

SONO

SONO  MOTORS

SUSTAINABILITY AT SONO MOTORS 2021

Resource Conservation,
Climate Protection and Equity

OUR VISION

A WORLD WITHOUT FOSSIL FUELS.

REPORTING FRAMEWORK

This report contains selected sustainability indicators, which were created with reference to the standards of the Global Reporting Initiative (GRI). However, no external quality examination of it has been undertaken.

An analysis with reference to the GRI standards is an important step towards developing a comprehensive sustainability strategy, in which reduction potentials are identified and corresponding measures and goals are set.

Preface

**DEAR COMMUNITY,
ANOTHER YEAR HAS PASSED IN WHICH WE HAVE
ACHIEVED SO MANY IMPORTANT MILESTONES
TOWARDS ENABLING SUSTAINABLE MOBILITY, BY
MAKING EVERY VEHICLE SOLAR.**

2021 was another very exciting year for us. We achieved so much despite ongoing challenges faced by the global COVID-19 pandemic. Just after the clock struck 12 on 1 January we had the huge privilege of launching our SVC2 to the world at the Consumer Electronics Show (CES).

We were also able to bring it to you our Community across Germany in our summer tour which enabled us to again be with one another, albeit at a distance. Not only did we conduct a successful tour across the country, but we also reached 16,000 reservations for our original passion project, the Sion, which also received a larger battery. This further confirms to us the everyday person's want and need for an affordable and sustainable solution to meet their mobility requirements.

No year at Sono can be classed as 'normal' and 2021 was no exception to this. In November we went public on the Nasdaq Global Market under the ticker symbol SEV. A huge undertaking, this development was a massive step towards bringing us closer to fulfilling our mission and vision.

Sono Solar went from strength to strength, signing over 10 commercial contracts and letters of intent with a diverse range of clients from the logistics and transportation industries.

Our company is going from strength to strength and this can be seen in all of the amazing people we have been able to bring on board to our team in 2021. We continue to work for a world without fossil fuels and always have this in the forefront of our endeavors.

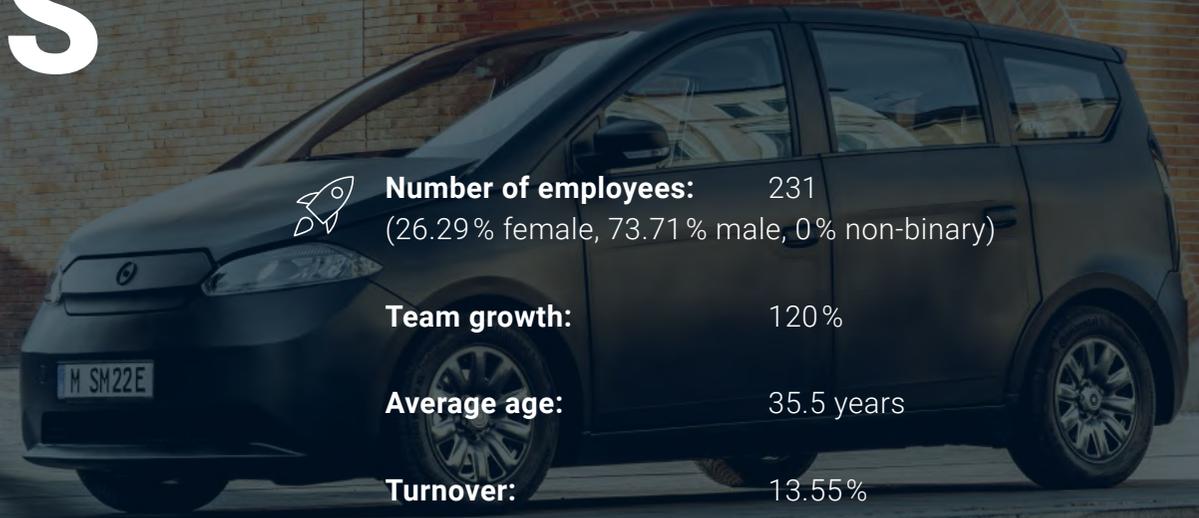
Our annual sustainability report is one of the ways we wish to stay transparent and ensures that we are ever endeavoring to do our business in a way that reflects our vision and benefits the world we live in.

As last year, this report is again aligned with the GRI standard for sustainable reporting and we strive to be unequivocal in the clarity of our reporting on the equity, resource conservation and climate protection of Sono Motors.

It's our sincere hope that you enjoy reading this and we wish you, as ever, sunny greetings.

Laurin & Jona

SONO IN NUMBERS



 **CO₂-eq footprint:** ~ 132 metric tons
 Scope 1: 50.86 metric tons
 Scope 2: 3.83 metric tons
 Scope 3 (activity based): 76.52 metric tons

Emission intensity: 323 kg per employee

Water withdrawal: 0.4 ML (Megaliter)

 **Energy consumption:** 1,947,015.26 MJ

Energy intensity: 11,500 MJ per employee

Waste: 33.83 tons

 **Number of employees:** 231
 (26.29% female, 73.71% male, 0% non-binary)

Team growth: 120%

Average age: 35.5 years

Turnover: 13.55%

Rate of sickness: 1.9%

Rate of absence: 10.75%

Median salary: Females: €5,083/month
 Males: €5,833/month

 **ENPS:** 8.21 out of 10

 **5 Executive board members**

4 Supervisory board members

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

Agenda

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GRI 100

GENERAL INFORMATION



GRI 102-1 TO -5, 102-13

Organizational Profile

**SONO MOTORS GMBH WAS FOUNDED IN 2016
AND IS HEADQUARTERED IN MUNICH, GERMANY.**

Listed at the Nasdaq stock exchange under Sono Group N.V., Sono Group N.V. is the mother company of Sono Motors GmbH, which serves as the operating company (see governance structures on page 54 following).

We are a dynamic organization that is constantly evolving and characterized by lively structures and strong growth. We take a decentralized and purpose-oriented approach to decision-making. Likewise, we work in Circles, Groups, Squads and Clusters. These are divided according to different products, services, skills and responsibilities. Each of these teams has the freedom, as well as the responsibility, to determine their own internal working methods and structures in a purpose-oriented manner.

Our membership in associations like the following is also imperative to us and our continuation to work together to create a fairer and cleaner world.



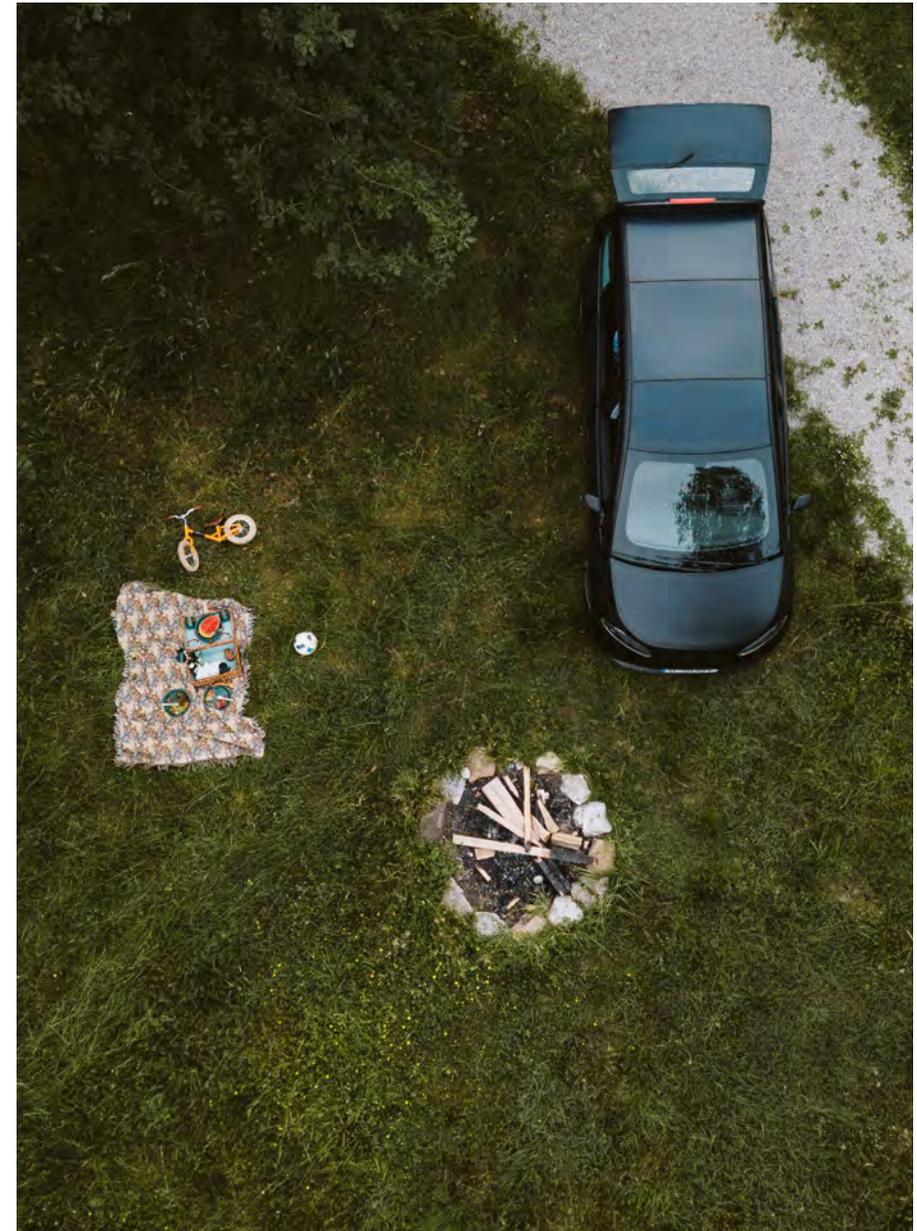
GRI 102-16

Organization values, principles, standards and behavioral norms

WE CONTINUE TO STRIVE TO DEMONSTRATE THE IMPORTANCE OF ENVIRONMENTAL PROTECTION IN MOBILITY. IT REMAINS INCREDIBLY IMPORTANT FOR US THAT THIS MOBILITY BE IN HARMONY WITH BOTH HUMANKIND AND THE NATURAL WORLD. WE BELIEVE IN A WORLD IN WHICH EVERY VEHICLE IS SOLAR INTEGRATED, ELECTRIC AND SHARED WILL TRULY ENABLE INDEPENDENCE FROM FOSSIL FUELS.

At Sono Motors, we continue to create fair working conditions, handle all resources efficiently, avoid waste and emissions, and offset those that are unavoidable. Our values of courage, integrity, responsibility, empathy and trust are the foundation of the work we do everyday .

Environmental conservation is included as the third article in our Company Statute - making it one of our guiding forces, even on a company registration level.



STAKEHOLDER ENGAGEMENT

GRI 102-44

Key topics and concerns raised

CONTINUED ENGAGEMENT WITH OUR COMMUNITY, OUR TEAM AND ASSOCIATES AND INVESTORS REMAINS OF INCREDIBLE IMPORTANCE TO US.

GRI 102-44

Community

OUR COMMUNITY HAS BEEN WITH US THROUGHOUT OUR JOURNEY AND 2021 BROUGHT A LOT OF CHANGES THAT WE NEEDED TO NAVIGATE WHILST KEEPING OUR COMMUNITY INFORMED AND KEEPING THEIR BEST INTERESTS AND FEEDBACK IN MIND.



As we went public on the Nasdaq Global Market in November 2021, we are legally obliged to have a supervisory board formed of various industry experts. We thought it appropriate, therefore, to include our Community representative to this board and are delighted that their voice, and by proxy the Community's voice, will be present here. We, as always, want to maintain transparency.

GRI 102-44

Team

THE WELLBEING AND SATISFACTION OF OUR TEAM IS SOMETHING WE STRIVE TO UPHOLD IN EVERY ACTIVITY WE UNDERTAKE.

As our team has grown exponentially in size over the last year, we have faced new challenges of how to ensure this as it expands. We undertake regular employee satisfaction surveys, the results of which are carefully reviewed in a considerate and anonymous manner. The topics remain decision-making and transparency, as in previous years, but we also began asking about people's mental wellbeing and giving them a space to feel open to talk about any issues they are experiencing in their work environment. We want our employees to feel seen and heard but not that participation is mandatory. It is highly important to us to provide a working environment in which everyone feels comfortable openly and honestly expressing any concerns if they so wish.



GRI 102-44

Stakeholders

ASSOCIATES

We continue to 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.

INVESTORS

2021 was a big year for us and we were able to navigate it with the continued support from our reservation holders and investors. Transparency is a very important part of our work and we remain in close exchange with all our investors regarding our strategy.

SHAREHOLDERS

In 2021, we successfully went public via an IPO on the Nasdaq GLOBAL MARKET. Something that has opened so many new doors and enabled us to reach capital in a way we were unable to prior to this and create a stronger connection overseas with the US.

GRI 300

ECOLOGICAL INDICATORS



ECOLOGICAL INDICATORS

Our Environmental Policy

WE ARE COMMITTED TO CONTINUOUSLY KEEPING OUR CARBON FOOTPRINT AS LOW AS POSSIBLE WHILST CONSERVING RESOURCES. IN PRACTICE, THIS MEANS THAT WE HANDLE ALL RESOURCES EFFICIENTLY, AVOID WASTE AND EMISSIONS, AND OFFSET THOSE THAT ARE UNAVOIDABLE.

Both our team and our space have grown exponentially in the last year, and that brings new challenges for waste and emissions reduction. Strict waste separation and measures to reduce water and electricity consumption at our headquarters are adhered to in addition to our use of green electricity and gas.

Due to the ongoing COVID-19 pandemic and the resulting restrictions here in Germany, the majority of our workforce worked from home for the most part, which therefore influences our energy and water consumption at our Headquarter. However, this is offset by the workshop building that we have additionally rented.

In 2021 a total of 132 metric tons of CO₂-eq were emitted as a result of our activities, which we offset with the help of our compensation partner 'myclimate'. This includes Scope 1, 2 and for the first time also the activity-based Scope 3 emissions.

This is the second year we have worked with [spenoki solutions GmbH](#) to collect and evaluate the ecological indicators reported beneath. We still have room for improvement in the sense of extending and improving the data base for ecological indicators. Further, we are in the process of establishing and implementing an environmental management system - the environmental policy as requested in ISO 14001 is already in place.



ECOLOGICAL INDICATORS

Energy consumption



GRI 302-1, -3

Energy consumption within the organization & energy intensity

A TOTAL OF 1,947,015.26 MJ OF ENERGY WAS CONSUMED THROUGHOUT THE YEAR 2021. THE LARGEST PART OF THE ENERGY WE CONSUME COMES FROM RENEWABLE FUELS. OUR ELECTRICITY COMES FROM 100% RENEWABLE SOURCES AND WE HEAT OUR OFFICE USING BIOGAS.

Our use of non-renewable energy is confined to the energy used to charge our two company vehicles (Renault ZOE) at public charging stations or necessary business travel. The majority of non-renewable gas is burned for heating our workshop building that we have rented since May 2021. We changed its energy provider to the same as our HQ, as of Q4 2021.

We also report a new indicator that is energy intensity for which energy consumption is divided by the average number of employees in 2021. This results in an energy intensity of 11,500 MJ per employee.



ECOLOGICAL INDICATORS

Water



GRI 303-3, -4, -5

Water withdrawal, recirculation and consumption

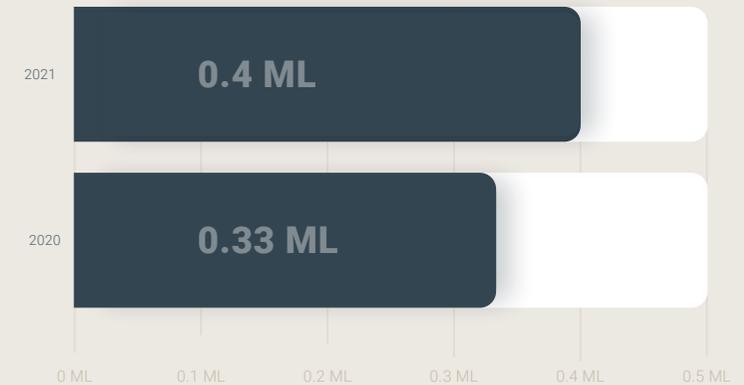
As every year, we strive to ensure that we are continually reducing our water consumption. In 2021 we filled approximately 2,667 150 liter capacity bathtubs, slightly more compared to 2020, 2,240. This can in part be related to the fact we were able to spend a bit more time in the office in accordance with COVID regulations, the addition of a second building and our increase in team size.

We withdrew 0.4ML freshwater and recirculated 0.39ML which resulted in a water consumption of 0.01ML.

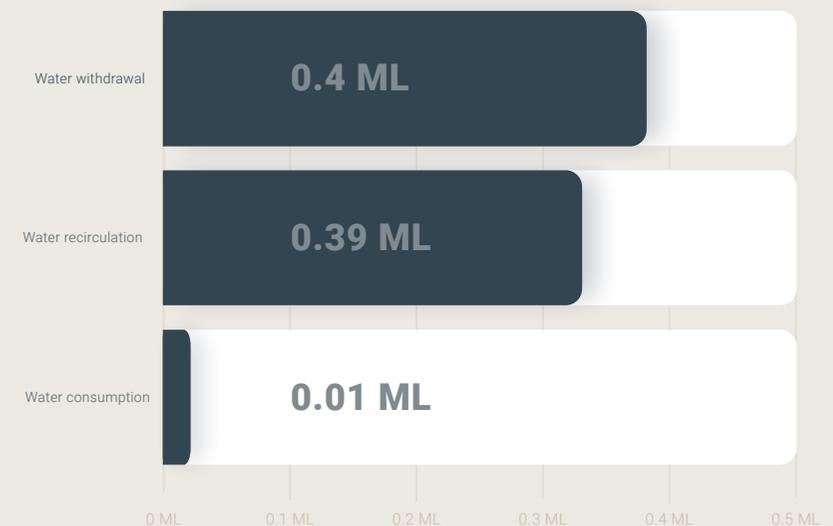
FURTHER INFORMATION:

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. No substances of concern are discharged.

GRI 303-3:



GRI 303-4 & GRI 303-5:





ECOLOGICAL INDICATORS

GHG emissions

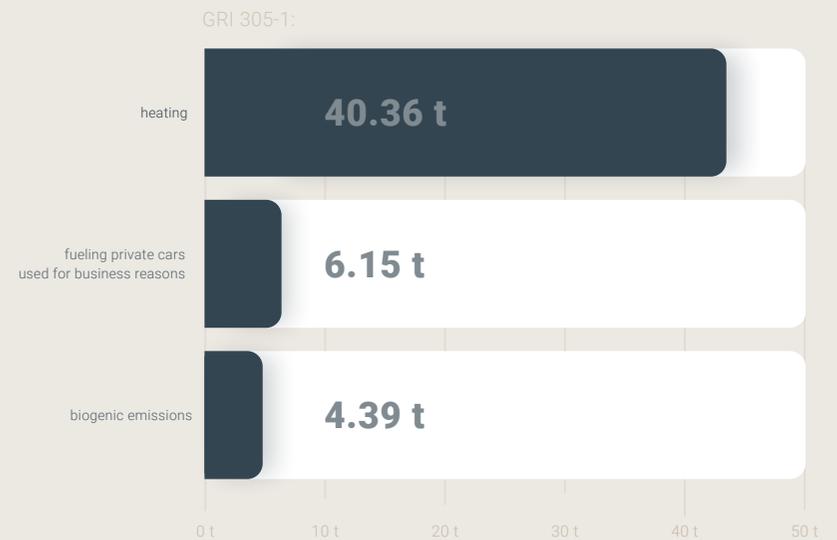
FURTHER INFORMATION:

All significant greenhouse gases were included in the calculation. Methodologies: The data was transferred from our incoming invoices from 2021 and processed by Spenoki Solutions GmbH. Consolidation approach: No consolidation approach was used as only Sono Motors GmbH was considered.

GRI 305-1

Direct GHG emissions (Scope 1)

The gross volume of direct GHG emissions from Scope 1 (according to GHG protocol) is 50.86 metric tons CO₂-eq. This scope includes all emissions directly caused by combustion within the organization. Therefore it relates to heating our HQ and workshop using biogas; heating our workshop prior to October using natural gas and fueling private cars for business reasons. This emission level is similar to the previous year of 49 metric tons of CO₂-eq.



GRI 305-2

Indirect energy-related GHG emissions (Scope 2)

The gross volume of indirect GHG emissions from Scope 2 is 31.37 metric tons of CO₂-eq (location-based) and 3.83 metric tons of CO₂-eq (market-based). In reference to the GRI standard, we publish both emission calculations location-based and market-based.

Market-based emissions are generally more accurate in our case, as the difference is due to 100% renewable energy (hydropower from „Naturstrom“) at our headquarters. The charging of our two ZOEes is also included in this range.

FURTHER INFORMATION:

The ‘GHG Protocol Scope 2 Guidance’ requires organizations to provide two distinct scope 2 values: a location-based and a market-based value. A location-based method reflects the average GHG emissions intensity of grids on which energy consumption occurs, using mostly grid-average emission factor data. A market-based method reflects emissions from electricity that an organization has purposefully chosen (or its lack of choice). It derives emission factors from contractual instruments, which include any type of contract between two parties for the sale and purchase of energy bundled with attributes about the energy generation, or for unbundled attribute claims.



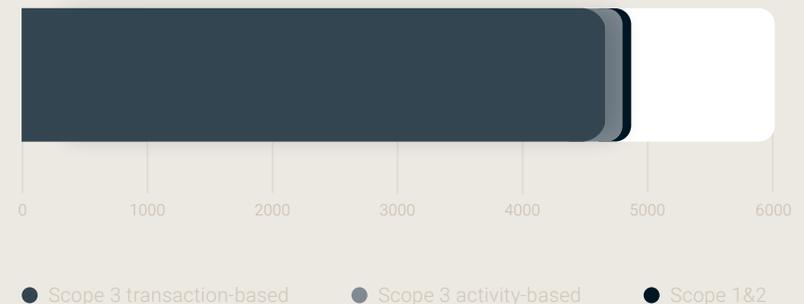
GRI 305-3

Other indirect GHG emissions (Scope 3)

The gross volume of indirect GHG emissions from activity-based Scope 3 is 76.52 metric tons CO₂-eq. As in 2020, our emissions in 2021 include those created for necessary business trips (rental cars and accommodation) and our tour, commuting to our office and waste disposal via the municipal waste disposal company.

Scope 3 is highly material for Sono Motors as the majority of emissions occur in the supply chain - especially as our component and contract manufacturing is part of this. Therefore, in addition to our activity-based Scope 3 emissions, we calculated the additional supply chain emissions up to tier 2, that is 4,749.62 metric tons. Please note that beyond tier 2, we have not reported any supply chain emissions due to restricted possibilities of our impact after this point, as well as the reliability of their calculation methodology.

total GHG emissions up to tier 2

**FURTHER INFORMATION:**

Scope 3 emissions are calculated according to two approaches (Source: spenoki solutions GmbH):
Materially Relevant Activities: For certain activities such as travel and waste processing, emissions are calculated on documented service deliveries. Factors such as transport modes used, distances traveled and the masses and types of waste materials are taken into account from operating site records.

Wider Supply Chain: For all other supply chain related emissions, a spend-based method is used. This method deploys an economic input-output model, which is used to determine the likely flow of services in the wider supply chain. OECD-sector based emissions are then determined up to two steps into the supply chain. This models all remaining financially material suppliers and their subsequent suppliers which have not already been accounted for in the activities calculation above. Financially material suppliers are those suppliers who receive more than 0.1% of Sono Motor's total annual expenditure.

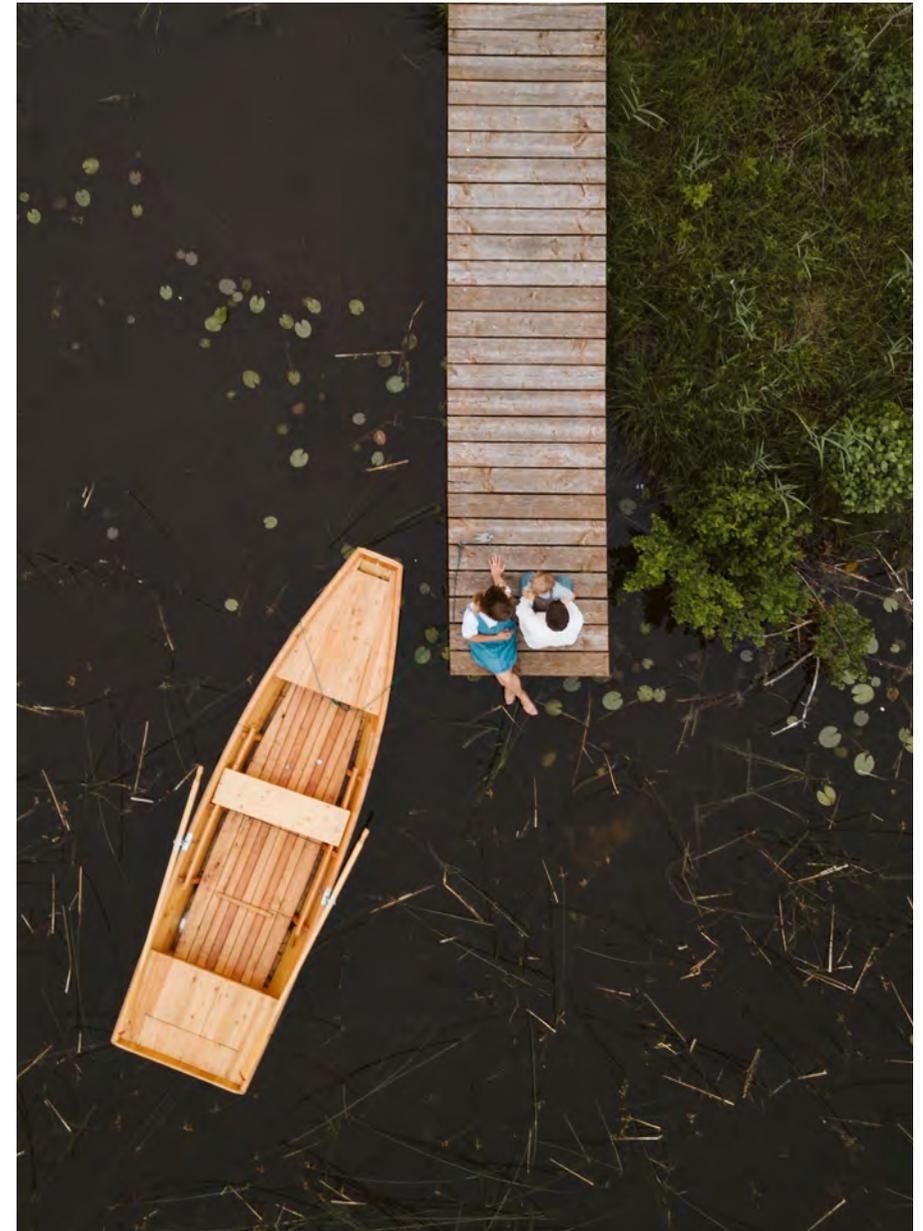
Further details regarding how such models assist in the calculation of scope 3 emissions is provided by the GHG Protocol in the "Technical Guidance for Calculating Scope 3 Emissions" Emissions related to Non-operational Capital expenditures for asset-improvement are also calculated in the same fashion.

GRI 305-4

Emission intensity

The emission intensity reports on the GHG emissions (Scope 1&2) per employee using the average number of employees in 2021.

This results in **323 kg CO₂-eq per employee.**



ECOLOGICAL INDICATORS

Waste



GRI 306-5

Waste disposal

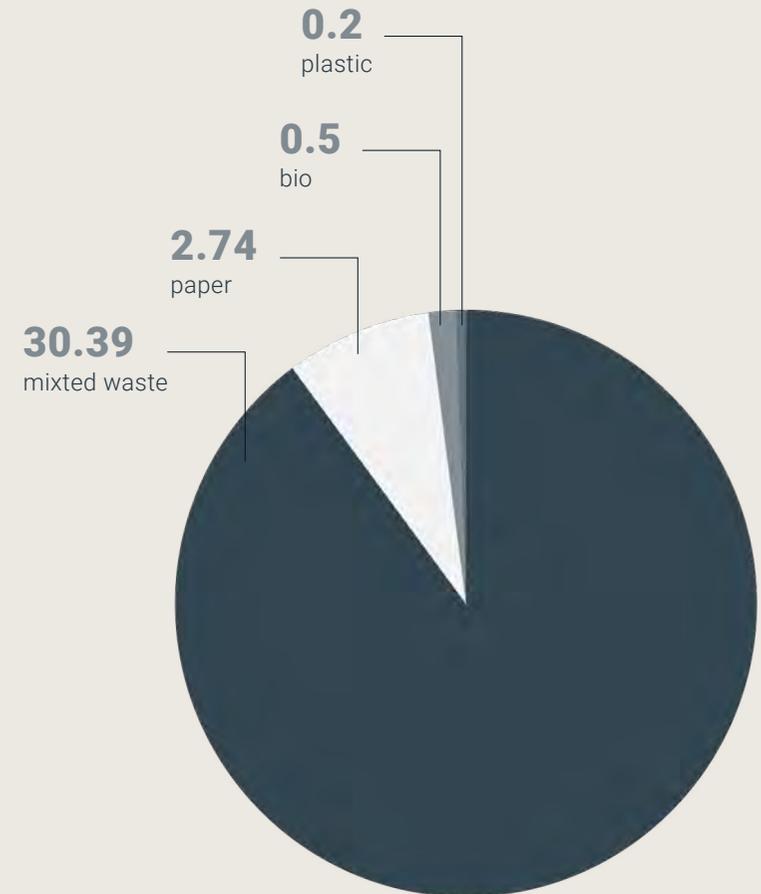
Waste remains a key environmental issue and one that we see as imperative to our everyday working. We therefore operate a digital, no paper policy as one of our measures to avoid waste. We generally lay high importance on appropriately separating the waste we generate.

Total waste generated: 33.83 metric tons

This is quite a significant increase from 2020 which we can attribute to the addition of our second building, the workshop, as well as the ramping up of testing, development and mounting of solar projects. This produces a significant share of both mixed and paper waste. Up to now, we only generate non-hazardous waste.

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.



ECOLOGICAL INDICATORS

Outlook

Several measures are already in place and more, e.g. guidelines, are planned to minimize the ecological impact of our corporate business activities. We are hopeful for 2022 and in this year wish to focus on identifying production-specific environmental measures, including biodiversity impacts at the production site. Finally, we plan the integration of an environmental management system (EMS) into the organization's process organization.



GRI 400

SOCIAL INDICATORS

SONO MOTORS
STARGLASS
TINTED
E9 43R-01046R
AS2 M-31 DOT 487
00000



OUR TEAM

Who we are



OUR TEAM CONTINUES TO GO FROM STRENGTH TO STRENGTH AND IS THE BEATING HEART OF EVERYTHING WE DO AT SONO MOTORS. THIS IS WHY WE STRIVE TO CREATE AN ATTRACTIVE, SAFE, VALUE-ORIENTED ENVIRONMENT IN WHICH TO WORK TO ENSURE COMPLETE SATISFACTION.

IN 2021 WE SAW EXPONENTIAL TEAM GROWTH WHICH WAS BOTH INCREDIBLY EXCITING BUT ALSO BROUGHT ITS OWN CHALLENGES THAT WE NEEDED TO MASTER.

OUR TEAM

Our Circles

WE CREATED THREE NEW CIRCLES THAT ACT TO ADVISE AND ACT ON DIFFERENT ASPECTS OF WORKING LIFE.

THE CONFLICT RESOLUTION CIRCLE

This circle's purpose is to raise and proactively manage conflicts or tensions in the workplace as part of Sono Motors' corporate culture. This is to create awareness that conflict is a normal part of both work and life and can be beneficial in many ways if handled correctly. The circle encourages individuals to address and handle tension in an open and honest manner.

THE DIVERSITY CIRCLE

This circle is open to all interested in advancing diversity, equality and inclusion at Sono Motors. The existence of this circle increases in importance as our team expands. Sono Motors is committed to creating an environment of acceptance and safety.

THE COMPENSATION CIRCLE

The Compensation Circle was created to ensure that every employee's contribution to Sono Motors is rewarded by creating and building a compensation and benefit model that fits our purpose and values.

OUR TEAM

Team Development



GRI 401-1, 102-8

(New) employees, employee turnover and team growth

In 2021, we were again able to welcome a whole host of new colleagues despite the challenging situation. Most of our new starters again began their working life with us from their homes and not in the office, due to the ongoing COVID-19 pandemic.

Nevertheless, we were able to strengthen our team spirit through a mix of digital and in-person team events, when regulations allowed.

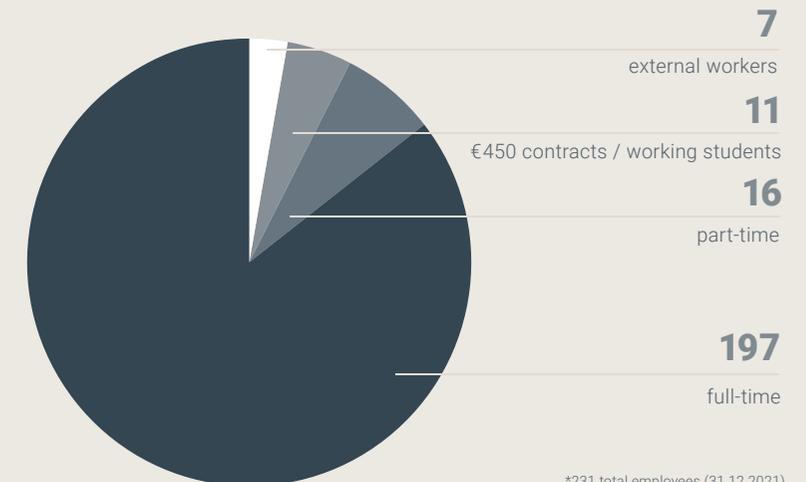
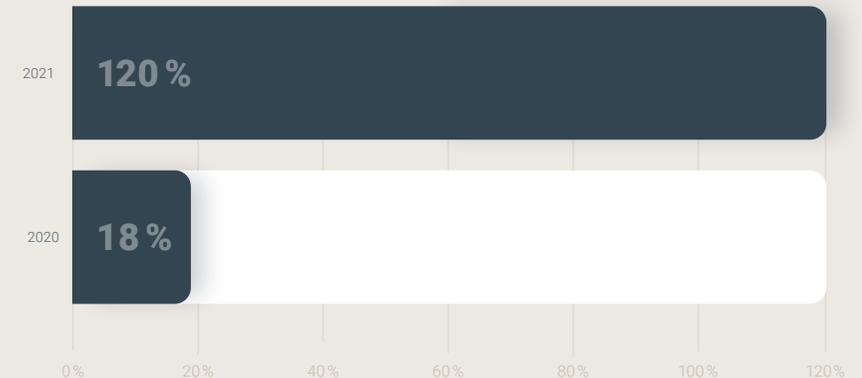
In addition to the enormous team growth in 2021, we had a total employee fluctuation of 37 people, including four working students, three interns, eight limited and 22 unlimited employment contracts. This resulted in a turnover rate* of 13.55%. Compared to previous years, more employees decided to continue to put their skills to use at Sono.

BASIS:

Employee includes interns, working students, mini-jobber (€450), CEOs and temporary contracts - it doesn't include external contractors, consultants, or freelancers.

*The Schlüter formula is used to calculate the turnover rate, i.e. the number of departures divided by the headcount at the beginning of the period plus new hires during this period.

Team growth



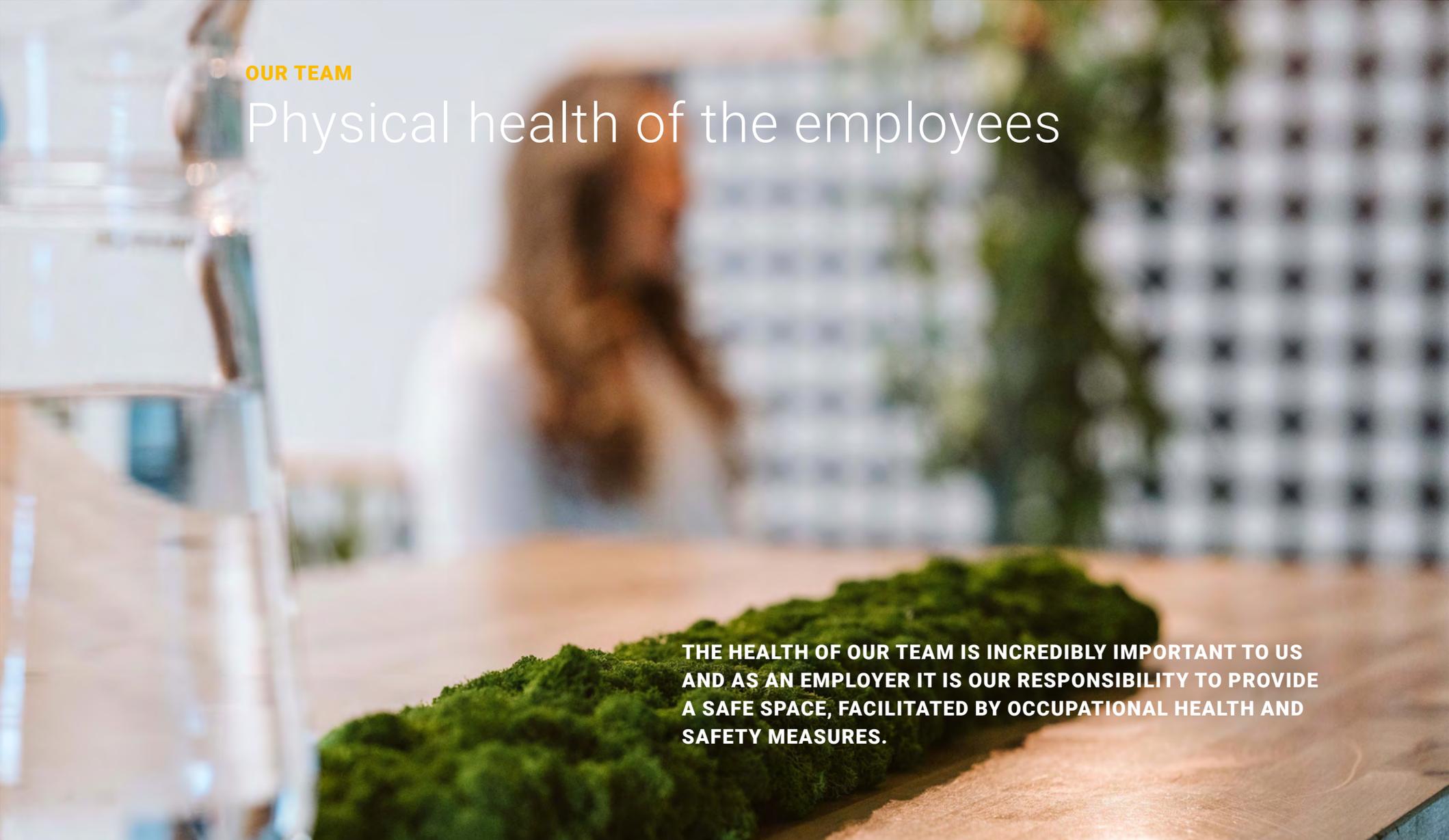
*231 total employees (31.12.2021)

GRI 401-3

Parental leave



5 fathers took parental leave
for a total of 181 days.



OUR TEAM

Physical health of the employees

THE HEALTH OF OUR TEAM IS INCREDIBLY IMPORTANT TO US AND AS AN EMPLOYER IT IS OUR RESPONSIBILITY TO PROVIDE A SAFE SPACE, FACILITATED BY OCCUPATIONAL HEALTH AND SAFETY MEASURES.

GRI 403-9

Absence rate

IN TIMES OF GLOBAL HEALTH CRISES SUCH AS WE HAVE EXPERIENCED OVER THE LAST FEW YEARS, THE HEALTH AND WELL-BEING OF OUR EMPLOYEES IS EVER MORE IMPORTANT.

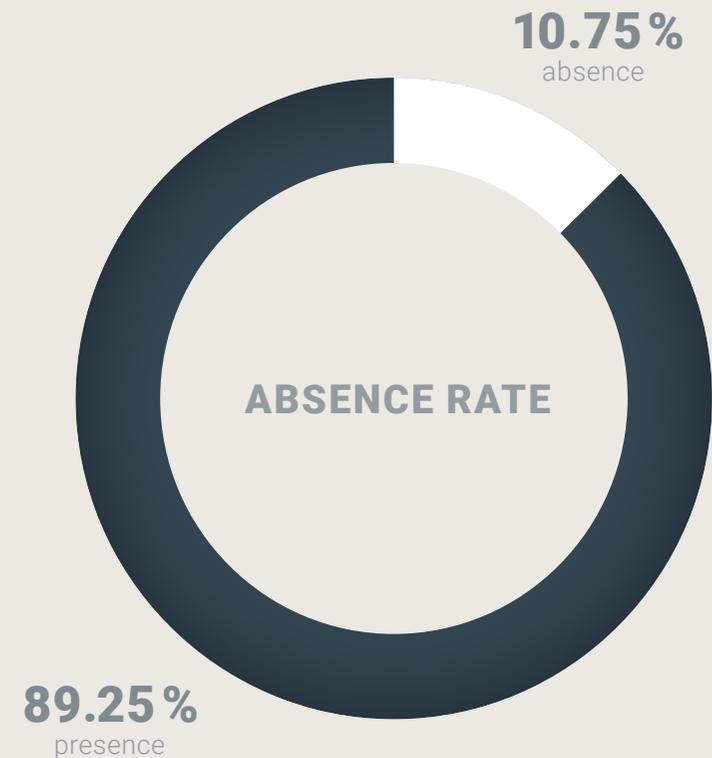
Working from home and regular testing regimen, social distancing and mask wearing in the office has again meant that our percentage rate of absence due to illness remained low in 2021 at 1.9% (included in absence rate in graphic).

The percentage rate of absence which includes vacation, sickness, parental leave, special vacation and permission, sabbaticals, kindergarten closures, sickness of children or travel amounted to 10.75%.

GRI 403-9

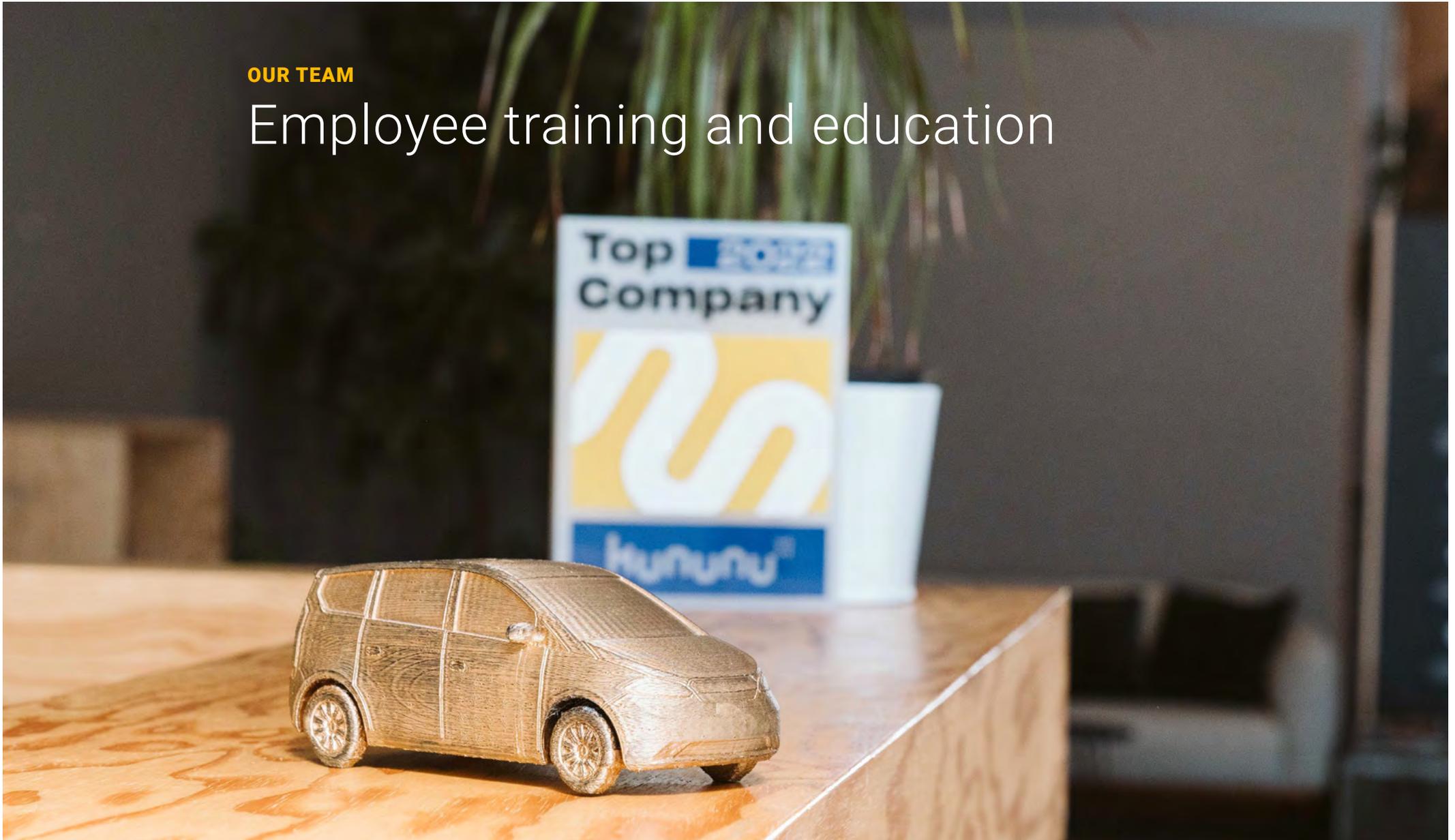
Work-related injuries

There were also only two incidents of work-related injuries reported to the Employer's Liability Insurance Association. Both occurred either during work-related activities or on the way home, only one of which resulted in inability to work for more than three days.



OUR TEAM

Employee training and education



GRI 404

Further development, training and qualifications

IT REMAINS A HIGH PRIORITY FOR US TO ENABLE OUR WORKFORCE TO FURTHER DEVELOP THEIR SKILLS TO GROW STRONGER BOTH PROFESSIONALLY AND PERSONALLY. WORKSHOPS, TRAINING SESSIONS AND EXTERNAL FURTHER EDUCATION COURSES FACILITATE THIS GROWTH AND EXPANSION.

It is a high priority to provide employees with a tool set for working together in the best possible way, fostering communication, giving feedback and taking over responsibility (in concrete, those were respectively: empathy communication, radical candor, self-leadership workshops), some with support from external experts.

We seek to connect the longstanding automotive world with the modern working world by carrying out APQP training (>65 employees participated in 2021) as well as Agile and Lean training (>190 employees participated in 2021), both internal. We also engage in work safety workshops including high voltage (HV) training (74 employees participated in 2021). Further individual training for individual employees are conducted as necessary.

OUR EMPLOYEES RECEIVE REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEWS:

These include expectation talks within the first two weeks of an employee beginning at Sono, as well as further evaluation talks after 3 and 6 months. Development reviews are conducted annually thereafter in which a 360° feedback methodology is partially used.

GRI 405-1

Diversity in control bodies and among employees



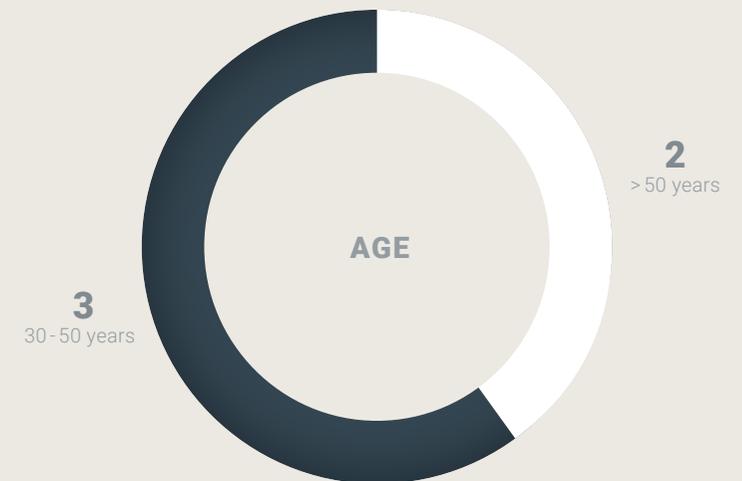
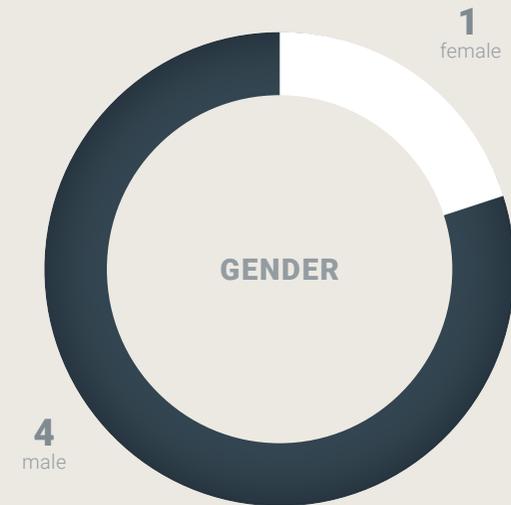
Diversity is an issue that holds tremendous importance for us. We wish to create an environment of equal opportunity for all, regardless of background.

We continue to have our various control bodies with two additions this year. Besides the introduction of the Diversity Circle, we also have a new diversity policy that ensures we are always enabling diversity. We are aware that there is still a lot to do in terms of diversity. Therefore, we plan to adjust the composition of the circles to allow for a more diverse perspective of cultures and genders.

GRI 405-1

Supervisory Board

As Sono Motors became publicly listed in 2021, there are certain governance obligations we must meet. Our Supervisory Board is one of those and has 5 members (see page 54 following).

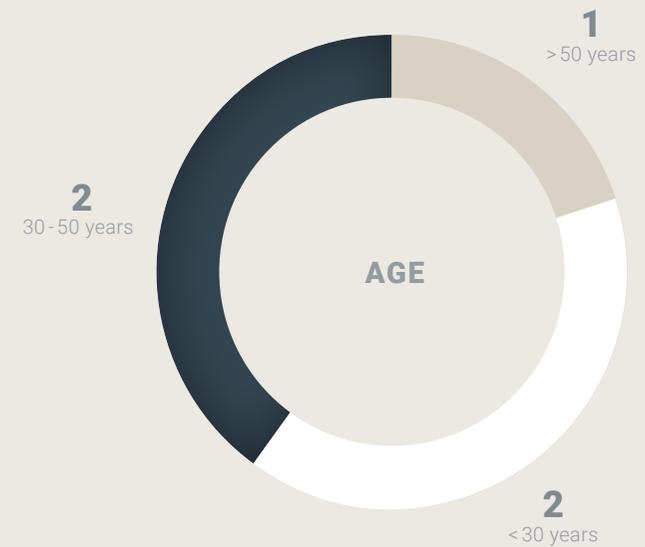
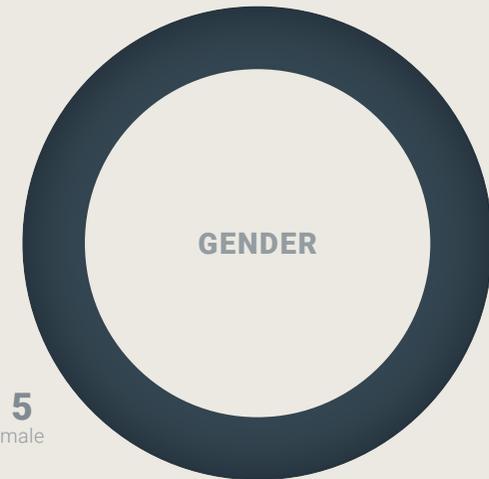


GRI 405-1

Company Board Circle

= Management Board of the Sono Group N.V.

Newly set up in 2021, this circle provides the function of a management board for Sono Group N.V. and is composed of 5 members, two of the founders plus three more executive level managers.





GRI 405-1

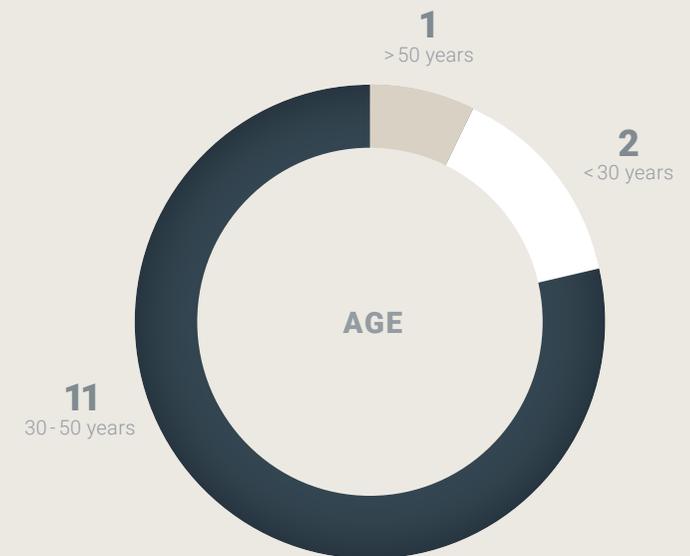
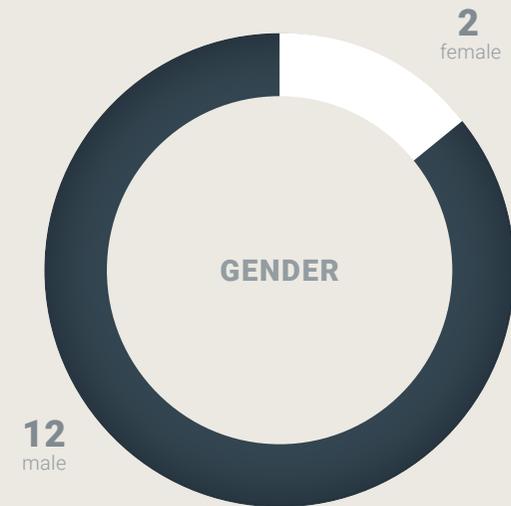
Strategy Circle

As strategic as well as tactical action plans and decisions need to be defined and managed by the same people, we have decided to dissolve the Strategy Circle. However, it is planned that it will return in 2022 in a different structure. In the meantime, it will be represented by the Tactical Circle.

GRI 405-1

Tactical Circle

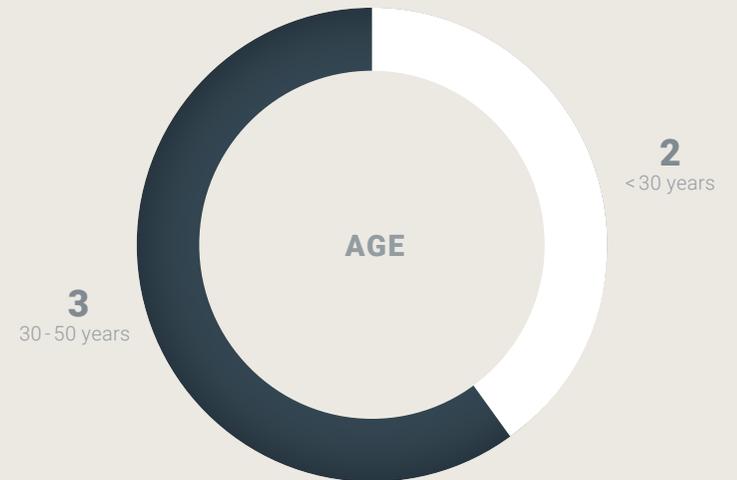
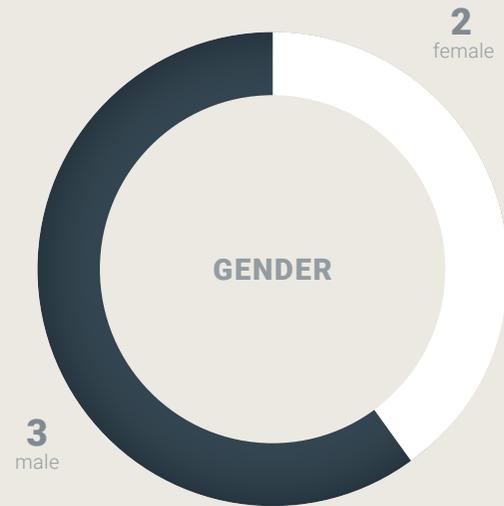
This circle makes tactical decisions that go beyond the product groups and was newly established in July 2021. It represented the Strategy Circle, as stated, in its interim time.



GRI 405-1, 102-20

Normative Circle

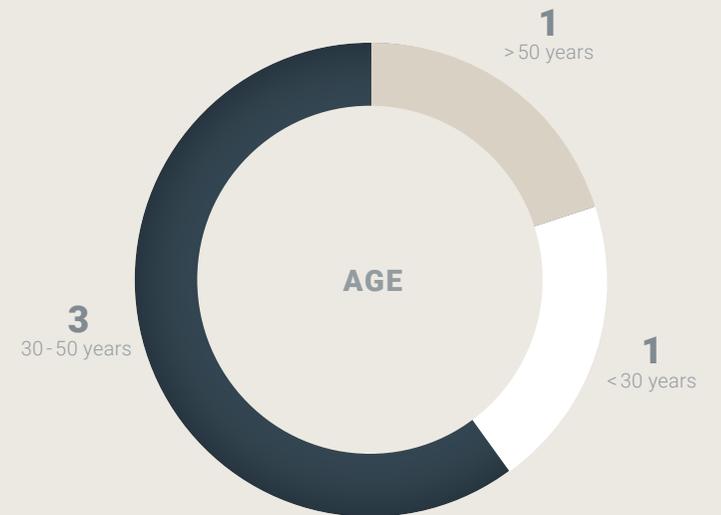
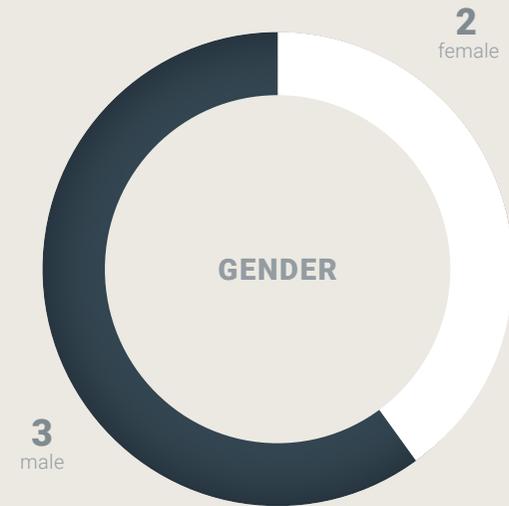
This circle defines the company's purpose and its values and acts as their conscience. ESG issues are also addressed in the Normative Circle.



GRI 405-1

Org Circle

This circle brings Sono's purpose and strategy in performance. It is there to guide the organization into a structure that fits best.

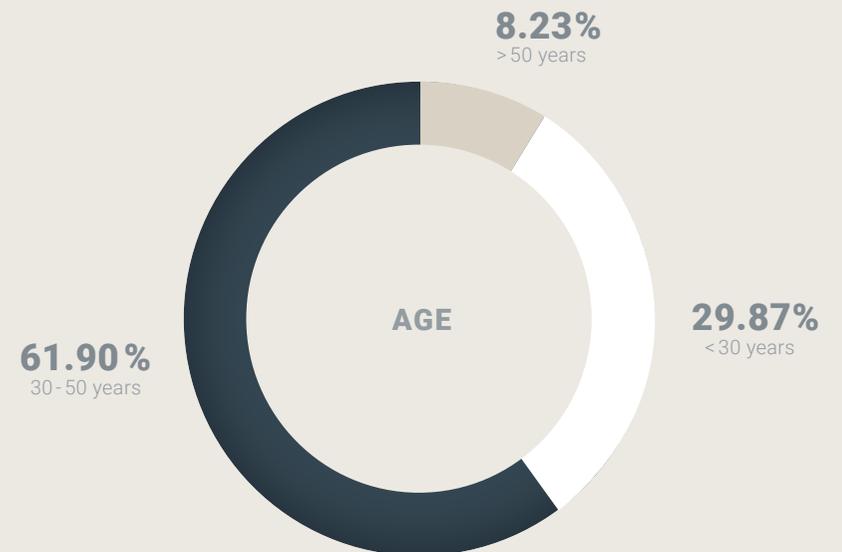
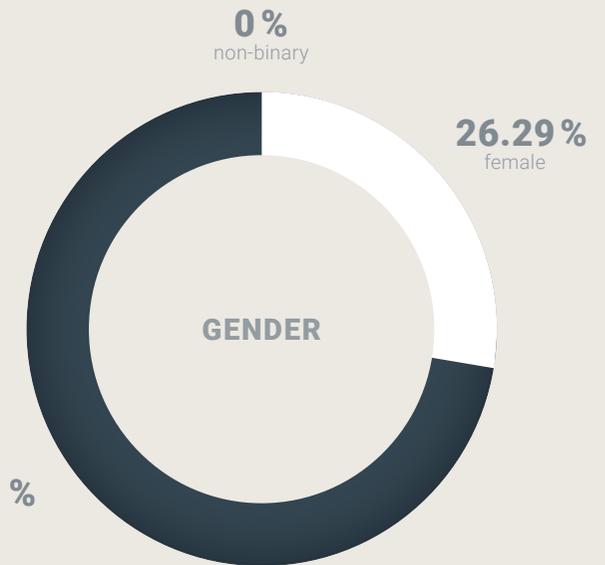


GRI 405-1

Team Diversity

In 2021 our team identified themselves as 26.29% female, 73.71% male and 0% non-binary. We are a diverse team of industry experts and motivated young talent with an average age of 35.5 years. Compared to 2020, the average age has increased slightly.

The team is also composed of members of 30 different nationalities, which is almost double that of 2020, in which we had 15.



OUR TEAM

Employee satisfaction (non-GRI)



NON-GRI

Employee satisfaction

EMPLOYEE SATISFACTION IS SOMETHING WE TAKE VERY SERIOUSLY AT SONO MOTORS. WE HAVE SEVERAL DIFFERENT INDICATORS FOR THE MEASUREMENT OF THIS.



ENPS (EMPLOYEE NET PROMOTER SCORE)

An internally established monthly survey with an average response rate of 41% (94 participants), first survey conducted in August 2021.

Average value: 8.21 (out of 10)



ONBOARDING NPS (ONBOARDING NET PROMOTER SCORE)

An internally established monthly survey for all new hires (42 people who went through our onboarding process with a response rate of 90 percent), first survey conducted in September 2021.

Average value: 8.85 (out of 10)



KUNUNU EMPLOYER AWARD

This is an external survey and scoring is undertaken by kununu, based on voluntary and anonymous participation, references from both alumni and current employees of Sono Motors. We closed the year 2021 in December with a score of 4.2/5 from both applicants and employees equally.

OUR TEAM

Equality



GRI 405-2

Summation of remuneration of women and men

Females: €5,083/month

Males: €5,833/month

The majority of our workforce are engineers, which is traditionally a male-dominated profession which tends to be more highly-paid. This is something we are very aware of and that our Diversity Circle is addressing.

FURTHER INFORMATION:

Those numbers are calculated as of 31.12.2021.

The median total compensation of all male employees is compared to that of female employees.

GRI 406

Non-discrimination

We take non-discrimination very seriously and therefore have dedicated a part of our code of ethics to addressing this issue. There were also no reported incidents of discrimination in 2021. [Code of Business Conduct and Ethics \(Article 4\)](#)

SOCIAL INDICATORS

Outlook for social indicators

We are working towards establishing tracking frameworks for further indicators and integration in the form of software solutions. Work health and employee benefits are also important ways to create an attractive working environment, such as a sports membership, bike purchase fund etc. and are being introduced in Q2 2022 for all employees.

We are also continuing to use the KPIs on a more continuous basis and incorporate more strongly in decision making.

SONO MOTORS

SUPPLY CHAIN

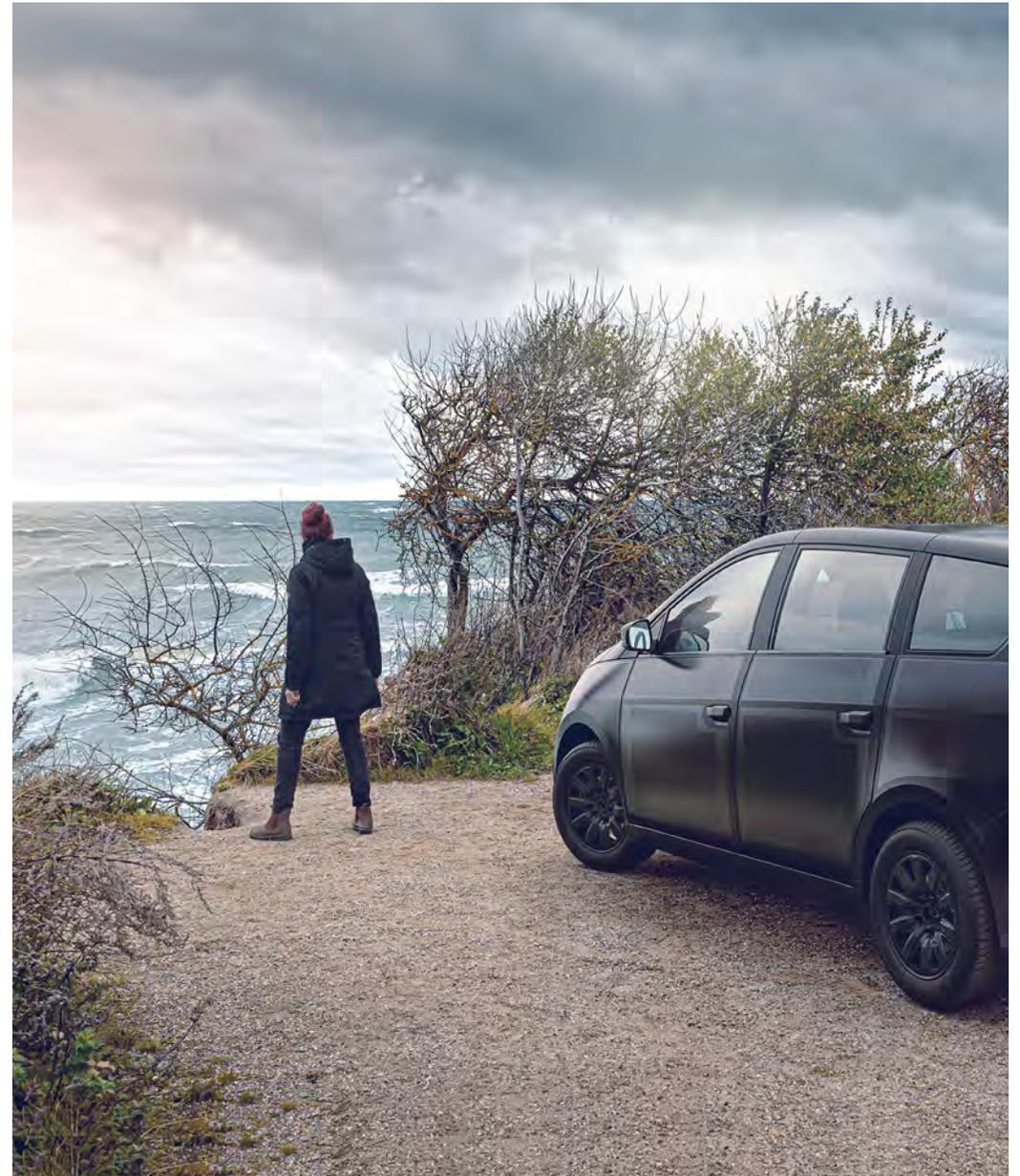


IT IS VERY IMPORTANT TO US THAT WE PROVIDE PRODUCTS WHICH ADHERE TO ALL REGULATIONS ALONG THE ENTIRE SUPPLY CHAIN AND RESPECT EACH INDIVIDUAL INVOLVED THROUGHOUT. WE ALWAYS WANT TO BE BOTH SOCIALLY AND ENVIRONMENTALLY CONSCIOUS AND FAIR. THEREFORE WE REMAIN PART OF THE FAIR COBALT ALLIANCE, DESPITE HAVING SWITCHED TO A BATTERY THAT DOES NOT CONTAIN ANY COBALT. WE ARE, HOWEVER COMMITTED TO CONTINUALLY ADDRESSING ISSUES OF HUMAN RIGHTS VIOLATIONS AND CREATING AN ENVIRONMENT IN WHICH COBALT CAN BE RESPONSIBLY SOURCED.

GRI 408, 409, 412

Child & forced labor, human rights

Our supplier Code of Conduct addresses many topics, including child & forced labor, human rights, upstream raw material extraction including conflict materials, compliance and data security to ensure that all our partners are adhering to these regulations.

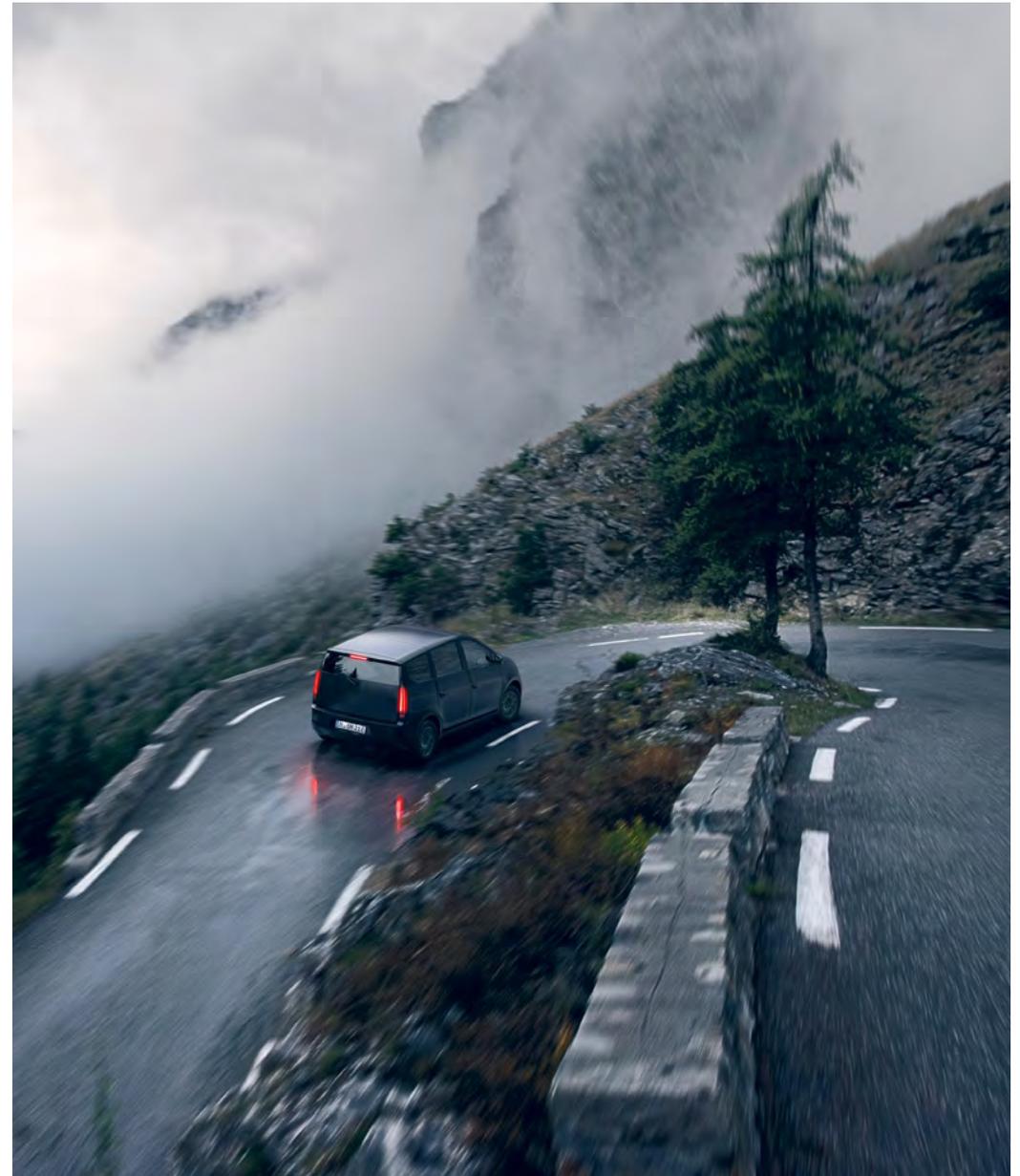


GRI 414-2

Negative impacts on supply chain and taken mitigation measures

We are currently in the process of setting up the supply chain for series production and remain, as stated, a member of the Fair Cobalt Alliance for the second year. The FCA addresses human rights violations and abuses, as well as child labor and the lack of transparency in the upstream supply chain. They are dedicated to the responsible sourcing of cobalt.

We were able to achieve some important milestones in our second year as a member including building relationships with stakeholders, mining cooperatives and authorities as well as establishing quarterly members meetings and monthly progress updates from the FCA which are provided to all members.



SUPPLY CHAIN

Outlook

We will further work on setting the supply chain for series production and on increasing the transparency of our upstream activities and begin material ranking and respective upstream endeavors.



GRI 200

GOVERNANCE AND ECONOMIC INDICATORS



GRI 200

Governance and economic indicators

As we are now a publicly listed company, corporate governance is even more important to our everyday business. We have new structures to adhere to certain rules and regulations that come with this move which will be explained in more detail in the next section.

We are endeavoring to create a more holistic overall framework that incorporates all three sustainability dimensions as well as to ensure we cover the interests of both our stakeholders and investors. We have also become more transparent in terms of our governance structures.

Successfully completing our IPO created some new challenges between our new legally obliged framework and our [TEAL organizational structure](#). We are trying to avoid concentration of power through formal management board responsibility delegation and a separation between a disciplinary and functional lead. We want to continue to establish a leadership style that promotes self organization and accountability at all company levels.

A data security and privacy circle was established to ensure that topics are properly addressed and a whistleblower hotline was also initiated at the end of 2021.

GRI 102-18, -20, -22, -23

Sono N.V. Structures



GRI 102-18, -22, -23

Supervisory Board

As discussed previously in this report, we now have a Supervisory Board that advises us on our business. These people come from a diverse business background and bring invaluable expertise with them. The members are all non-executive and independent from Sono Motors apart from Johannes Trischler, our employee representative. When choosing our Supervisory Board members we wanted to particularly ensure that the individuals fit our values and principles in addition to a professional fit.

The new bodies and committees are composed according to the corporate governance requirements from the Dutch and German Corporate Governance Codex (and also from the Securities and Exchange Commission of the United States, also known as SEC and Nasdaq). These include aspects like independence of directors, different committees, holding annual meetings, voting rights.

In addition to professional suitability, the focus in the selection of Supervisory Board members is on value orientation and consideration of diversity requirements (see page 37 following). This also relates to the diversity of professional backgrounds as well as personal experience.

Composition:

Wilko Stark – Chair

Martina Buchhauser – Vice-Chair

Robert A. Jeffe – Financial / Accounting expert

Sebastian Böttger – Community representative

Johannes Trischler – Employee representative

FURTHER INFORMATION:

Mr. Wilko Stark was appointed to the board of directors of Levere Holdings (a Nasdaq listed special acquisition company (SPAC) to power the future of mobility). In connection with this appointment Mr. Stark has informed the Company of his decision to resign as Chair and member of Sono Motors' Supervisory Board, effective as of 27 January 2022. Sono Motors' Supervisory Board has appointed Martina Buchhauser as the interim Chair.

CORPORATE GOVERNANCE

Management Board

There has been an increase in members. Going from previously comprising our two co-founders and CEOs to a board of 5 members due. This was necessary due to our IPO.

Members of both boards shall comply with the rules of their respective bodies. These rules govern the organization, decision-making and other internal matters. Please find all documentation of interest on our [IR website](#).



GRI 102-38

Annual total compensation ratio

The annual total compensation ratio when looking at all employees is 3.7:1.
For the highest paid female, the ratio is 2.06:1.

GRI 205

Anti-corruption

An official anti-corruption policy was established in 2021 which can be read [here](#).
In addition to this our Code of Business Conduct and Ethics can be read [here](#).

As is standard practice with listed companies we also have an insider trading policy in place, which was internally distributed as appropriate.

FURTHER INFORMATION:

Ratio of the total compensation of the highest-paid individual and the median annual total compensation of all other employees excl. highest-paid individual (median: €5,667)

CORPORATE GOVERNANCE

Outlook

We are looking forward to this new chapter in our story. Our Supervisory Board, and especially Martina Buchhauser, will actively bring their experience in ESG topics into the nomination and corporate governance committee (GRI 102-27 and 102-31).

We are also looking forward to the introduction of inclusive behavior guidelines and diversity targets for all employees and regulatory compliance, which were being established at the end of 2021 and formally implemented in Q1 2022.



SONO MOTORS

Epilogue

IN CLOSING, WE WOULD LIKE TO GIVE A BRIEF OUTLOOK FOR NEXT YEAR'S REPORTING METHODOLOGY.

We will expand the current scope of a sustainability report towards a holistic ESG reporting framework. This includes a sustainability strategy for the coming years, as well as conducting a materiality analysis. In addition, we will evaluate the potential contributions to the United Nations Sustainable Development Goals once production of the Sion has commenced.

Our goal is to live in a world in which all mobility is sustainable by making every vehicle solar. We continue to strive to stand by our values and our Community. We are excited for what challenges, opportunities and developments 2022 will bring, especially as we enter our series-validation phase for the Sion and integration projects for our proprietary solar technology.



SONO MOTORS

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