

2020



SUSTAINABILITY AT SONO MOTORS

Resource Conservation,
Climate Protection and Fairness

OUR VISION

A WORLD WITHOUT FOSSIL FUELS.

REPORTING FRAMEWORK

This report contains selected sustainability indicators, which were created according to the standards of the Global Reporting Initiative (GRI). An analysis in accordance with the GRI standards is an important step towards developing a comprehensive sustainability strategy, where reduction potentials are identified and corresponding measures and goals are set. The following report was created in accordance with the standard. However, there hasn't been any external quality examination of it.

Preface

**DEAR COMMUNITY,
WE AT SONO ENVISAGE A WORLD WITHOUT FOSSIL FUELS. TO BRING US A STEP CLOSER TO THIS,
OUR GROWING TEAM IS BUILDING THE FIRST SERIES SOLAR ELECTRIC VEHICLE, THE SION.**

2020 was a really exciting year for us, with lots of highlights, despite big challenges arising from the COVID-19 pandemic. No sooner had we moved into our new office, at the start of 2020, were we all confined to working from home. Nevertheless, we continued to give our full commitment to developing the Sion.

We also called on you, our dear community, to give us your opinion on our Sion and your feedback was outstanding. Our community is not only the foundation from which Sono Motors has grown, but also our constant companion and active co-creator. For this reason we were so proud to have been able to present you with the next stage of the prototype at the conclusion of the year. This was all made possible because of your support.

Your trust in our vision is extremely important to us and therefore we are publishing our annual sustainability report. This report is, for the first time, closely aligned with the GRI standard for sustainability reporting. We want to be transparent on the development of our performance in terms of fairness, resource conservation, and climate protection at Sono.

We really hope you enjoy reading this.

Sunny greetings

Laurin & Jona



SONO IN NUMBERS



73% Male

27% Female



Average age **34**



CO₂-eq
 In addition to CO₂, the combustion of fossil fuels also releases other gases that are harmful to the climate, such as methane. However, the intensity of the impact of these greenhouse gases on the earth's climate varies from gas to gas. In order to make all gases comparable and to create a uniform basis for calculation, the climate impact of other greenhouse gases is converted into CO₂ equivalents.

SUSTAINABILITY AT SONO MOTORS

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GRI 100

GENERAL INFORMATION



GRI 100

General Information

GRI SRS-102-1: ORGANIZATION DESIGNATION

Sono Motors GmbH

GRI SRS-102-3: ORGANIZATION HEADQUARTERS

Munich, Germany

**GRI SRS-102-16: VALUES, PRINCIPLES, STANDARDS AND BEHAVIORAL NORMS OF THE ORGANIZATION**

We strive to demonstrate the importance of environmental protection in individual mobility. It is also incredibly important for us that this mobility be in harmony with both humankind and the natural world. We believe in a world in which shared, solar-powered electric vehicles enable independence from fossil fuels.

With this as inspiration, our team is currently developing a completely new and affordable generation of electric vehicles: the Sion. Through the integration of our solar technology and mobility services, the Sion is a key representation of clean mobility, solar energy and a reduction in our greenhouse gas emissions.

At Sono Motors, we create fair working conditions, handle all resources efficiently, avoid waste and emissions, and offset those that are unavoidable. We stand for the values of courage, integrity, responsibility, empathy and trust and try to hold true to them every day.

GRI SRS-102-44

Important Topics and Expressed Matters



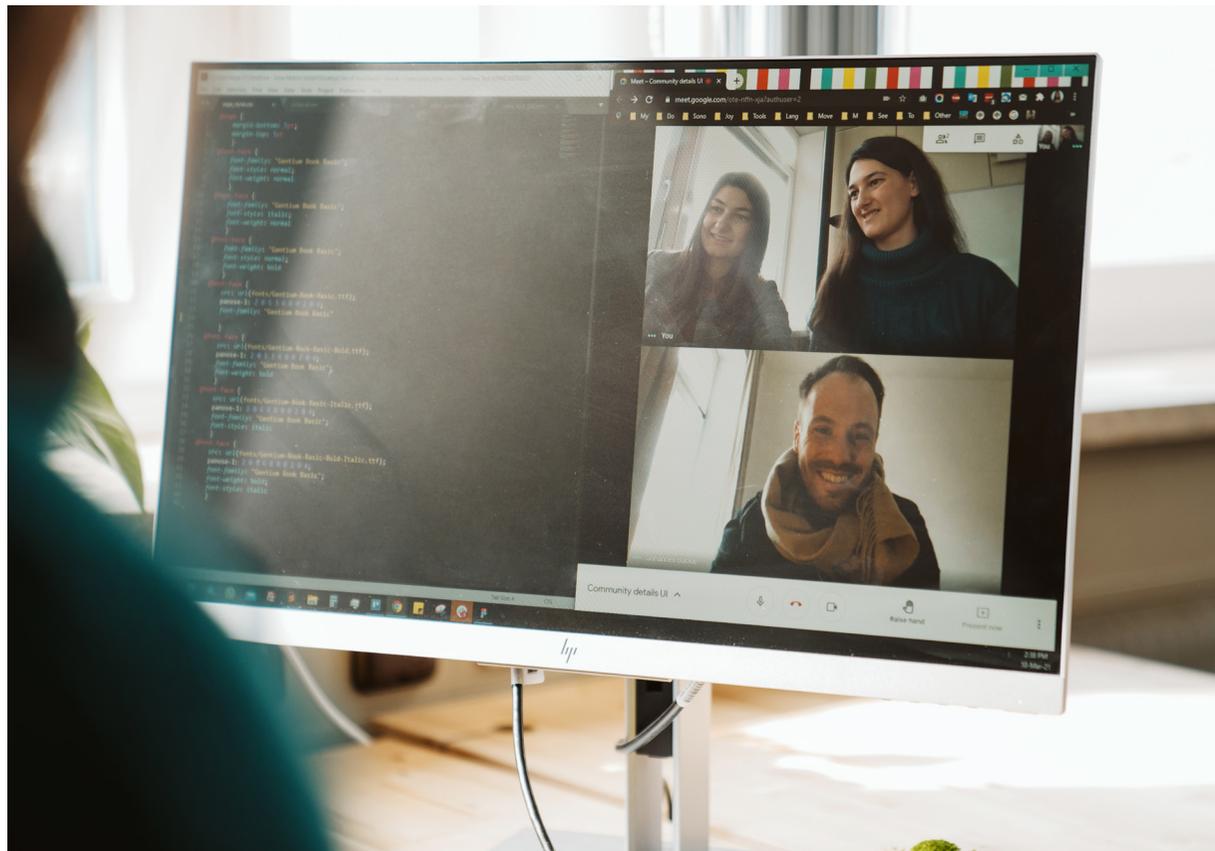
THE INVOLVEMENT OF OUR COMMUNITY, OUR TEAM AND OF COURSE OUR ASSOCIATES AND INVESTORS IS VERY IMPORTANT TO US.

The following demonstrates how we handle the concerns expressed by our most important stakeholders.

GRI SRS-102-44

Community

WE ARE IN CONSTANT DIALOGUE WITH OUR COMMUNITY AND WANT TO EMPHASIZE THEIR ACTIVE PARTICIPATION IN THE DEVELOPMENT OF THE SION



Last year, we conducted regular surveys in which we gathered opinions on topics like test drives and the interior and exterior design of the Sion. This feedback was then incorporated into our development. In order to better understand the concerns and wishes of the community, we assigned a representative from their own ranks in 2020. Since then, they have acted as a spokesperson and are involved in shaping the future of Sono on behalf of the community.

We also want to maintain the transparency desired by the community and therefore provide as much information as possible via various channels. These include our website, social media as well as personal events regarding the status quo of our development. Our community not only represents our future customers, but also the investors in our common future.



GRI SRS-102-44

Team

WE SEEK TO ENSURE THE SATISFACTION OF OUR TEAM AND FURTHER DEVELOP SONO TOGETHER. THEREFORE WE CONDUCT REGULAR EMPLOYEE SURVEYS, ACCOMPANIED BY INDIVIDUAL INTERVIEWS.

The concerns raised here have gradually been transformed into actions by several working groups throughout 2020. The topics covered included decision-making and transparency; strategy design using the OKR method; empathy communication; restructuring into a [Teal inspired organization](#); and employee development and compensation. It is highly important to us to provide a working environment in which everyone feels comfortable openly and honestly expressing any concerns. Therefore we gave the entire team the opportunity to ask questions of any kind, at any time, in our “Ask me anything” chat channel. All questions posed here are replied to within a week.

GRI SRS-102-44

Associates

We proactively promote exchange with associates through regular meetings. In doing so, we meet a central concern of our partners. Namely, early, consistent and reliable information on important decisions.

GRI SRS-102-44

Investors

In addition to the reliable support we receive from our reservation holders, we were also able to get other investors on board for Sono. They desire a clear strategy behind our great vision, which we communicate through regular updates.





GRI 300

ECOLOGICAL INDICATORS

GRI 300

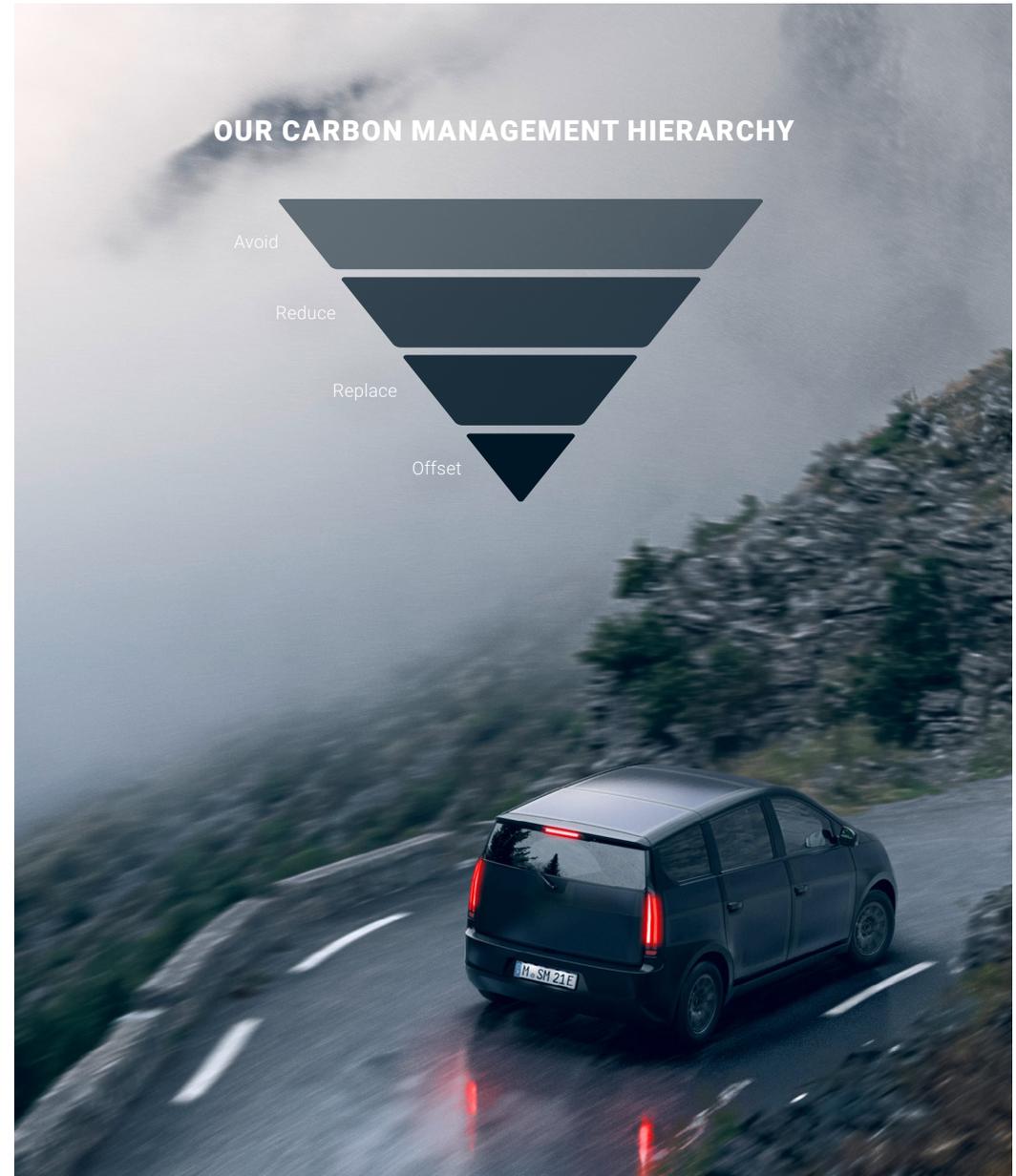
Our Contribution to Climate Protection

SINCE THE VERY BEGINNING, WE, AS AN ORGANIZATION, HAVE BEEN COMMITTED TO KEEPING OUR OWN CO₂-eq FOOTPRINT AS LOW AS POSSIBLE WHILST ALSO CONSERVING RESOURCES AS MUCH AS POSSIBLE.

Despite green electricity and green gas in our office buildings, strict waste separation and measures to reduce water and electricity consumption, our actions generate emissions.

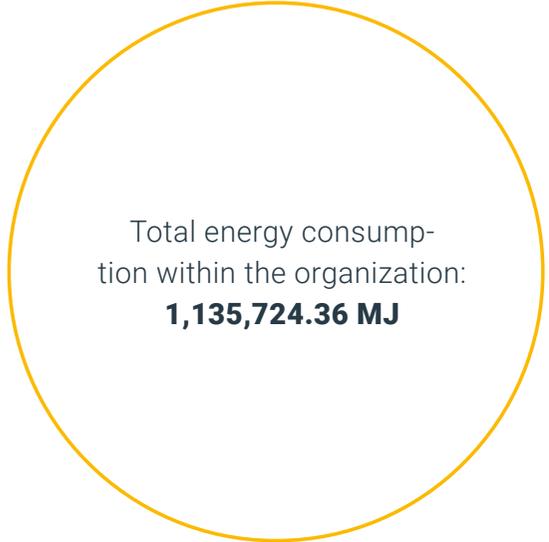
In 2020, a total of 60 metric tons of CO₂-eq were emitted as a result of our activities. Not only do we track these emissions, but also offset them afterwards with the help of our carbon offset partner "myclimate". In the course of offsetting, we support a Gold Standard certified carbon offset project in Bolivia.

This project replaces inefficient wood burning stoves with solar equivalents and thus protects from deforestation and promotes the health of the local population. You can learn more about it [here](#).



GRI SRS-302-1

Energy Consumption within the Organization



Total energy consumption within the organization:
1,135,724.36 MJ

WE USE ENVIRONMENTALLY FRIENDLY ECO-GAS INSTEAD OF FUEL OIL FOR HEATING OUR OFFICE BUILDINGS. THE BIOGENIC WASTE AND RESIDUAL MATERIALS FROM WHICH BIOGAS IS PRODUCED ARE LOW IN CO₂-eq, THEREFORE MAKING IT CO₂-eq EFFICIENT. THE PRODUCTION OF BIOGAS FROM RENEWABLE RESOURCES ALSO ONLY RELEASES AS MUCH CO₂-eq INTO THE ATMOSPHERE AS THE RESOURCES THEMSELVES ABSORBED PREVIOUSLY. THIS KEEPS OUR OFFICE WARM IN A CLIMATE-FRIENDLY MANNER, EVEN IN WINTER.

Our energy consumption was also strongly influenced in 2020 by the fact that we spent most of the year at home. We therefore also encourage our entire team to switch to green energy suppliers for their home, and now by proxy office, thereby saving resources where possible.

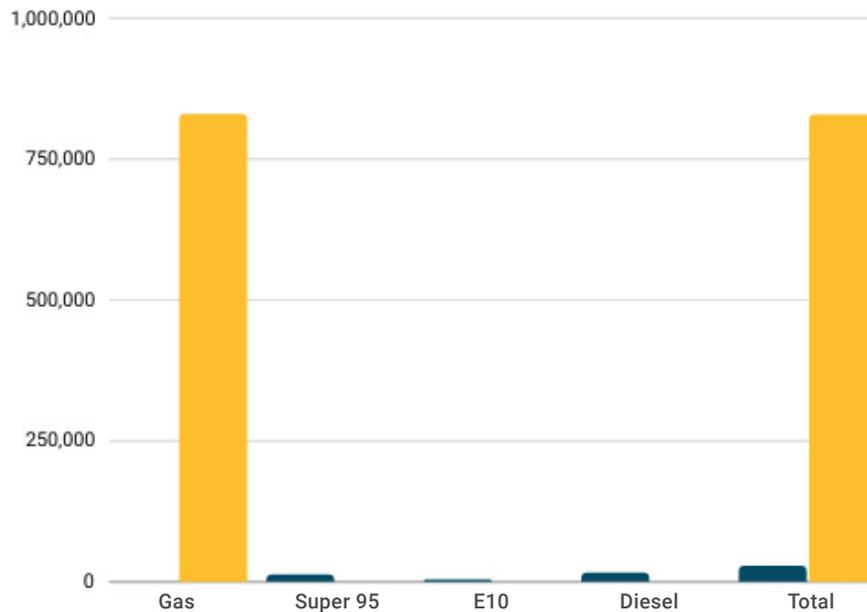
Our two company vehicles, the ZOE's, are purely electric and are charged via the Munich power grid and at their respective destinations. Unfortunately, we cannot always rely purely on renewable electricity, as not all charging stations are supported with it.

Our office in Munich is supplied with green electricity, which is entirely generated from hydropower plants. Whenever possible, we try to use public transportation such as buses and trains for business trips. In most cases, we succeed in doing so, but sometimes we don't manage to completely dispense with rental cars or flights as a means of transportation. This consumption is also recorded and listed transparently in the charts below.

GRI SRS-302-1

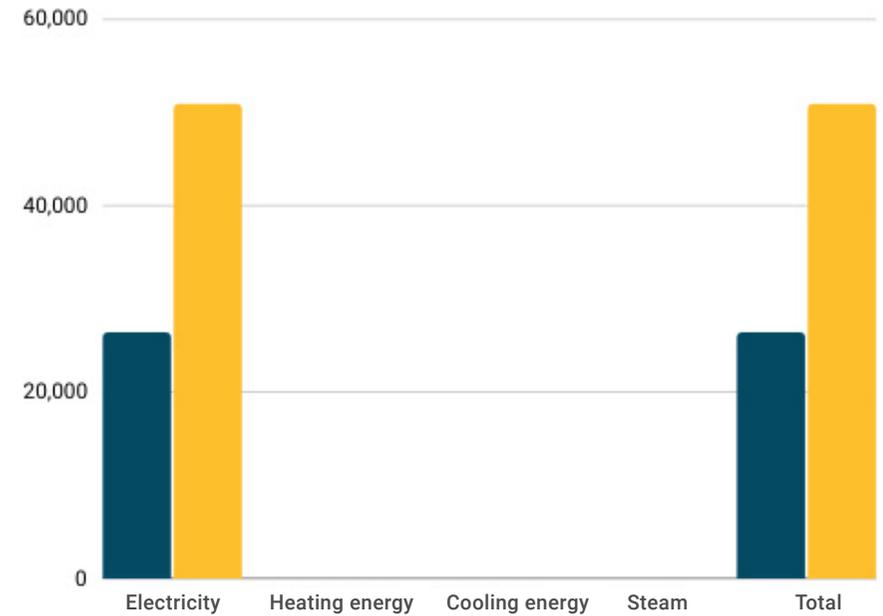
Energy Consumption within the Organization

Total fuel consumption within the organization



● Energy (renewable) ● Energy (non-renewable)

Forms of energy purchased by the organization (also in kWh)



DATA COLLECTION METHODS:

The data was transferred from our incoming invoices from 2020 and processed with the Spenoki Solutions GmbH "Atomic Engine".

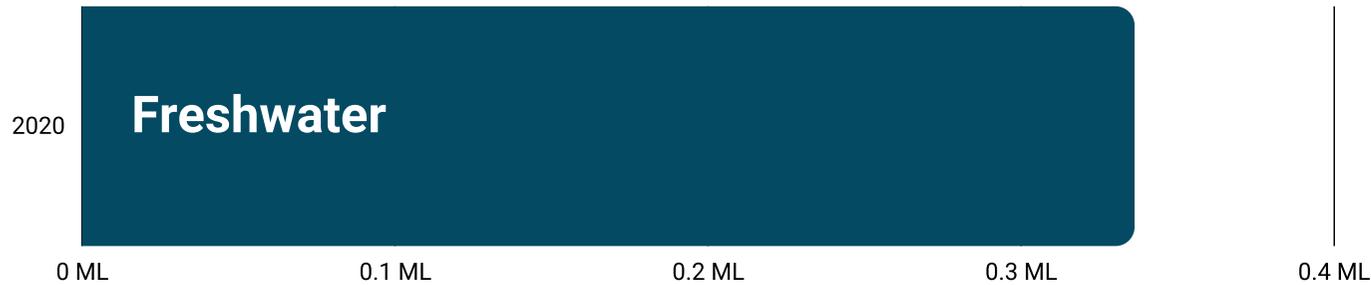
GRI 303-3

Water Withdrawal

We strive to reduce our water consumption every year.
 In 2020, approx. 2240 bathtubs with a capacity of 150 liters were consumed, almost 500 bathtubs less than in 2019.

Region Germany / Bavaria
Water stress No
Source Water from third parties (SWM)

Water withdrawal according to targets

**INFORMATIONS:**

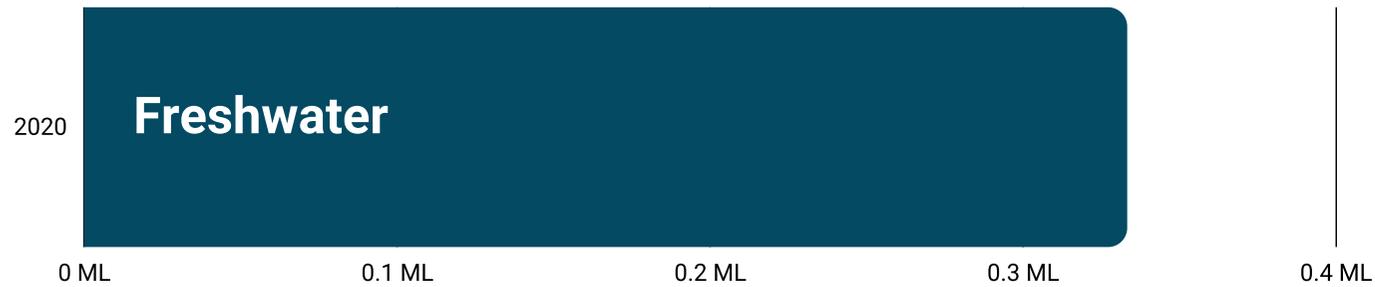
The entire water supply for the Munich site is covered by the municipal water supplier.
 Only wastewater comparable to domestic wastewater is generated. There is no recovery or reuse.
 The wastewater is returned via the municipal water company disposal lines.

GRI 303-4

Water Recirculation

Region Germany / Bavaria
Water stress No
Source Returned by third parties

Water recirculation according to targets:



INFORMATIONS:

No substances of concern are discharged.

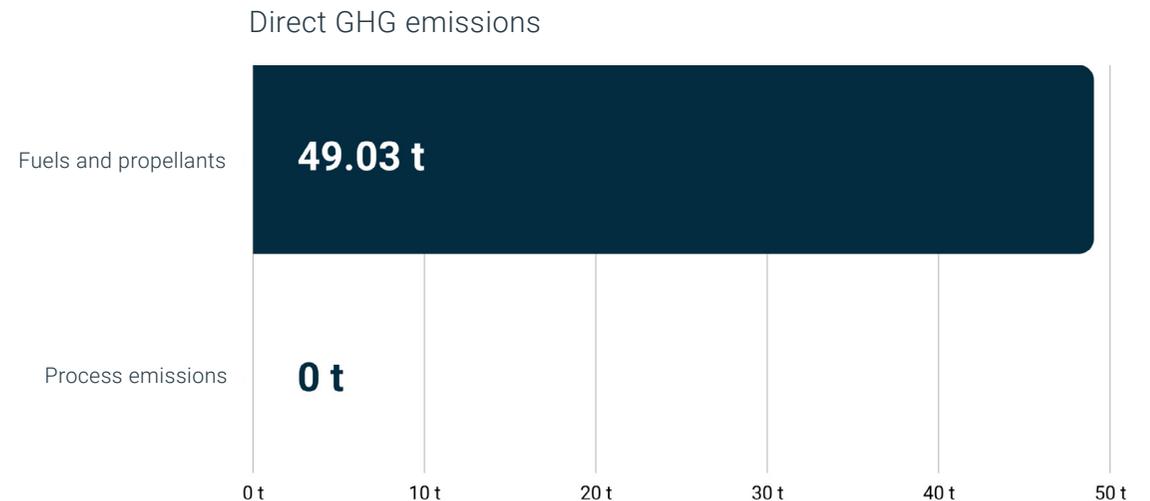
GRI 305-1

Direct GHG-Emissions (Scope 1)

The gross volume of direct GHG emissions from Scope 1 (according to GHG protocol) is 49 metric tons of CO₂-eq.

Scope 1 includes all emissions directly caused by combustion within the organization. In our case this includes our two ZOE's, the emissions generated by the use of private vehicles and rental cars for business trips, and the gas for our office heating.

Total: **49.03 tons CO₂-eq**

**INFORMATIONS**

All significant greenhouse gases were included in the calculation.

Methodologies: The data was transferred from our incoming invoices from 2020 and processed with the Spenoki Solutions GmbH "Atomic Engine".

Consolidation approach: No consolidation approach was used as only Sono Motors GmbH was considered.

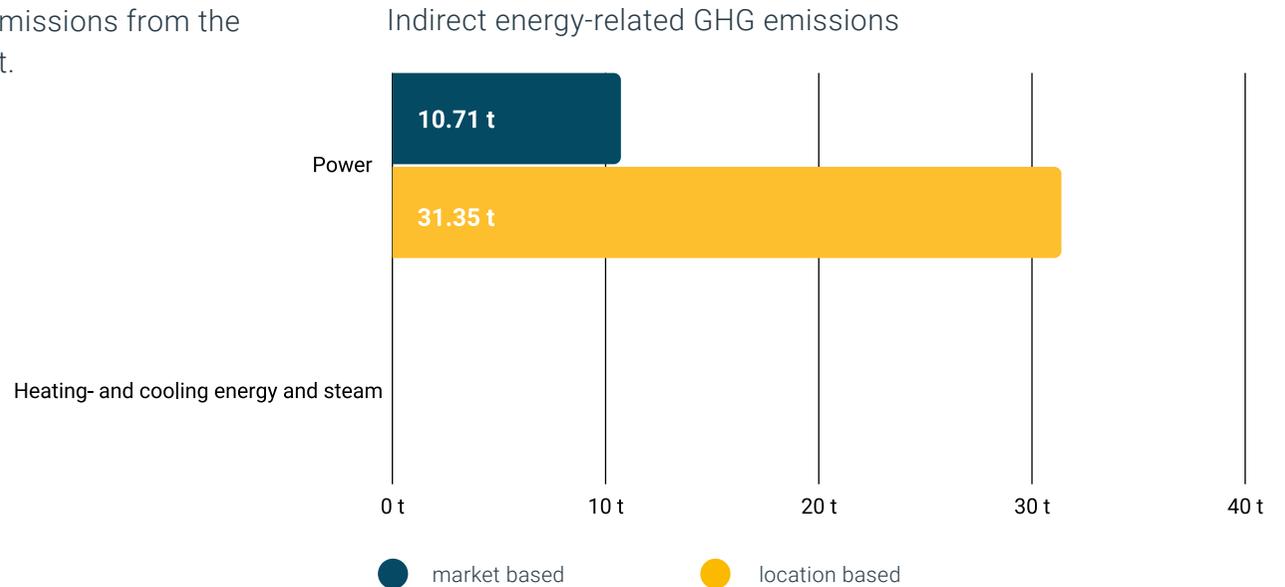
GRI 305-2

Indirect Energy-Related GHG Emissions (Scope 2)

The gross volume of indirect GHG emissions from Scope 2 is 31 metric tons of CO₂-eq (location-based) and 11 metric tons of CO₂-eq (market-based). In accordance with the GRI standard, we publish both emission calculations location-based and market-based. However, the location-based emissions from the production of our electricity are more relevant.

Total (location-based): **31.35 tons CO₂-eq**

Total (market-based): **10.71 tons CO₂-eq**



INFORMATIONS

All significant greenhouse gases were included in the calculation.

Methodologies: The data was transferred from our incoming invoices from 2020 and processed with the Spenoki Solutions GmbH "Atomic Engine".

Consolidation approach: No consolidation approach was used as only Sono Motors GmbH was considered.

GRI 305-3

Other indirect GHG Emissions (Scope 3)

The gross volume of indirect GHG emissions from Scope 3 is 22 metric tons CO₂-eq.

Scope 3 includes emissions caused by purchased third-party inputs and services. Our relevant emissions are thereby mobility during business trips and our test drive tours, commuting to the office, and waste disposal by the municipal waste disposal company.

In addition to our two ZOE's, we also use electric cars for transporting the team and the Sion on our tours. Moreover, we pay attention to the efficient use of resources when choosing tour accommodations and designing the events, for example by

booking entire apartments for our event team and ensuring exclusively vegan catering at community events.

Our intrinsic motivation is to get to the office in the potentially most climate-friendly way. We love seeing the bikes parked outside our office all year round. Of course, that we spent a large portion of 2020 working from home influences the amount of emissions emitted.

Total: **22.34 tons CO₂-eq**

DETAILS OF PROCESS-BASED LCA EMISSIONS:

Process-based LCA breaks down the emissions for a specific step in the production of a product or service and totals them along the supply chain. We used this approach where sufficient data was available.

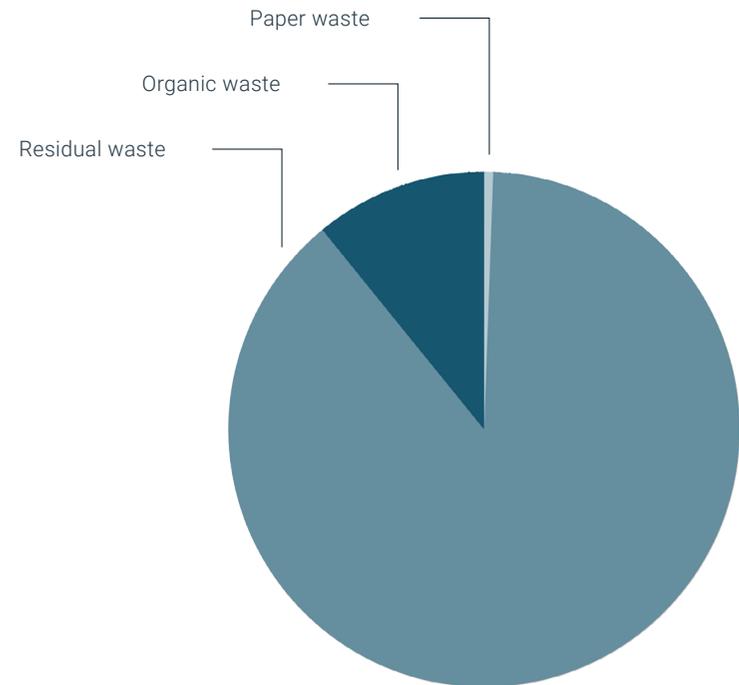
GRI 306-3

Waste Generated

Waste is a key environmental issue: limited resources are wasted and pollute our environment. Therefore, our primary goal is to avoid waste.

Our modern and digital way of working enables us to save a substantial amount of paper waste. Naturally, we do generate other waste in the office. Any waste we do generate is first separated, and then sent to the municipal waste disposal company to be properly processed.

Total waste generated: **3.38 tons**

**DETERMINATION OF THE WASTE DISPOSAL METHOD:**

Recyclable waste was either sent to the resource cycle or thermal recycling. Paper waste and organic waste are recycled by the municipal waste management company. The data was apportioned to Sono Motors' space via the waste disposal bill for the entire building.

GRI 400

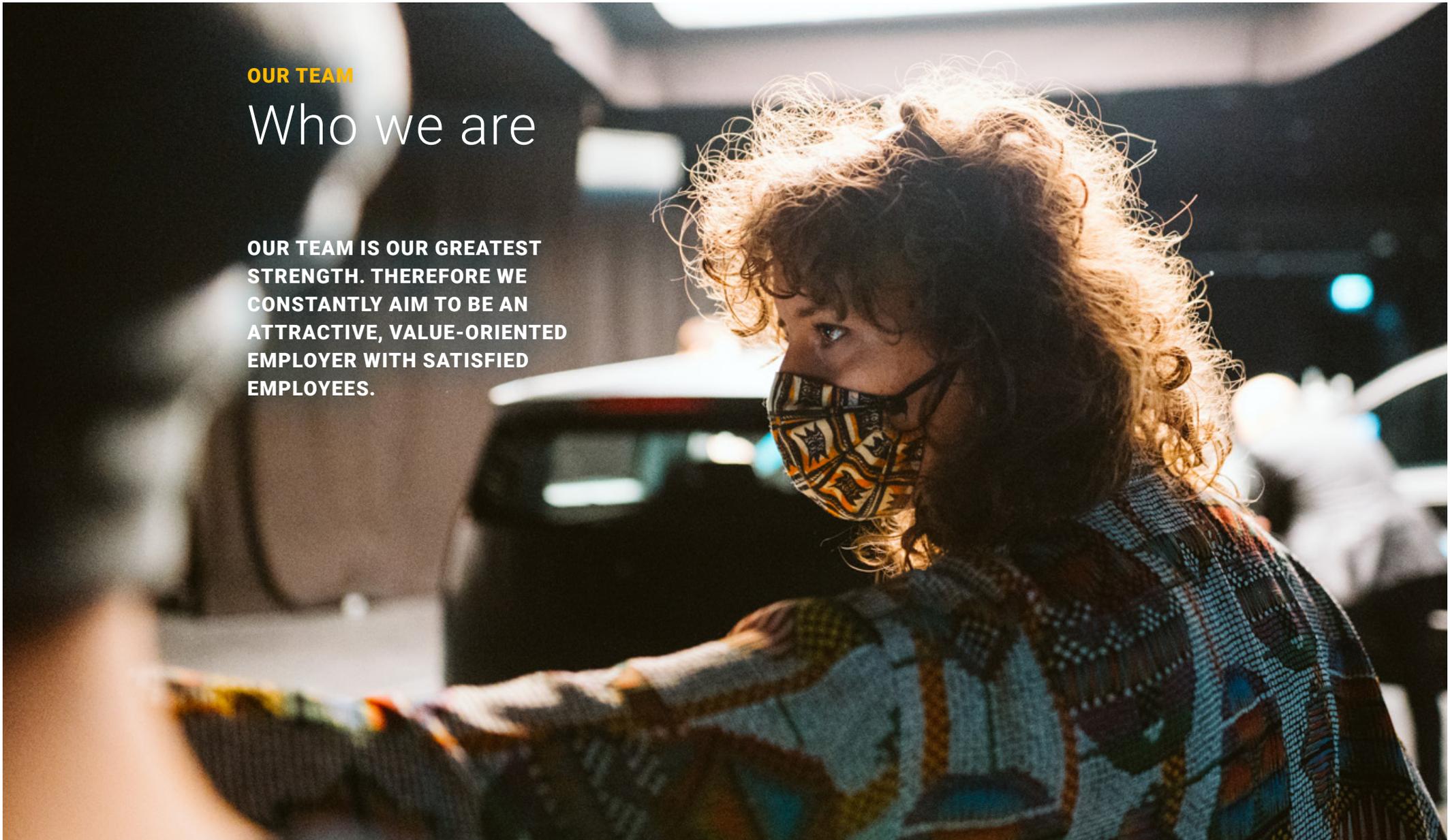
SOCIAL INDICATORS*

*The GRI standard has specific requirements for the calculation of the social indicators, which is why we additionally state the respective databases in order to explain given differences in the total number of employees.

OUR TEAM

Who we are

OUR TEAM IS OUR GREATEST STRENGTH. THEREFORE WE CONSTANTLY AIM TO BE AN ATTRACTIVE, VALUE-ORIENTED EMPLOYER WITH SATISFIED EMPLOYEES.



GRI SRS-403-9 (A+B)

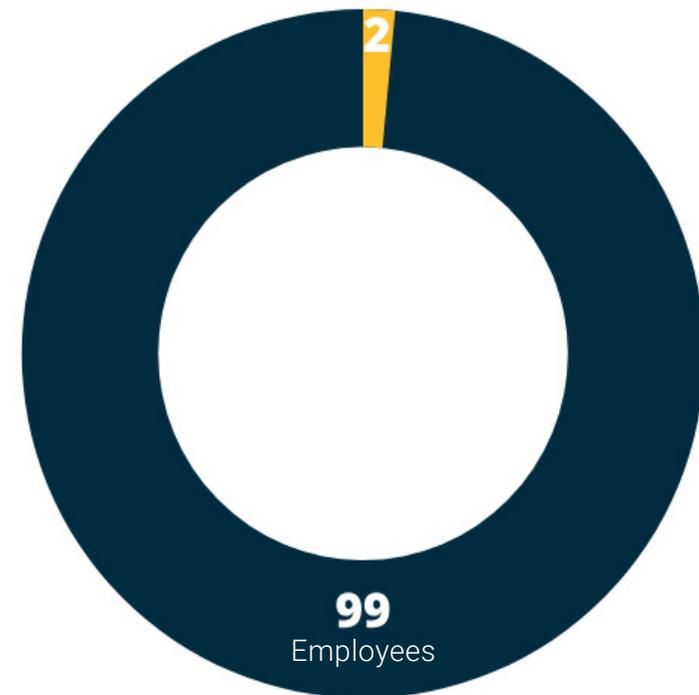
Work-Related Injuries

Our office should be a safe space for everyone, facilitated by occupational health and safety measures and a respectful environment.

Rate of absence (non-GRI)

The health and well-being of our employees is particularly important to us in a year full of crises like 2020. Wearing masks has certainly also kept colds away from our team, which is why we had a very low rate of absence due to illness of 1.75% only.

Occupational and commuting accidents

**DATABASE:**

Permanent full-time and part-time employees excluding working students as of the reporting date 31.12.2020. We currently don't report this information broken down by gender or with regard to freelancers and external employees.

Database: Data export from the HR tool "Personio" as of the reporting date 31.12.2020

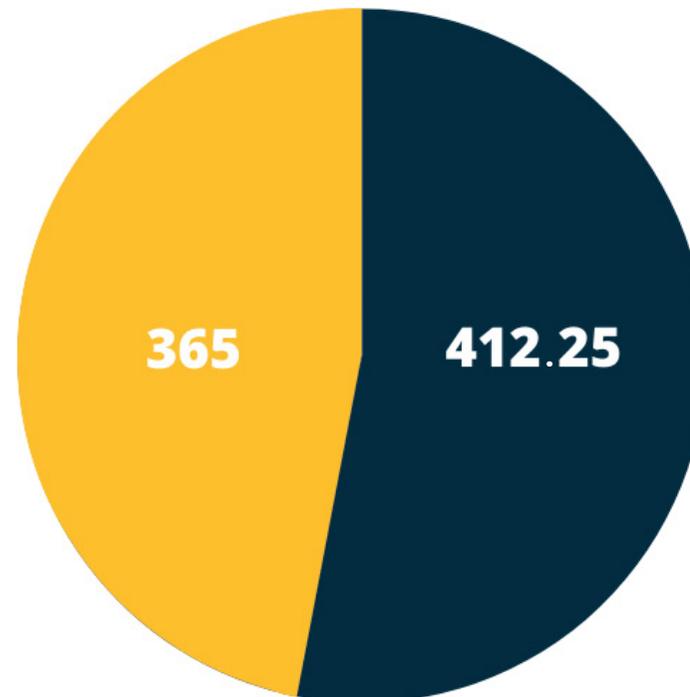
GRI SRS-404-1

Average Number of Hours of continuing Education and Training per Year and Employee

Innovative developments require permanent learning. Workshops, training sessions, and external further education courses allow our entire team to develop further and grow stronger, both personally and professionally.

In 2020, we collectively learned for a total of 777 hours, 412 hours of which were internally offered workshops and an additional 365 hours were external training.

Hours of further training
(external)



Hours of further training
(internal)

INFORMATIONS:

Currently we don't report training hours broken down by gender and other employee categories, as the relevant data is not yet available. We are continuing to develop our data collection in this regard and plan to report on this in the future.

GRI SRS-405-1

Diversity in Control Bodies and among Employees



We foster equal opportunities for everyone. Bearing this in mind, we take into consideration all differences in our team - especially age, gender, sexual orientation, physical abilities, ethnicity, religion and worldview, as well as marital status and personal preference.

Control bodies

In the context of our new organizational design, we established the following control bodies with various competencies.

GRI SRS-405-1

Strategy Circle

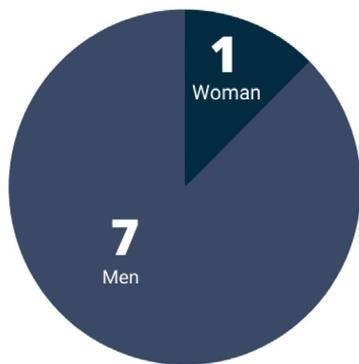
The *Strategy Circle* consists of the two founders and the department heads. They evaluate the medium and long-term development opportunities for Sono, which includes cross-organizational goal setting, evaluation of financial potential and possible risks, and the continuous sustainable development of the organization.

GRI SRS-405-1

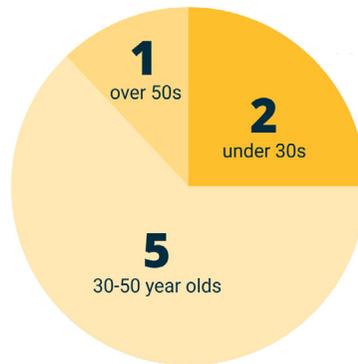
Normative Circle

The *Normative Circle* is a group of various internal stakeholders, such as management, employee representatives, and the departments HR and Legal. The *Normative Circle* serves to introduce and develop the company's principles and culture, as well as to monitor compliance with the company's values and legal requirements.

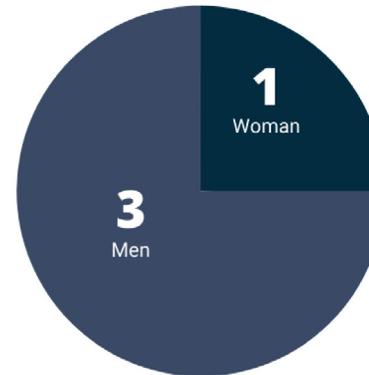
Gender distribution



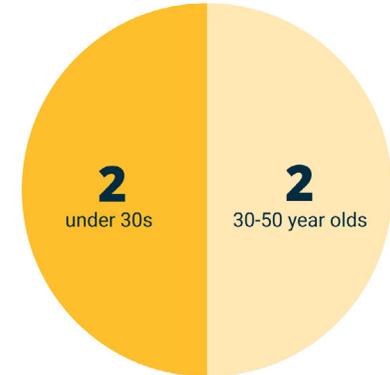
Age distribution



Gender distribution



Age distribution

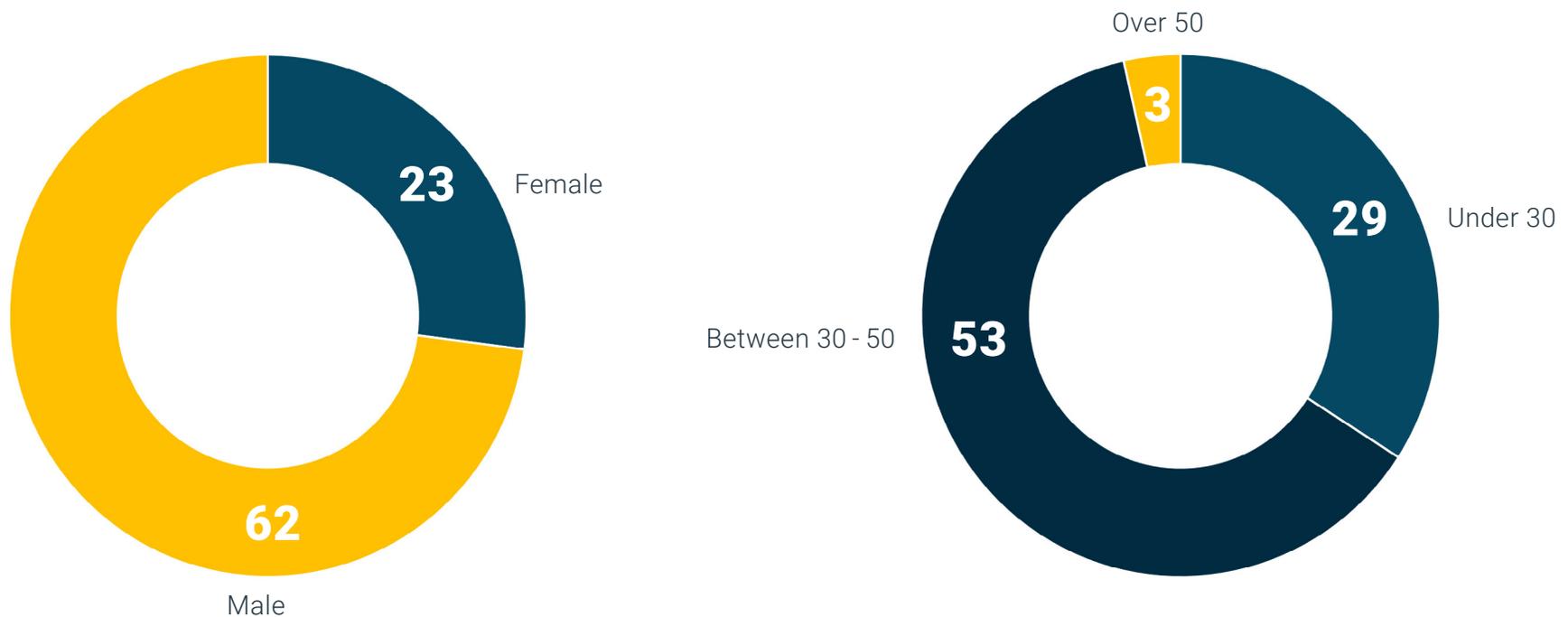


GRI SRS-405-1

Team Diversity

In 2020, our team consisted of 27% female and 73% male colleagues.

We are a diverse team of experienced industry experts and motivated young talent with an average age of 34 in 2020, 2 years older than in 2019.



DATABASE:

Permanent and temporary full-time employees excluding working students as of 31.12.2020

SONO MOTORS

Team Diversity

Turnover Rate (non-GRI)

In 2020, we were able to welcome several new colleagues despite the challenging situation. Working entirely from home was very unusual for our team. Nevertheless, we were able to further strengthen our team spirit through digital team events. The 18% team growth was accompanied by a natural increase in the turnover rate to 20%.

We are happy to report that we didn't have to make any redundancies due to the impact of the pandemic. Finally, we continue to have big growth plans for 2021 to get the Sion on the road as soon as possible.

Gender Pay Gap (non-GRI)

Fair wages are a necessary precondition to equality. Through our fairness-payroll-tool, we were able to reduce the gender pay gap from 5% in 2019 to 3.76% in 2020. In the future we want to improve this even further. Therefore we are working towards fair salaries based on performance, responsibility and role fit.

**Nationalities in the Team (non-GRI)**

A diverse team in which everyone is respected and accepted promotes innovation and creativity. Our team is more multicultural than ever, with 15 different nationalities.

DATABASE:

Permanent full and part-time employees excluding working students between the dates 01.01.2020 and 31.12.2020. Calculated using the Schlüter formula.

GRI SRS-414-2

Negative Social Impacts in the Supply Chain and Mitigation Strategies

The most critical resource we need to fulfill our vision of the Sion is the cobalt in our vehicle batteries. Cobalt mining is associated with violations against human rights and further negative environmental impacts. We feel strongly responsible for increasing transparency in the supply chain and improving mining conditions through our actions. To achieve this, we joined the Fair Cobalt Alliance (FCA) in August 2020. The FCA is an initiative of various companies that aims to create fair mining conditions in the mining communities, with the help of local partners. In addition to fair wages and trading conditions, it focuses on education, health, environmental protection and represents workers' rights.



SONO MOTORS

Epilogue

WE WANT CLIMATE-FRIENDLY MOBILITY. WE FIGHT FOR THIS GOAL EVERY DAY AND ARE GRATEFUL THAT OUR COMMUNITY HAS OUR BACK AT ALL TIMES. 2021 BRINGS NEW CHALLENGES, BUT ALSO NEW OPPORTUNITIES AND, LAST BUT NOT LEAST, A NEW DEVELOPMENT STAGE OF THE SION ON ITS WAY TO THE SERIES PRODUCTION.



SONO

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