follows IAS 14 and thus corresponds to the “economic environment”; it is therefore analogous to our segments. ➔ [Geographical segments](#) • p. 156// We define “senior management” here as first-level managers. We do not use the definition of the German Industrial Relations Act, since this would not be applicable to the whole of the Group.

244 / EC8 / CORE // INFRASTRUCTURE INVESTMENTS AND SERVICES PROVIDED MAINLY FOR PUBLIC BENEFIT

Our Solar2World projects actively involve the local stakeholders (i.e. members of the community, users) in the project design. Additional investments in infrastructure and services provided mainly for public benefit were not made.

ENVIRONMENTAL PERFORMANCE INDICATORS

SUMMARY STATEMENT ON THE FOLLOWING ENVIRONMENTAL FIGURES:

In Deutsche Solar AG an increase of consumption figures is recognisable. This trend is caused by the increase in production and the associated increase in the number of production plants in operation. For this reason both the auxiliary materials and consumables but also the waste materials increased since larger quantities of packaging materials but also solvents and absorbents as well as filter materials are used. In Deutsche Cell a declining trend can be observed which can be explained by the environmental targets set. These stipulations include the requirement to recover energy from the cooling cycle and to reduce energy consumption in general. Another environmental target was to reduce the employment of auxiliaries and consumables in production which had a positive influence on the indicator EN22. For water consumption one can also observe a declining trend. The Solar Factory has an increased direct and indirect energy consumption which results from the capacity increase in production.

At the Camarillo location consumption figures in comparison with 2008 could be cut due to changes in the production department: The wafer and cell production were closed and the module plant was consolidated. In contrast consumption figures at the Hillsboro site went up to the expansion of the location and the increase in production.

At the Bonn location power consumption per employee and working day as well as water consumption per employee declined. The new buildings of the Holding company no longer use fossil fuels for heating. Also the volume of residual waste went down (by one third in comparison with the previous year). What is more, SOLARWORLD was able to cut the waste disposal costs for the packaging material of the modules brought into circulation by almost 50% by way of a new waste disposal contract.

/ EN1 / CORE // MATERIALS USED

Exact disclosure of the materials used by weight and volume is not possible, however, since this is confidential business information. Since we do not publish our production figures, either, we cannot disclose any exact volumes for usage of materials (Explanation Type 3). The material used consists almost exclusively of non-renewable substances but a large proportion is capable of recycling.

In our production, we use the following substances that are generally classified as dangerous: hydrogen fluoride (HF), lead (Pb), nitric acid (HNO₃), phosphorous oxychloride (POCl₃), silane (SiH₄), sodium hydroxide (NaOH), and minimal quantities of ammonia (NH₃). Tetrafluorocarbon (CF₄) is no longer emitted (previous year: 0.44e tonnes).

/ EN2 / CORE // RECYCLING INPUT MATERIALS

The rated etching capacity of our recycling unit SOLARMATERIAL for recovery of silicon is currently 1,700 tonnes per annum, thanks to technical improvements and the elimination of production bottlenecks. This core competency is of high strategic relevance. For this reason we cannot disclose exact quantities, as this information is subject to confidentiality (Explanation Type 3). ➔ *Procurement* • p. 079 // Also, we have our packaging material recycled. ➔ *EN27* • p. 248 // Other materials occurring in the course of the production of solar products are reused by us internally but have so far not been statistically recorded (Explanation Type 2). We intend to address this issue in the medium term. We have to analyze the possible data depth of such disclosures since some details have to be treated as confidential (Explanation Type 3).

/ EN3 / CORE // DIRECT PRIMARY ENERGY CONSUMPTION

Direct energy consumption relates to natural gas, heating oil, diesel as well as gasoline and in 2009 amounted to 46,877e (previous year: 36,313) MWh, i.e. 168,757,199e (previous year: 130,726,800) MJ. These figures relate to the sites in Germany (Freiberg and Bonn) and the USA (Camarillo and Hillsboro). No data were available for the sales offices in Spain, South Africa and Singapore, but these amounts are only minor and therefore not material (Explanation Type 1). For the CDP these consumptions were estimated on the basis of the number of employees to be 24,167e (previous year: 32,667e) kWh. Updated figures can be made available for the reporting in the context of the CDP (May 2010).

/ EN4 / CORE // INDIRECT PRIMARY ENERGY CONSUMPTION

Indirect energy consumption was 321,020e (previous year: 233,946) MWh, with electricity accounting for 320,355e (previous year: 233,190e) MWh and district heating accounting for 665e (previous year: 756) MWh. These data apply to the sites in Germany (Freiberg and Bonn) and the USA (Camarillo and Hillsboro), Spain and Singapore. No data were available for the sales office in South Africa (component of the local rent), but these amounts are only minor and therefore not material (Explanation Type 1). For the CDP these consumptions were estimated on the basis of the number of employees to be 73,043e (previous year: 71,995e) kWh. Updated figures can be made available for the reporting in the context of the CDP (May 2010).

For our Joint Venture SOLARWORLD KOREA LTD. we collected data for the first time in 2009. The consumption was 5.291e MWh (not included in the group figures).

An estimate of the megajoules (MJ) required to generate the primary energy for the production of the secondary energy (based on individual fuel consumption, standard figures for power and heat or estimated figures) was not yet possible due to the data situation (Explanation Type 2) and is to be tackled in the medium term. It is currently being examined how the exclusive use of power from renewable sources can be implemented in the best possible way over the long term. The share of renewable energy sources in purchased power amounts to 3.53e (previous year: 10.17) per cent for the SOLARWORLD Group (except the sales offices in Spain, South Africa and Singapore).

* The share only accounted for by SolarWorld AG was estimated as the invoices in conjunction with the move of the Holding company still need to be checked.

** This year the share of renewable energies was recorded systematically for the first time. Information is only available for the German location. On this basis we cannot confirm our estimate of the year 2008 of 69 per cent (Annual Group Report 2008) which was made on the basis of the energy mix data.

/ EN8 / CORE // TOTAL WATER WITHDRAWAL

Total water withdrawal was 1,115,767e (previous year: 845,961e) m³, broken down into surface water of 481,931e (previous year: 481,931e) m³ and water from municipal utility supply of 633,836e (previous year: 364,030e) m³. In the year 2009 a quantity of 206,520e (previous year: 121,162e) m³ of water was reused, i.e. 7.28e (previous year: 12.42e) per cent of the total water withdrawal. These data apply to the sites in Germany (Freiberg and Bonn) and the USA (Camarillo and Hillsboro). As the last invoices for the year 2009 had not yet come to hand we are working with a projection. At the time of the data acquisition we could not yet communicate any official figures for the individual locations for the year 2008 and therefore had to fall back on figures of previous years. No data were available for the sales offices in Spain, South Africa and Singapore, but these amounts are minor and therefore not material (Explanation Type 1). Our joint venture JOINT SOLAR SILICON (silicon production) uses water mainly for cooling purposes, operating in a closed-circuit system. For our Joint Venture SOLARWORLD KOREA LTD. we recorded data for the first time in 2009. 5,649e m³ of water were taken out (not included in the group figures).

/ EN11 / CORE // LAND IN OR ADJACENT TO PROTECTED AREAS OR AREAS OF HIGH BIODIVERSITY VALUE

We already provided detailed disclosures on this range of topics in our report for 2007. We do not operate any facilities located in or adjacent to protected areas or comprise any areas with high biodiversity outside protected areas.

246 / EN12 / CORE // IMPACT ON BIODIVERSITY

Our activities, products or services at our sites do not have any major impacts on biodiversity in protected areas or in areas of high biodiversity outside protected areas.

BE INDEPENDENT | BE SUSTAINABLE | BE SUCCESSFUL

FACTS: POSITIVE CO_{2eq}-BALANCE

We systematically record and disclose our Group-wide greenhouse gas emissions. Continual gains in energy and materials efficiency enable us to improve the overall processes in integrated fashion, both economically and environmentally. → [Innovation report](#) • p. 090 // If we set the CO_{2eq} emissions saved by our modules against the CO_{2eq} emissions caused by our company, the resulting CO_{2eq} balance for SolarWorld is positive.

- Emissions saved are 33 times as high as Group-wide emissions.
- Group-wide CO_{2eq} emissions: approx. 139 (previous year: 96*) thousand tCO_{2eq}.
- Savings by solar power modules sold in 2009 throughout the average module service life of 25 years: approx. 4.6 (previous year: 3.1) mtCO_{2eq}.
- Costs of avoided environmental damage: approx. 319 (previous year: 220) m€.

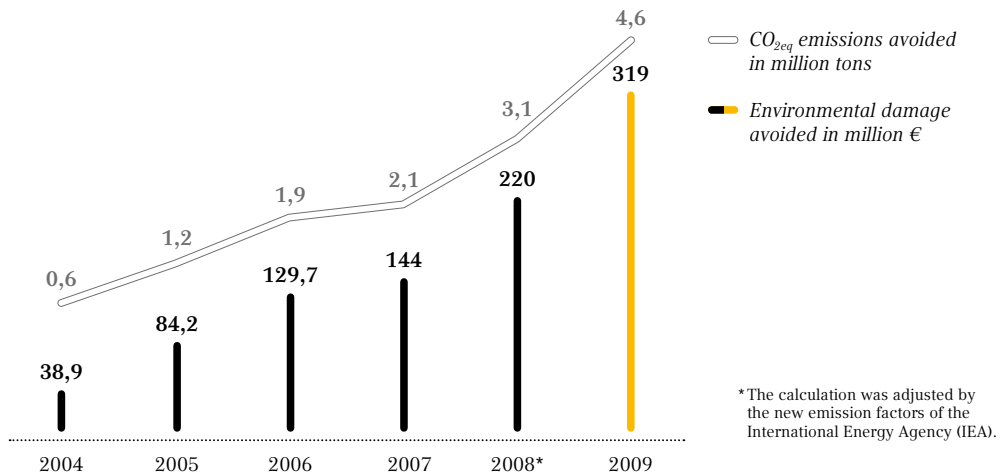
* Calculation based on insolation patterns and energy mix prevailing in Germany

However, this balance only includes the greenhouse gas emissions arising within the Group. A thorough analysis of the product life cycle would have to include the emissions of our upstream suppliers and service providers. According to our estimates, SolarWorld emissions account for about 35% of the total emissions caused throughout the life cycle of the product. The emissions generated by suppliers and service providers account for the other 65%.

The subject of recycling plays an important role in the reduction of the contribution to global warming: For example, SolarWorld was able in the year 2008 to reduce the Global Warming Potential by 14.977 tCO_{2eq} (37,4 tCO_{2eq}/MW). (Data for the year 2009 are not yet available at the present moment.)

②6 CLIMATE PROTECTION

Sources: SolarWorld; International Energy Agency (IEA)



/ EN16 / CORE // GREENHOUSE GAS EMISSIONS

Calculation of greenhouse gas emissions includes the companies under the full operational control of SOLARWORLD (excluding the companies in which SOLARWORLD only holds an interest, e.g. joint ventures). The data were determined using the calculation tools of the GHG Protocol of the CDP. The data for direct primary energy consumption at the sales and distribution locations in Spain, South Africa and Singapore were estimated on the basis of the number of staff and the consumption figures at the sales location in Germany. The data for indirect primary energy consumption at the sales and distribution location in South Africa were estimated on the basis of the number of staff and the consumption figures at the sales location in Spain. Furthermore, the emissions of the vehicle fleet were estimated on the basis of the previous year's values (mileage). We are not aware of the potential error rates caused by the estimates and the calculation aids.

In the year 2008 the provisional sum of direct and indirect emissions thus amounted to 139,278e (previous year: 96,310.4e) tCO_{2eq}. Updated figures can be made available for the reporting in the context of the CDP (May 2010).

* As in the previous year the most up-to-date value of the International Energy Agency (IEA) was used to extrapolate the emissions of the electricity mix. The value for the year 2008 has been updated (as of: CDP, May 2009)

/ EN17 / CORE // OTHER GREENHOUSE GAS EMISSIONS

This indicator includes emissions of our suppliers, the vehicle fleet of our logistics service companies, emissions in the course of business travel, and emissions for the returns system for packaging and used products. However, these data have not yet been recorded to date so that it is impossible to draw up statistics (Explanation Type 2). Our examination of the facts has shown that the acquisition of these data would be extremely difficult. There might also be a certain amount of double counting since other companies also report their figures within the framework of the CDP. We want to monitor this point in the long term but initially want to concentrate mainly on reducing our indirect greenhouse gas emissions (e.g. from energy consumption). Our products themselves do not generate any emissions. The modules/systems which we sold in 2008 will save 4.6e (previous year: 3.1e) million tCO_{2eq} over a period of 25 years. This avoids environmental damage worth 319e (previous year: 220e) m€. Updated figures can be made available for the reporting in the context of the CDP (May 2010). We compensate a part of our emissions via participation in the Climate Initiative of NetJets. In 2009, these emissions amounted to 240.68 (previous year: 266.74) tCO_{2eq}. A review is currently underway of how we can best compensate for the emissions (CO_{2eq}) of all our business air travel over the long term.

* Determined with new emission data. The most up-to-date value in this year's reporting was substantially higher, which is why the emission volume (in tCO_{2eq}) for 2008 was corrected.

/ EN19 / CORE // EMISSIONS OF OZONE-DEPLETING SUBSTANCES

There are no emissions of ozone-depleting substances.

/ EN20 / CORE // NO_x, SO_x AND OTHER AIR EMISSIONS

Air emissions in the USA in 2009 amounted to 3.3e (previous year: 1.85e) tonnes NO_x, 0.20e (previous year: 0.20e) tonnes SO_x, 10.16e (previous year: 6.91e) tonnes VOC, 0.22e (previous year: 0.64e) tonnes of hazardous air pollutants, 0.44e (previous year: 0.34e) tonnes of particulate matter (PM10) as well as 1.64e (previous year: 1.13e) tonnes of other standard air emissions, which are regulated by legislation. These substances occur only in our US production and are below the legal threshold values. The figures are currently estimated. The higher values are attributable to the strong growth in production. In the following year increased values are again expected for this reason. At the time of the acquisition of the data individual locations were not yet able to communicate official figures for the years 2009 and 2008 which is why we had to fall back on figures of previous years.

248 / EN21 / CORE // TOTAL WATER DISCHARGE

Total water discharge was 893,146e (previous year: 820.449e) m³. 886,710e (previous year: 814,113e) m³ were discharged to the municipal drainage system. Total precipitation water discharge is not measured. In Germany, a charge is paid based on built-up area. It is therefore impossible to draw up any statistics (Explanation Type 2). We intend to address this issue in the medium term. The above figure relates to the sites in Germany (Freiberg and Bonn) and the USA (Camarillo and Hillsboro). The figures are currently estimated. As the last invoices for the year 2009 had not yet come to hand we worked with a projection. At the time of the data acquisition individual locations could not communicate any official figures for the year 2008 either so that we had to fall back on the figures of previous years. No data were available for our sales offices in Spain, South Africa and Singapore, but these amounts are minor and therefore not material (Explanation Type 1). In the year 2009 a total of 206,520e (previous year: 121,162e) m³ of our water was reused. ➔ EN8 • p. 245 // Data on the precise reprocessing method, on water reuse by other organizations as well as on water quality for the total volume of waste water/process water (e.g. BOD (Biochemical Oxygen Demand) or TSS (Total Suspended Solids)) have so far not been recorded and appropriate statistics can therefore not be prepared (Explanation Type 2). We want to tackle this point in the medium term.

/ EN22 / CORE // WASTE BY TYPE AND DISPOSAL METHOD

Total weight of waste was 13,010e (previous year: 9,383e) tonnes. Of this total, hazardous waste accounted for 2,806e (previous year: 3,471e) tonnes and non-hazardous waste for 10,204e (previous year: 5,911e) tonnes. 37e (previous year: 10e) per cent of non-hazardous waste was recycled group-wide. At the Camarillo site, 100% of the hazardous waste was recycled. Details on other disposal methods have so far not been recorded which is why statistics on this topic cannot be prepared (Explanation Type 2). We want to tackle this point in the medium term. The data relate to the sites in Germany (Freiberg and Bonn) and the USA (Camarillo and Hillsboro). The figures are currently estimated. As the last invoices for the year 2009 had not yet come to hand we worked with a projection. At the time of the data acquisition individual locations could not communicate any official figures for the year 2008 either so that we had to fall back on figures of previous years. No data were available for our sales offices in Spain, South Africa and Singapore, but these amounts are minor and therefore not material (Explanation Type 1). For our Joint Venture SOLARWORLD KOREA LTD. we recorded the data for the first time in 2009. A total of 1,127e tonnes was produced (not included in the group figures).

/ EN23 / CORE // SIGNIFICANT SPILLS

In the reporting period, as in the previous year, there were no significant spills (chemicals, oils, fuels).

/ EN26 / CORE // INITIATIVES TO MITIGATE ENVIRONMENTAL IMPACTS

The products of SOLARWORLD have no significant environmental impact in terms of material input, water consumption, emissions, discharge water, noise or waste. The modules can be recycled at the end of their useful lives. The sealed surface amounted group-wide to a total of 392,697 (previous year: 392.697) m². We also recorded these data for our Joint Venture SOLARWORLD KOREA LTD.: The sealed surface amounted to 82,397 m² (not included in the group figures).

/ EN27 / CORE // PACKAGING MATERIALS

The composition of our packaging material changed in 2009. It now consists of wood, card and plastics (stacking corners, straps, stretch film). The packaging serves to protect our goods during transportation, rather than to fulfil advertising purposes. In Germany we have contracted out recycling and reclamation to Interseroh Dienstleistungs GmbH. 100 per cent of the material is recycled (type separated), with 100 per cent directly reused. The duly notified quantities of authorized packaging are determined by Interseroh in accordance with the inspection specification (as per September 2007) mainly on the basis of purchasing statistics, invoices and delivery notes and checked by an auditor in the subsequent year. Materials taken back via another collection system or taken back under our own collection system and reused, and packaging shown to have been exported, are not included in these figures. In 2009, the respective weight of packaging was 872 (previous year: 448) tonnes. In the USA we internally recycle most of our packaging materials used at the US locations. At our sales offices in Spain, South Africa and Singapore, the only waste materials are office and kitchen waste, which are disposed of in accordance with the respective national legislation applicable. These data have not yet been recorded at Group level so that it is impossible to draw up any statistics (Explanation Type 2). We intend to address this issue in the medium term.

/ EN28 / **CORE // SANCTIONS FOR NON-COMPLIANCE WITH ENVIRONMENTAL LAWS AND REGULATIONS**

As in the previous year, no significant fines or non-monetary sanctions were imposed on SOLARWORLD for non-compliance with environmental laws and regulations. This also applies to the joint ventures of SOLARWORLD.

SOCIAL PERFORMANCE INDICATORS/ LA1 / **CORE // TOTAL WORKFORCE BY EMPLOYMENT TYPE, EMPLOYMENT CONTRACT AND REGION**

At the end of 2008 the total workforce was 1,825 (previous year: 1,420) employees and 673 (previous year: 534) temporary workers. ➔ *Securing sustainable growth with strategic personnel management* • p. 105 //

28 TOTAL WORKFORCE BY EMPLOYMENT TYPE, EMPLOYMENT CONTRACT AND REGION

	Germany	USA	Spain	Singapore	South Africa	Group
Total headcount (incl. temporary staff)	1888 (1625)	822 (855)	4 (5)	8 (10)	3 (3)	2725 (2498)
Total headcount (excl. temporary staff)	1341 (1198)	644 (609)	4 (5)	8 (10)	3 (3)	2000 (1825)
Employees (excl. trainees, Executive Board)	1255 (1115)	644 (609)	4 (5)	8 (10)	3 (3)	1914 (1742)
Women	239 (207)	174 (128)	1 (1)	2 (3)	2 (2)	418 (341)
Men	1016 (908)	470 (481)	3 (4)	6 (7)	1 (1)	1496 (1401)
Part-time workers	35 (19)	1 (1)	0 (0)	0 (0)	0 (0)	36 (20)
Women	26 (13)	1 (0)	0 (0)	0 (0)	0 (0)	27 (13)
Men	9 (6)	0 (1)	0 (0)	0 (0)	0 (0)	9 (7)
Employees on permanent contract	1186 (1099e**)	0 (0)	4 (5)	8 (10)	3 (3)	1201 (1117)
Women	230 (204e**)	0 (0)	1 (1)	2 (3)	2 (2)	235 (210)
Men	956 (895e**)	0 (0)	3 (4)	6 (7)	1 (1)	966 (907)

2008 values in parentheses

* Correction: In the 2008 Annual Group Report the figure 11 was corrected.

** Values for the Bonn location were estimated.

In the United States in particular, legal differences (weak protection against dismissal, employment contracts frequently not set out in writing) make it impossible to break employment contracts down into permanent vs. fixed-term (Explanation Type 3).

If you compare the development of the employee numbers with those of unlimited term contracts it is striking that the latter are rising more strongly. Due to the change in the market situation new employment contracts are partly subject to a time limitation. Contract prolongations and/or removals of time limitations are decided upon well ahead of the termination of the contracts.

/ LA2 / CORE // EMPLOYEE TURNOVER

Group-wide employee turnover was 9.3 (previous year: 3.6) per cent. → *Securing sustainable growth with strategic personnel management* • p. 105//

79 EMPLOYEE TURNOVER

People leaving the company	Germany	USA	Spain	Singapore	South Africa	Group
voluntarily*	23 (18)	34 (44)	0 (1)	2 (2)	1 (0)	60 (65)
of which women*	5 (2)	7 (19)	0 (0)	1 (1)	1 (0)	14 (22)
non-voluntarily	17	108	0	0	0	125
of which women	3	35	0	0	0	38

* In the previous year employer and employee terminations were reported together (figures reported 2008 in parantheses).

The large number of people leaving the company on the labour side, especially in the United States, is primarily due to restructuring at the Camarillo site.

A breakdown by age group was not yet possible on the basis of the data available to us since these data have not yet been recorded on a uniform basis so that it is not possible to draw up any statistics (Explanation Type 2). We intend to address this issue in the medium term. We will have to analyze the possible level of detail in disclosing the data since some details are confidential (Explanation Type 3).

/ LA4 / CORE // EMPLOYEES COVERED BY COLLECTIVE BARGAINING AGREEMENTS

In the SOLARWORLD Group, 59 (previous year: 54) per cent of all employees (i.e. 1,173 (previous year: 982) employees, fall under collective bargaining agreements.

80 EMPLOYEES COVERED BY COLLECTIVE BARGAINING AGREEMENTS

	Germany	USA	Spain	Singapore	South Africa	Group
Employees falling under collective bargaining	1147 (903)	26 (79)	0 (0)	0 (0)	0 (0)	1173 (982)
Rate (% of total employees excl. temporary workers)	86% (75%)	4% (13%)	0% (0%)	0% (0%)	0% (0%)	59% (54%)

2008 values in parentheses

/ LA5 / CORE // MINIMUM NOTICE PERIODS REGARDING SIGNIFICANT OPERATIONAL CHANGES

The obligations of the employer with respect to significant changes in operations are set out by legislation, e.g. in Germany by the Industrial Relations Act (BetrVG), sections 90, 92, 106, 111. In the USA the notification periods are for example regulated by the Worker Adjustment & Retraining Notification Act or the National Labor Relations Act.

/ LA7 / CORE // INJURIES, OCCUPATIONAL DISEASES, LOST DAYS, ABSENTEEISM AND WORK-RELATED FATALITIES

Absenteeism corresponds to the “Absentee Rate (AR)”. We do not measure the “Lost Days Rate (LDR)” but lost hours. The “Occupational Disease Rate (ODR)” must not be determined on a Group-wide basis for reasons of data protection. For our US sites, we must not distinguish between sickness-related and other absenteeism since it is not permissible under US law to record absenteeism for reasons of data protection. We will therefore not be able to determine these data in future, either (Explanation Type 3). Absentee rates and occupational disease rates relate to the overall workforce but do not include self-employed contractors since it is not yet possible to determine these data for such staff. As in the previous year, there were no work-related fatalities; this also applies to the joint ventures of SOLARWORLD AG. The “injury rate (IR)” cannot be determined since accidents are recorded for all employees (including temporary workers) whereas the target working hours only cover employees on the company books. → *Securing sustainable growth with strategic personnel management* • p. 105 //

②1 INJURIES, OCCUPATIONAL DISEASES, LOST DAYS, ABSENTEEISM AND WORK-RELATED FATALITIES

	Germany	USA	Spain	Singapore	South Africa	Group
Absentee rate	4.1% (3.1%)	2.0% (1.5%)	1% (0%)	1% (2%)	4% (5%)	3.4% (2.5%)
Absence due to sickness in calendar year (hours)	111,126 (71,502)	27,916** (19,469)**	72 (32)	160 (380)	248 (256)	139,522 (91,639)
Actual target working hours in calendar year (total workforce)	2,739,026 (2,302,875)	1,371,656 (1,256,320)	8,850 (8,850)	20,280 (22,824)	6,048 (5,472)	4,145,860 (3,596,341)
Sickness rate (percentage of employees who were sick at least once in the entire fiscal year)	71% (59%)	100% (n.a.)	0% (40%)	0% (0%)	100% (100%)	80% (39%)
Number of employees reporting sick in the calendar year	946 (707)	647 (n.a.)	0 (2)	5 (0)	3 (3)	1601 (712)
Accident rate (per 1000 employees, incl. temporary workers)	18.0‰* (6.2‰)*	6.0‰* (8.4‰)*	0‰ (0‰)	0‰ (0‰)	0‰ (0‰)	14.3‰* (8.4‰)*
Number of reportable occupational accidents (incl. temporary workers)	34 (10)	5* (7)*	0 (0)	0 (0)	0 (0)	39 (17)*
Hours lost in the calendar year due to accidents (excl. temporary workers)	2,640 (3,816)	1,328 (4,656)	0 (0)	0 (0)	0 (0)	3,968 (8,472)
Total direct costs to employee health and safety in the calendar year (in €)	247,441	97,134	862	2,300	0	347,737

2008 values in parentheses

* Standardization of data collection: reportable accident if at least 3 days are lost; value related to employees including temporary workers.

** Hours of absence declared as sickness-induced.

The sickness rate (absenteeism rate) has taken an unfavorable development in 2009. The high absenteeism rate is mainly attributable to a considerable number of long-term illnesses as well as many short-term diseases. Different analyses as well as the return interviews after an illness hardly give any indications that the causes of the disease are in any way linked with the company and/or the working conditions. Numerous measures of occupational health promotion, occupational safety, health information and a variety of preventive offers (e.g. flu protection vaccination, etc.) are designed to help prevent diseases. Which concrete pathological phenomena are causing the absenteeism in individual cases is not known to the employer at the time. In the USA an automated time clocking system was introduced which is why the data are now recorded comprehensively. This higher precision in data acquisition may also have caused the increase in documented absenteeism.

In the case of accident-induced absenteeism we have seen a positive development as there were less severe occupational accidents and appropriately shorter recovery times. This is attributable to continuous improvements of the occupational safety program (including proactive risk reduction and improved management of accident injuries by way of analyses on work place safety, the program to analyse incidents and the routine safety inspections.)

/ LA8 / CORE // EDUCATION AND TRAINING ON SERIOUS DISEASES

Hitherto there have been no programmes of this kind in our Group, nor are there any workers involved in high-risk operational activities. We have taken precautions against all kinds of hazards by means of technical inspections, personal protection equipment and training courses. The only possible hazard is due to chemicals, but this is minimized by the above methods of inspection. For purposes of documentation, we record company hygiene and conduct surveys (both of these annually). We have also taken out insurance (environmental liability) in the event of spills that might cause damage to health.

/ LA10 / CORE // INITIAL AND FURTHER TRAINING FOR EMPLOYEES

The data are not yet available broken down by employment category (hierarchical level, area) since this information has so far not been recorded in this way (Explanation Type 2). We intend to address this issue in the medium term. However, we do already document the following data:

- Further training expenditure* per employee [in €]: 356.53 (previous year: 382.13)
- Total further training expenditure* [in €]: 713,063 (previous year: 697,387)
- Number of hours spent in initial and further training: 39,307e** (previous year: 11,907e**)
- Number of training and education programmes: 798 (previous year: 837).
- Number of employees taking part in further training programmes: 1,780 (previous year: 1,108)
- Percentage of employees undergoing training each year [in %]: 89 (previous year: 61)

* We apply a narrow definition of expenditure that only covers direct costs (e.g. documented in the form of invoices).

** At the Freiberg location the time durations were estimated on the basis of the information available on the individual measures as these data have so far not been collected systematically. The hours indicated are absolutely reliable.

In 2009 the Group as a whole had 86 (previous year: 83) trainees (including employees pursuing in-work studies under a sandwich-type program). ➔ *Assuming responsibility – creating training opportunities* • p. 105//

Continuing professional education and up-skilling are offered on the basis of the existing demand. Fluctuations in the course of the year are normal. The increase of the workforce in 2009 has contributed to the dilution of per capita up-skilling costs. In the USA the hiring of training coordinators at the production locations has led to a situation where training courses that used to be offered by service providers are now conducted by the company itself by way of a “Train-the-Trainer” approach. In this way it was possible to save costs.

/ LA13 / CORE // COMPOSITION OF GOVERNANCE BODIES

Diversity is important to us at SOLARWORLD. We work for equal opportunities throughout our Group and take account of these factors in recruitment. Key indicators of diversity and equal opportunities at SOLARWORLD are set out in our Code of Conduct [7] www.solarworld.de/sustainability: ethnic origin, skin colour, nationality, religion, sex, age, sexual orientation, gender identity, marital status, physical constitution/disability and appearance. It is not permitted to include all of

these characteristics in our statistics because many of them affect the private sphere of the individuals concerned and must therefore not be recorded (Explanation Type 3). Moreover, we have not yet recorded these data in the form desired under GRI (Explanation Type 2). Further employment categories concerning the areas within which employees operate have thus far not been defined. We intend to address this issue in the medium term. Our reporting is based on the categories of gender, disability and age distribution:

82 DIVERSITY

The Group Executive Board comprises four members (male, age group 30-50 years), who do not belong to any minority. In the USA there were employees in 2009 who belonged to a minority: 275 persons, 92 of which are women and 183 are men. In Germany we employed 86 trainees in 2009 (previous year: 83), 14 of which are women, i.e. 16 (previous year: 17) per cent.

	Germany		USA		Spain**		Singapore**		South Africa		Group	
Executive Board/ Managing Directors*	14 (9)		4 (6)		1 (2)		2 (2)		2 (2)		20 (18)	
of which women	0 (0)	0% (0%)	0 (0)	0% (0%)	0 (0)	0% (0%)	0 (0)	0% (0%)	0 (0)	0% (0%)	0 (0)	0% (0%)
1st tier of management	50 (34)		16 (18)		2 (2)		0 (1)		0 (1)		68 (56)	
of which women	9 (4)	18% (12%)	4 (3)	25% (17%)	1 (1)	50% (50%)	0 (0)	0% (0%)	0 (0)	0% (0%)	14 (8)	21% (14%)
Executives of other tiers	105 (80)		55 (48)		0 (0)		0 (0)		1 (0)		161 (128)	
of which women	6 (10)	6% (13%)	11 (10)	20% (21%)	0 (0)	0% (0%)	0 (0)	0% (0%)	0 (0)	0% (0%)	17 (20)	11% (16%)
Employees without executive function	1100 (1001)		573 (543)		2 (3)		7 (9)		2 (2)		1684 (1558)	
of which women	224 (193**)	20% (19%)	159 (115)	28% (21%)	0 (0)	0% (0%)	2 (3)	25% (0%)	2 (2)	100% (67%)	387 (313**)	23% (20%)
Total employees	1255 (1115)		644 (609)		4 (5)		8 (10)		3 (3)		1914 (1742)	
of which women	239 (207**)	19% (19%)	173 (128)	27% (21%)	1 (1)	25% (20%)	2 (3)	25% (30%)	2 (2)	67% (67%)	417 (341**)	22% (20%)
Employees with disabilities (number and percentage of total workforce)	17 (14)	1% (1%)	12 (15)	2% (2%)	0 (0)	0% (0%)	0 (0)	0% (0%)	0 (0)	0% (0%)	29 (29)	0% (2%)
Age distribution	Germany		USA		Spain		Singapore		South Africa		Group	
Percentage of employees < 30	18%		3%		0%		0%		0%		21%	
Percentage of employees 30-40	22%		8%		0%		0%		0%		30%	
Percentage of employees 40-50	19%		10%		0%		0%		0%		30%	
Percentage of employees > 50	9%		10%		0%		0%		0%		19%	

2008 values in parentheses where available

* An individual with more than one function is only counted once (changes versus previous year)

** The Group Report for 2008 indicated 187 women among employees without executive functions in Germany. This figure resulted from an error in calculation. The data for the number of women in the total workforce and the corresponding Group figures have been adjusted.

*** Editing error in the Group Report for 2008: the column headlines were mistakenly reversed.

254 / LA14 / CORE // RATIO OF WOMEN'S BASIC SALARY TO MEN'S

Most of the wages we pay at our sites are derived from collective bargaining agreements, which means that women and men are per se paid the same amount. This applies to 59 (previous year: 54) per cent of our employees worldwide. We cannot at present analyze employees by category since these data have not yet been recorded in the form desired under GRI (Explanation Type 2). We intend to address this issue in the medium term. The challenge will be to handle the fact that some functions differ substantially and comparisons are not very meaningful when expressed as an average for the Group as a whole.

In 2009 we took the first step by recording the range and average of pay in different tiers, and these figures are also broken down by gender.

83 RATIO OF WOMEN'S BASIC SALARY TO MEN'S

	Germany	USA
Executive tier (excl. Managing Directors and Executive Board)		
Range (overall) [in €]	22,448 - 108,115	32,228 - 128,912
Range (women) [in €]	33,896 - 78,000	44,403 - 84,296
Average (overall) [in €]	43,691	67,232
Average (women) [in €]	51,021	66,050
Employees without executive function		
Range (overall) [in €]	15,000 - 86,466	16,237 - 136,074
Range (women) [in €]	15,000 - 73,459	16,237 - 75,199
Average (overall) [in €]	30,493	32,032
Average (women) [in €]	31,542	27,895

In the light of the data available, the figures for this year are based on annual gross salary including holiday and Christmas pay (excluding performance-related components). For those on an hourly wage, the reference value expresses annual (basic) pay (excluding any bonuses or increments for shift work). In the medium term, however, basic pay is not an appropriate basis for calculations, as this is only part of the pay received. Performance-related bonuses and pension schemes can make a considerable difference, especially at executive level. However, many sites only record these additional pay components after some delay, so that they could not be included in this report.

For data privacy reasons we cannot publish this information in detail for the small locations with few employees. The range of salaries at the small locations goes from 10,937e to 42,706e € with the average salary amounting to 27,080e €. For these small locations we are working on a data acquisition method that preserves the confidentiality of the personal data.

The remuneration structures differ by varying degrees between all locations. The big differences between Germany and the USA can be explained by the very different social security systems. In Germany (General Law on Equal Treatment) as well as in the USA (Lilly Ledbetter Fair Pay Act) equal rights of men and women are regulated by law. Within the range of salaries at the US locations employees without management responsibility may easily receive a higher maximum remuneration than employees with management responsibility: In the USA employees with special know-how and qualifications and/or a particularly long career with the company tend to receive fairly high salaries irrespective of whether they hold a management position or not.

/ HR1 / CORE // INVESTMENT AGREEMENTS

In the reporting period, there were no significant investment agreements with key importance in terms of volume or strategic importance for the company. As a result, there were no human rights clauses associated with such agreements, either.

/ HR2 / CORE // HUMAN RIGHTS SCREENING OF SUPPLIERS AND CONTRACTORS

There was no systematic screening of our suppliers and contractors on human rights aspects (this far, this has not been a high priority because a large proportion of our suppliers and contractors are based in industrialized countries where strict national standards apply). In 2009, we intend to introduce our Suppliers' Code of Conduct, by means of which sustainability and ethical standards will form a systematic and explicit part of our cooperation agreements.

/ HR4 / CORE // INCIDENTS OF DISCRIMINATION

As in the previous year, there were no incidents of discrimination in the reporting period.

/ HR5 / CORE // FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

According to the assessment of the HR departments of the individual sites, no business operations have been identified where freedom of association or the right to engage in collective bargaining could be significantly jeopardized. However, so far no formal procedure to identify such business operations has been established (Explanation Type 2). We intend to address this issue in the medium term. However, we cultivate open and direct relations with employees, which means that any such risk should be notified to us. The legislation in Germany, Spain and the USA protects employees against any restrictions of their rights. At the site in South Africa we currently have only 3 employees, and at the site in Singapore only 8 employees, which favours strong participation of the individual employees in the decisions of management.

/ HR6 / CORE // CHILD LABOUR

Our business activities do not involve a significant risk of incidents of child labour or work by young people under dangerous conditions. Our processes are very transparent and are supervised via documentation in the work schedules. These aspects are also included in our Group-wide Code of Conduct. This far, a formal procedure to identify such risks has not been applied (Explanation Type 2). We intend to address this issue in the medium term.

/ HR7 / CORE // FORCED AND COMPULSORY LABOUR

Our business activities do not involve any significant risk of forced or compulsory labour. Our processes are very transparent and are supervised via documentation in the work schedules. These aspects are also included in our Group-wide Code of Conduct. This far, we have not used a formal procedure to determine this risk (Explanation Type 2). We intend to address this issue in the medium term.

/ S01 / CORE // IMPACT ON COMMUNITIES

To date, no formal programs or systematic procedures have been established to assess and regulate the impact of business activities on the community, including the launch, implementation and termination of business operations in a community or region (Explanation Type 2). We intend to address this issue in the medium term. We always seek open stakeholder dialogue. ➔ [4.16](#) • p. 235// and [4.17](#) • p. 237//

/ S02 / CORE // CORRUPTION RISKS

Responsibility is in the hands of Executive Board members and managing directors. In 2009 we expanded the SOLARWORLD Code of Conduct, specifying many requirements in greater depth. Consequently, we have also established a basis for anti-corruption policies. The establishment of formal programmes, including training schemes, is a medium-long-term task that we will continue working on in 2010.

/ S03 / CORE // TRAINING IN ANTI-CORRUPTION POLICIES

So far no employees have been trained in the organization's anti-corruption policies and procedures because so far no formal programs or systematic procedures have been established. We have been pursuing this objective since 2008, but as the matter is related to adopting the Code of Conduct, this is a medium-term project.

/ S04 / CORE // CORRUPTION INCIDENTS AND ACTION TAKEN

As in the previous year, there were no incidents of corruption in the reporting period.

/ S05 / KERN // LOBBYING

SOLARWORLD conducts lobbying work in order to help solar energy become competitive and is an advocate of political funding programs. This relates for example to compensation through the German Renewable Energy Sources Act (EEG). We support an increase of the annual reduction of the tariff rates since they provide the industry with incentives to create cost reductions and quality improvements. We are also working worldwide for free access to the electricity grid for power producers because that is a prerequisite for solar energy to be competitive with other sources of power. In general terms, we work politically for climate protection, the conservation of resources, sustainable development and ethical management. That means our lobbying activity is in conformity with our declared principles, sustainability goals and public statements of position.

/ S08 / CORE // SANCTIONS FOR NON-COMPLIANCE WITH LAWS AND REGULATIONS

No major cases of non-compliance with laws and regulations were determined in the reporting period.

/ PR1 / CORE // IMPACTS ON CUSTOMER HEALTH AND SAFETY

Apart from the measures already indicated under other GRI items (technical inspections, etc.) there are no further systematic programs to address health and safety impacts during the life cycle of our products.

/ PR3 / CORE // PRODUCT INFORMATION

We get the components supplied from reputable manufacturers. The safety of the products we deliver is ensured by our quality management. Extensive product information is provided in the form of data sheets and assembly instructions. Substances which may have impacts on the environment or society are lead and halogens. Corresponding regulations for these substances (Restriction of Hazardous Substances/RoHS, Waste Electrical and Electronic Equipment/WEEE) are currently being discussed in the EU. The use of substances is strictly regulated in the United States. Supervision is effected via UL Listing. We exclusively use substances approved for our product in the USA. The following information is included in our product labelling for all essential products (100 per cent):

84 PRODUCT INFORMATION

Criteria	Procedure	Labeling of final products (module/system)
Origin of product components	In assessing the environmental impact, we also include the upstream process. We also assess our suppliers as required under ISO 9001. The same criteria are applied in selecting suppliers of consumables and raw materials. There is also a product information sheet for our cells.	The country of manufacture is indicated, but not the origin of individual components.
Composition	Not compulsory	Not indicated
Safe use of product	Our outgoing goods controls provide an additional check to ensure that no defective products, only products meeting customer requirements are shipped. In most cases quality assurance agreements are additionally concluded with customers.	A warning about electrical danger is included. A user information sheet (assembly instructions) is included in deliveries.
Product disposal	Recycling of input products and final products is covered. It is always our goal to avoid producing defective goods.	Our products are fully recyclable and can be returned to SolarWorld for this purpose. However, this is not indicated on the product.

/ PR6 / **CORE // STANDARDS RELATING TO ADVERTISING**

There are no written advertising-related rules of conduct or standards specified for the entire organization. The SOLARWORLD Group adheres to the law in its advertising and is guided by the SOLARWORLD values www.solarworld.de/sustainability, e.g. fair competition, no discrimination. Compliance is continuously monitored through approval of advertising campaigns by the Executive Board. We do not distribute any products that must not be sold in certain markets or are called into question by public debate.

/ PR9 / **CORE // SANCTIONS FOR NON-COMPLIANCE WITH PRODUCT AND SERVICE REGULATIONS**

As in the previous year, no incidents of non-compliance with laws and regulations on the delivery or use of products or services were identified in the reporting period.

CONFIRMATION FOR THE REPORT ON SUSTAINABLE CORPORATE MANAGEMENT OF SOLARWORLD AG FOR CALENDAR YEAR 2009

To SOLARWORLD AG, Bonn

We have obtained an order for an audit review regarding the report segments “KPI’s FOR ESG (core performance indicators)” as well as the “Performance indicators” of the Report on Sustainable Corporate Management 2009 of SOLARWORLD AG. It is the responsibility of the Executive Board of SOLARWORLD AG to prepare the Report on Sustainable Corporate Management 2009 in accordance with the following criteria set out in the G3 Guidelines of the Global Reporting Initiative (pages 7-17)

- materiality
- stakeholder inclusiveness
- sustainability context
- completeness
- balance
- comparability
- accuracy
- timeliness
- clarity and
- reliability

Our task is to provide an a confirmation for the report on sustainable corporate management on the basis of our assessment of the report segments “KPI’s FOR ESG (core performance indicators)” and “Performance indicators”.

We conducted the audit review on the report segments “KPI’s FOR ESG (core performance indicators)” and “Performance indicators” in accordance with the German standards for the audit of sustainability reports established by the Institute of German Auditors (IDW). Accordingly, the audit review requires us to comply with professional requirements and to plan and perform the engagement in such manner that we can rule out, through critical appraisal of the facts, that the report segments have not in all material aspects been drawn up in accordance with the above-mentioned criteria of the GRI Guidelines (G3) of the Global Reporting Initiative (pages 7-17). An audit review is limited primarily to making inquiries of company personnel and applying analytical procedures and thus does not provide the assurance that we would obtain from an audit of financial statements.

In the course of our audit review, we acquired the evidence, based on assessments of risks and materiality, to obtain limited assurance that report segments “KPI’s FOR ESG (core performance indicators)” as well as “Performance indicators” comply with the specified criteria of the GRI- Guideline Version 3.0 of the Global Reporting Initiative (Pages 7-17). The nature and extent of our procedures were determined, with the additional assistance of appropriate samples, by our professional judgment as to the requirements for obtaining limited assurance. The performance of our engagement included among other things the following procedures:

- Inspection of the relevant documentation, including documentation of Group principles and management and reporting structures, as well as inspection and random testing of existing documents and systems for compiling, analyzing and aggregating sustainability data
- Discussions with the team entrusted with compiling the Report on Sustainable Corporate Management,
- Discussions with employees of other Group divisions
- Acquiring an understanding of the process used to identify themes for Report on Sustainable Corporate Management in 2009
- Discussions and inspection of documents at the Bonn and Freiberg sites in relation to the sustainability data of operations at those sites.

With regard to environment data, we were able in the course of our engagement to access data and information pertaining to regular ISO 9001 and 14001 auditing.

The work we performed did not make us aware of any facts which would lead us to assume that the report segments “KPI’s FOR ESG (core performance indicators)” and “Performance indicators” were not drawn up in material respects in accordance with the underlying criteria specified in the GRI Guidelines (G3) of the Global Reporting Initiative (pages 7-17).

Bonn, 12 March 2010



Dr. Gorny
Auditor



ppa. Ahrend
Auditor

*BDO Deutsche Warentreuhand
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft*