

The background features a large, solid yellow rectangle at the bottom. Above it, a horizontal band of lighter yellow contains several overlapping, semi-transparent rectangular blocks. From the top edge of this band, several thin, grey, curved lines arc upwards and to the right. In the bottom right corner of the yellow rectangle, the text "SUSTAINABILITY REPORT" is written in a bold, blue, uppercase sans-serif font.

**SUSTAINABILITY REPORT**

## ABOUT PHOENIX SOLAR

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### **Making Energy Together**

Our aim is to generate energy for the future. We set global standards in achieving this goal. We develop, plan, build and operate solar plants and systems up to the multi-megawatt range and are a specialist wholesaler of turnkey photovoltaic plants and systems, solar modules, inverters and all other components of photovoltaic plants and systems. Solar power remains the most secure source of energy for the future.



### **Vision**

A world in which renewable energy improves the quality of life, is our world. We make extensive use of the inexhaustible power of the sun to generate electricity. This is how we shape the energy supply of today and tomorrow.

### **Mission**

Making energy together: our wide range of products and services delivers tailored solutions for our customers. Our competence in consulting services and systems technology is compelling. Through our commitment, we create value for our customers, partners, employees and shareholders.

### **How we perceive ourselves**

Our company has been driven forward by pioneers in the solar industry. We started our activities in the 1990s as the Phönix solar initiative. The management and our employees now have over two decades of practical experience in the photovoltaic industry. This represents a major asset.

# SUSTAINABILITY DETERMINES THE WAY WE THINK

## Making Energy Together

Unity is one of our strengths: colleagues of all ages combine traditional values with new ideas. Our employees embody the values of dependability, honesty and commitment in their various projects.

Our focus is on sustainability. We are very aware as a company of our social responsibility for environmental protection. We don't just sell photovoltaic systems. We also promote the use of photovoltaic systems by our employees. We invest in our company locations and aim to achieve CO2-neutral energy supply of the company.

Our employees, the protection of the climate and the environment, along with our dedication to social issues and society, are at the heart of our sustainability strategy.

## ECOLOGY 4

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Quality management

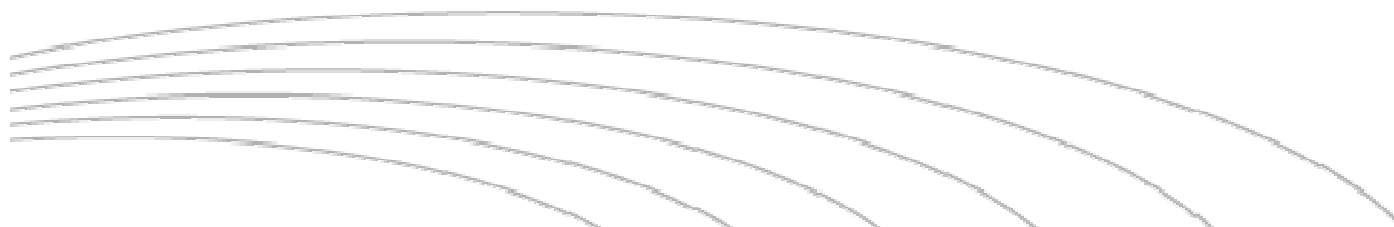
Opportunities and risk management

Indices and ratings



### **Sustainable business – in all areas**

Harnessing the power of the sun to generate electricity is active protection of the environment and a valuable contribution to achieving a sustainable supply of energy. Phoenix Solar not only offers products which protect the environment but also places emphasis on sustainability in management. Taking responsibility for our employees, the environment and society is part of our corporate culture. With this in mind, we combine entrepreneurial success with our responsibility towards society and our ecological commitment. "Phoenix Solar - Making Energy Together" is our leitmotif and a cornerstone of the way we perceive ourselves.



### Products

The Phoenix Group exclusively markets and sells products worldwide which, when used, contribute to protecting the climate. Photovoltaic systems generate energy from sunlight. Power plants operate virtually silently and do not emit damaging substances, which means that operating a photovoltaic plant or system does not release any carbon dioxide (CO<sub>2</sub>). Photovoltaic systems therefore make an important contribution to an energy mix specifically targeting a reduction in CO<sub>2</sub> emissions. Depending on the module technology, solar power plants generate the amount of energy used to build them within around three years. As a result, they produce a positive energy balance, with an operating life of more than 30 years based on today's standards.

When construction work is carried out on the large photovoltaic power plants of the Phoenix Solar Group, all nature conservation and environmental covenants from construction plans as well as other regulatory requirements are complied with and monitored. Environmental standards are even exceeded: For instance, the assembly frames for ground-mounted photovoltaic plants do not require any concrete foundations. Surfaces are therefore not sealed and can be reused again upon full decommissioning. We comply with the regulations on construction work issued by the NABU (German association for the protection of nature) and by the BSW (German Federal Association of Solar Energy).



### **Biodiversity**

Biodiversity is defined as the variety of life and its processes, with species diversity as its centrepiece. Numerous studies have delivered proof that solar parks can have positive impact on biological diversity. Although construction work always represents an intrusion into the natural flora and fauna, solar parks are, however, an opportunity of improving the natural habitat of the different plants and animals or of even recreating this environment. This is particularly true of land previously used for farming where biodiversity is low and which can be considerably enhanced, for example, by being converted into extensively used green fields.

Moreover, redeployment may also contribute to lowering the emission of greenhouse gases from land usage as, in many cases, meadows effectively function as carbon sinks. The contribution is therefore twofold: not only are species and biotopes protected but also the climate – through the environmentally compatible production of solar electricity. A significant improvement in biodiversity occurs with land formerly intensively used for agricultural purposes. The burden on the environment is mitigated by stopping the use of fertilisers and crop protection agents on the land. Other sites of secondary importance or land damaged by environmental pollution, such as landfills or contaminated redevelopment sites, can benefit appreciably from being used for solar parks.



### Environmental management system

Phoenix Solar AG has introduced an environmental management system based on standards defined for quality assurance (DIN EN ISO 9000 et. seq.) and on international standards regulating environmental management (DIN EN ISO 14000 et. seq.). The environmental management system regulates organisational workflows, identifies weaknesses and ensures the implementation of corrective measures, as well as making the tools and funds available for improving and sustaining the company's environmental situation. Reviews that are regularly conducted monitor how effective the system is and adjust and improve it on an ongoing basis. To implement the principles laid down under the environmental policy and to improve corporate environmental protection we have set ourselves the following environmental goals:

- conserving resources (energy, water, etc.)
- avoiding waste and lowering the consumption of supplies
- avoiding any potential impact on the environment
- placing priority on environmental aspects in the selection of suppliers and encouraging suppliers to strive for greater environmental protection.

Phoenix Solar AG has appointed an officer in charge of environmental management to ensure the application as well as adherence to its environmental policy and environmental goals. In close cooperation with senior management, this officer ensures that all the standards specified by DIN EN ISO 14001 and regulatory requirements are implemented and complied with. Adherence to our environmental policy is reviewed once a year in our company as part of an internal audit.



### Certified power plant construction

Within the scope of power plant construction, Phoenix Solar AG implemented a quality and environmental management system back in 2009 which complies with the international standards under DIN EN ISO 9001:2008 and DIN EN ISO 16001:2004 and has had this system certified. We therefore fulfill the highest industry standards in power plant construction. Over the course of the following financial years, these processes have been developed, supplemented and optimised on an ongoing basis, with annual audit reviews being conducted both internally and by an external auditor. These audits deliver proof that the standards applicable to power plant construction work are being applied and that processes are effective.

In parts of the company which are not officially certified the environmental management system is just as important and enjoys an extremely high priority. Our action is geared to the standards prescribed under the environmental management system in all matters. Extending the certification to encompass other areas of the company is planned and under way.



### Energy management

Phoenix Solar AG introduced an energy management system which conforms to DIN EN 16001:2009 standards in its Ulm branch in the financial year 2011. We have therefore introduced and implemented an energy efficiency programme designed to reduce the energy requirements of buildings, the transport system, electrical appliances, the availability of services and of other purposes. The main consumption of water, energy and other resources is systematically measured, recorded and communicated. We have defined our energy policy as follows: "We at Phoenix Solar AG herewith undertake to sustainably reduce our energy consumption and raise our energy efficiency through a continuous process of improvement. To achieve these goals we have set in place an energy management system as defined under DIN EN 16001:2009. In doing so, we will ensure that all requirements under this standard are correctly implemented and that the processes forming part of this energy management system are improved on an ongoing basis. Moreover, we will regularly conduct reviews and ascertain that:

- the necessary financial and structural prerequisites are ensured
- all employees are involved in the implementation and adhere to the energy management system, and that responsibilities are defined
- the relevant obligations and other requirements are taken account of
- energy aspects/energy data are regularly analysed and reviewed
- programmes to promote energy efficiency are correctly implemented and observed
- the results of a regular audit are measured and reviewed
- energy efficiency and consumption is integrated as an additional criterion in the procurement of merchandise."



### Vehicle fleet

The vehicle fleet is subject to guidelines on engine capacity, fuel consumption and CO2 emissions. In a survey conducted by the environmental organisation Deutsche Umwelthilfe, our vehicle fleet took second place among leading German companies in 2010, with the average vehicle emitting 127 grams of CO2/kilometer (km). The vehicle of Dr. Andreas Hänel, our Chief Executive Officer, ranked in top place, emitting 129 grams of CO2/km, which was the lowest consumption compared with the vehicles of all other participating companies. We were also awarded the "Green Card for Credible Climate Awareness" by the Deutsche Umwelthilfe in 2011. With emissions averaging 113g CO2/km, the vehicle fleet of the Executive Board is already below the target of 120 g CO2/km set by the EU and valid from 2012 onwards. Moreover, the first electric car was added to our vehicle fleet in December 2010. An electric power station has been installed at the Sulzemoos location for employees, guests and the company's own vehicle fleet. We will gradually be supplementing our existing vehicle fleet through adding more electric cars in the future.



### Suppliers

Suppliers with whom we maintain long-term cooperations are selected on the basis of a criteria catalogue which comprises not only the product quality but also the manufacturing process, working conditions and company management. Almost all manufacturers with whom we cooperate are working on professional systems for taking back and recycling modules (PV CYCLE) or have their own recycling programmes. They guarantee recycling even if the manufacturer ceases to operate in the market.



### Green electricity

The electricity used in our offices in Sulzemoos and Ulm which housed more than 310 employees 2010 came from a certified supplier of green electricity. At least 90 percent of the supplier's electricity mix is made up of renewable energies and a maximum of 10 percent from highly efficient natural gas power stations through heat and power cogeneration. All workstations are equipped with modern and energy-efficient appliances and can be switched off from the energy supply centrally to avoid unnecessary stand-by consumption during the night and at weekends. In 2010, the annual energy consumption by the Sulzemoos offices came to around 180,000 kWh. Given that the number of employees is growing consumption overall can be expected to rise. Phoenix Solar is nonetheless consistently carrying out new measures to keep the per capita consumption to the lowest level possible.

### Green heating

The offices in Sulzemoos have been heated by a wood chippings thermal power plant since March 2007. In 2009, a cooling unit, which sources in its cooling energy from the local well system, was installed to provide air conditioning. In erecting new buildings and carrying out office building renovation work the emphasis is on using environmentally compatible building materials. The materials used must have proven compatibility with the environment and fulfil ecological criteria. Timber must, for instance, come from sustainable local forestries, and the insulation used inside the building is made of cellulose fibres or flax.



### Green office supplies

We are also very economical in our use of paper. Furthermore, we carefully select the paper quality of all print material, such as that used for our annual report and catalogues for example. The paper manufacturers must bear the seal of the Forest Stewardship Council (FSC) which is a sure sign that the product comes from responsible forest management. This system delivers proof that, throughout the whole processing cycle and trading process right through to the consumer, the wood or paper has not been mixed up with materials which have not been certified and controlled. In addition to the quality of the paper, Phoenix Solar also places environmental requirements on the printing process. A tender was put out in 2010 to select a new company which was both FSC certified and offered climate-neutral printing and, in addition, could produce proof of working in an environmentally compatible way. Almost all print orders have been carried out by this printing company since then. Moreover, the customary office supplies are purchased from an ecologically-oriented specialist store which fulfils particularly high ecological standards aimed as far as possible at avoiding substances in manufacturing, use and recycling which could be harmful to people and the environment.



### Waste sorting

Energy conservation and the sustainable handling of raw materials in everyday work has the highest priority in the Phoenix Solar Group. Waste is sorted at each workstation in accordance with stringent criteria and recycled for the most part. Top priority is, however, given to avoiding waste in the first place. Suppliers are required to act in a way that is as environmentally compatible as possible and to use packaging material sparingly.



### CO2-neutral mailing

Die Phoenix Solar AG nutzt das GOGREEN-Angebot der Deutschen Post, um ihre Briefe CO2-neutral zu versenden. Im Rahmen von GOGREEN werden die CO2-Emissionen, die beim Versand von Briefen entstehen, nach internationalen Standards ermittelt und bilanziert. Der Ausgleich erfolgt durch die Unterstützung von weltweit anerkannten und registrierten Umweltschutzprojekten.



### Phoenix Solar green commuters

The employees of Phoenix Solar AG go to work on their bikes, use public transport facilities or form carpools. In doing so they make an active contribution to lowering the emission of harmful hothouse gases. In 2008, we launched the "Phoenix Green Commuters" project within the company. Since then our green commuters' contribution to lowering the environmental impact and CO2 emissions has been measured. The calculation includes all those who travel by bus and rail, by bike, sharing cars or on foot. The result: our green commuters will probably save more than ten tons of CO2 in 2011. Calculations are based on an average fuel consumption of 7 litres per 100 kilometres.





### **Our key success factor is us**

With a sales network throughout Germany and subsidiaries all over the world, the Group's employees are committed to making photovoltaics more competitive and accelerating the process of broad-scale introduction into markets across the globe. Our employees are our most valuable asset. This is why we will be placing employee satisfaction increasingly at the heart of our thought and action in the future as this will enable us to create a more motivating and attractive working environment.

Our strategic human resource planning enables us to meet the future opportunities and challenges – both at a regional and worldwide level – through crafting powerful personnel policies.



### **Health care management**

We pursue a holistic healthcare concept in our head office in Germany. A healthy diet is encouraged by a free daily supply of apples from the region, water for all staff members and subsidised lunches in our affiliated organic canteen. Our employees can use the company's own gym and participate in keep-fit courses free of charge in the Sulzemoos location. A suitable meal and gym centre solution has been implemented in our Ulm branch. Phoenix Solar cooperates with the AOK, a German public health insurance company, in courses to encourage people to quit smoking. Moreover, especially all employees who work with screens can regularly have their eyes checked.

### **Pension schemes and accident insurance**

We want to secure the retirement of our employees as best we can. This is why we offer our workforce an attractive pension, the so-called "Phoenix-bAV", which takes the form of a direct insurance and a reinsured pension assistance fund. All of our employees are automatically included in a group accident insurance from the first day they join our company onwards. This insurance covers our employees 24/7 at work and in their leisure time wherever they are in the world.

### Work-life balance

Finding a harmonious work-life balance is important for the long-term motivation and health of our employees and is also playing an increasingly important role in attracting new colleagues. We have implemented a number of measures to help our employees to achieve this work-life balance.

Such measures include flexible working arrangements, health and fitness campaigns, free advice from Familienservice GmbH, a company which can be consulted about childcare, parental leave or if support is needed for people dependent on help and nursing care. We specifically offer childcare for the children of our employees in cooperation with a kindergarten in Sulzemoos and bear the costs of a tax-free kindergarten allowance.

We take the best possible account of the personal obligations of our employees by offering flexitime models, including the option of working from home (on an hourly/daily basis) or, if appropriate, fully-fledged home office arrangements. By the same token, managerial positions which have become vacant due to parental leave can be filled on an interim basis for a limited period of time to enable these employees to return to a managerial position.





### Training at Phoenix Solar

We owe our success as an employer to our workforce. Their know-how, team spirit and commitment combined with the conviction that they want to play a part in shaping the supply of energy of the future have made Phoenix Solar a leading photovoltaic system integrator. We therefore see it as our mandate to ensure the continuous professional development of our employees and the vocational training of young people.

At the end of 2011, Phoenix Solar AG had trained eight school leavers in four different careers. All of the trainees were offered employment by Phoenix Solar. Promoting trainees is particularly important to us, and our head training officer devotes her time not only to our own young professionals but also in the role of an active participant in a number of external committees and associations. We are therefore represented on a several examination committees of the Munich Chamber of Commerce, hold the chair on the examination committee of office clerks of the Chamber of Commerce of Upper Bavaria, have participated in the Bildungsagentur Fuerstenfeld (career organisation) since 2009 and lead a seminar on "Fit for the Examination" in which trainees from other companies can also take part.



### **Professional development programmes**

Phoenix Solar has a lot to offer in the way of human resource development activities. New employees go through a carefully designed induction programme entitled "Welcome Days" (four-day events) and training. In addition, our HR department holds two feedback sessions during the six-month training period which, upon permanent employment, are then replaced by regular employee appraisals with the respective manager. We create incentives for our employees through our performance-oriented remuneration system as well as a wide range of courses and HR development programmes.

We also provide support for individual wishes for further training and promote our employees in acquiring additional qualifications. We generally bear all the costs incurred, including tuition fees, for instance, or training costs. Our flexitime models enable our employees to coordinate further training with their work for Phoenix Solar.



### Diversity management

Diversity which inspires. Our international commitment means that our workforce is made up of employees of different nationalities with different mother tongues – for us this is diversity and equal opportunity. In harmony with our mission of "Making energy together", we at Phoenix are proud of our employees with their different cultures, experiences and standpoints. Our multi-cultural working environment has long become part of our corporate culture and rules out discrimination. We are nonetheless concerned to sensitise our employees to the correct conduct in our dealings with one another. To this end, we hold courses on the German General Equal Treatment Act (Allgemeines Gleichbehandlungsgesetz) at regular intervals throughout the Group.

Alongside an international environment and a balanced age structure within the company, managing diversity effectively also means achieving a balance between male and female colleagues. On the cut-off date at the end of June 2011, the ratio of women to men stood at 34.5 percent. The proportion of women in managerial positions came to 21 percent. At Phoenix Solar, we will continue to place importance on achieving an ideal balance between men and women (gender diversity) and work progressively towards raising the number of women in managerial positions in the future as well. In addition, we are committed to building more flexibility into the framework conditions for women at Phoenix Solar.

We know that social diversity needs to be used constructively to anchor diversity management firmly throughout the Group and to optimise it on an ongoing basis. This is translated into action through the offer we make to our employees of working abroad which also accords with the progressive internationalisation of our company. Ultimately it is the sum total of our employees with all their similarities and differences which helps us to move forward as Phoenix Solar and makes us stronger for the future.

## SOCIETY AND SOCIAL ISSUES

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### **We at Phoenix Solar are aware of our responsibility to society**

It is our firm intention to act responsibly as part of the community towards all stakeholder parties. We are convinced that a major part of our entrepreneurial success is inextricably linked with responsible action and our commitment to society. Our activities comprise collaboration in a wide variety of projects relating to social matters, education, culture and the environment. Our commitment is especially focused on the region where our head office is located. As one of the largest companies in the district of Dachau we believe it is particularly important to make a positive contribution to the development of the area and to promote the social and cultural concerns in our neighbourhood.

We view ourselves as part of this community and provide support at a regional level primarily in the form of donations or contributions in kind.

## SOCIETY AND SOCIAL ISSUES

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### Sport, Art and Culture

Sport, art and culture help to connect people – across boundaries and regardless of geographical or social origins. The goals that we at Phoenix Solar believe in promoting are team spirit and achievement, on the one hand, and creativity and communication, on the other. This is why we seek to support organisations in these areas.



## SOCIETY AND SOCIAL ISSUES

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### Sports clubs

Phoenix Solar AG has supported SV Sulzemoos e.V., founded in 1947, in the form of donations and contributions in kind since 2002. The club has more than 750 members and offers an extensive programme with all kinds of sports for all age groups. As one of the main sponsors we finance jerseys and tracksuits, act in the capacity of sponsor of the stadium newspaper and assist the club in organising sports events. In January 2011, the Phoenix Solar Cup was awarded for the first time at an indoor soccer tournament held on the occasion of the first Sulzemoos Soccer Cup. Phoenix Solar also willingly gives its support to sports clubs in which its employees are actively engaged. In recent years, Phoenix Solar has financed jerseys and sports clothing for VfB Hallbergmoos-Goldach e.V. (2010), TSV Schwabhausen e.V. (2009), an association to promote soccer, the volleyball team of SpVgg Auerbach/Streitheim e.V. (2011), the TUS Fürstenfeldbruck Handball Department, and Munich soccer team SpVgg Theresia (2011), among other clubs.

### Kult 8

"Kult A8" is a cultural initiative launched by a group of dedicated citizens from Odelzhausen, Sulzemoos and Bergkirchen who have the self-appointed task of organising regular cultural events. Kult A8 offers a diverse programme of events which includes jazz brunches, concerts and literary readings. Phoenix Solar AG donates to the cultural programme, thereby contributing to invigorating cultural life in the region to the west of Dachau along the A8 motorway.

### Heimatverein Indersdorf e.V.

Heimatverein Indersdorf e.V., situated in the District of Dachau, is an association dedicated to conserving the history of Indersdorf. Along with historical research on the hometown region, the association concentrates on documenting historical knowledge, promoting awareness of the historical legacy and on the upkeep of historical buildings and their contents. Phoenix Solar AG supports this non-profit organisation by making donations.

### Art at Phoenix Solar

Phoenix Solar has exhibited paintings and sculptures by local artists in its office buildings since July 2007. Works by creative artists Ingrida M. Suokaitė and her husband Roland Helmer, as well as Ulrich Hochmann, a sculptor from Sulzemoos, are some of those on display. Phoenix Solar promotes these artists both by buying and exhibiting their works of art on its premises and in the grounds.

The Munich artist H.C. Ohl has created a 20-meter-long photographic work of art for our offices. At Phoenix Solar, we promote art and culture not only in the region but also within our own four walls. Phoenix makes wall space available to give its own employees the opportunity of displaying their own works of art.

## SOCIETY AND SOCIAL ISSUES

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### Research and Education

Phoenix Solar is convinced that research and education are indispensable prerequisites for successful innovation. For this reason, we are engaged in numerous projects and initiatives designed to promote social and scientific progress. Key areas here are our dedication to children and young people, the aim being to encourage their enthusiasm for natural sciences and technology at an early stage in their lives, and our support for associations and organisations in the energy sector which promote the future of renewable energies.



## SOCIETY AND SOCIAL ISSUES

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### **"Haus der kleinen Forscher" educational project**

The "Haus der kleinen Forscher" foundation is dedicated to the scientific and mathematical education of children of day-care and primary-school age. The non-profit foundation supports educational staff with educational programs and material in their work to encourage the children's' pioneering spirit. Around one third of all children in day-care are already involved in Germany's largest educational initiative for toddlers and young children. Some 200 local partners within the network ensure that the foundation's programme becomes widespread, which includes the Dachau network. Right from the start, Phoenix Solar AG pushed strongly as a sponsor for the local Dachau network and has regularly promoted the initiative since 2009.

### **Aktive Schule Petershausen**

One of the school projects of the "frei lernen e.V." association, with its emphasis on ecology and the environment as part of the educational process, harmonises well with the corporate philosophy of Phoenix Solar AG. This led us to a swift decision to support this innovative approach to teaching by making a donation. The free Aktive Schule in Petershausen was set up by a group of parents as an alternative to regular schools and can be described as a continuation of the educational concept anchored in the forest kindergarten (Waldkindergarten). The emphasis here is on the free exploratory work of each child.

### **Kreisjugendring Dachau (Dachau youth association)**

Kreisjugendring Dachau (KJR) is the work group of youth organisations in the District of Dachau. It is entrusted with representing the interests of children and young people through its work and youth policies. KJR Dachau comprises 14 youth organisations with a total of 14,000 members aged up to 26 years. There are 1,500 voluntary youth leaders in the youth organisations that are committed to assisting children and young people. The work of the KJR concentrates on supporting the voluntary youth leaders, holiday leisure activities throughout the district, cultural events for young people and youth work in various municipalities. Phoenix Solar AG supports KJR in the financing of a minibus.

### **Stiftung Umweltenergierecht (Environmental law foundation)**

The Stiftung Umweltenergierecht researches the law currently prevailing on environmental energy and climate protection and develops new steering approaches. Fundamental questions about the imminent process of transformation can thus be analysed at an early stage and concrete proposals for rules and regulations drawn up. The foundation was set up in response to the insight that concerted research into legal structures and the development of new control mechanisms anchored in law are mandatory prerequisites for the effective protection of the climate and natural resources. Limiting the rising global temperature will only be successful if the effective framework conditions for using renewable energies and the sparing use of energy can be created in law. Phoenix Solar AG promotes the foundation's goals by giving it access to funding.

## SOCIETY AND SOCIAL ISSUES

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### **Deutsche Umwelt-Aktion e.V.**

Deutsche Umwelt-Aktion e.V. (DUA) organises lessons on the environment in primary schools to inform school children at an early age about environmental issues and teach them about ecology and processes in natural science. The aim is to enhance the awareness of school children in respect of economic, social, political and ecological complexities and to build on their knowledge of the environment. In 2010, Phoenix Solar financed the "Power from Solar Energy" project in 17 classes in the district of Dachau and, to supplement extensive knowledge about generating energy, also provided the school children with energy in the form of gummi bears and glucose tablets.

### **German Renewable Energy Federation (BEE)**

The BEE is the umbrella organisation of Germany's renewable energies sector. It heads up professional associations in the fields of hydropower, wind energy, bioenergy, solar energy and geothermal energy and represents the interests of the industry in the political arena and to the public at large. Phoenix Solar AG assumed a share in the costs of the study entitled "Berechnung einer risikoadäquaten Versicherungsprämie zur Deckung der Haftpflichtrisiken, die aus dem Betrieb von Atomkraftwerken resultieren" (calculation of an insurance premium commensurate with covering liability risks from the operating of nuclear power plants).

### **Energy Watch Group**

The Energy Watch Group is structured as an international network of scientists and parliamentarians. The organisation is sponsored by the Ludwig Bölkow Foundation in Ottobrunn near Munich. As part of this project, scientists work on studies concerning energy-related issues independently of government and corporate interests. Along with ecological contexts, economic and technological dimensions in particular are analysed by the scientists involved. The results of these analyses are transported via groups of experts to the politically interested public. In the context of our commitment to research and science, Phoenix Solar made a donation to the network in 2011.

### **"KettenreAktion Bayern" - donation to Bavaria's "Human Chain Reaction" campaign**

On 9 October 2010, 50,000 people gathered in the heart Munich to form a human chain and campaign for an end to the nuclear age and the expansion of renewable energies. In symbolic terms, the "Knot of Renewable Energies" was tied. Phoenix Solar gave financial support to the initiative and also encouraged all its employees to actively engage in the campaign for renewable energies.

## SOCIETY AND SOCIAL ISSUES

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### **Maisach Primary School**

Maisach Primary School held a project week on the topic of "Environmental Protection – an Investment in the Future" in July 2010. During this project week, school children from Maisach Primary School paid a visit to Phoenix Solar AG and went on a trip to the Sulzemoos and Malching solar parks. Two staff members from Phoenix Solar AG answered questions on photovoltaics in general and explained how a solar power plant works. They had also prepared a questionnaire for the children on the subject of solar energy. In addition, Phoenix Solar also gave financial support for the day of practical work on "Building with solar cells" at the school.

### **Burgstädt Grammar School**

In 2011, Phoenix Solar made a donation of solar cells for research purposes to the Burgstädt Grammar School in the District of Central Saxony. The pupils had the opportunity of building their own photovoltaic system. The grassy area bordering the school premises is used regularly for courses on the topic of renewable energies.

## SOCIETY AND SOCIAL ISSUES

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### Worldwide Commitment

Alongside our concentration on the region where our head office is located, we also focus on projects in the third world. Our aim is to extend aid to the world's poorest as well. As part of our international commitment we feel that helping people to help themselves and actively supporting people in improving their living conditions is extremely important. This has prompted us, for instance, not only to take on the role of sponsor in our project work in Watoto, Kenya, but also to send our own employees to Africa to pass on our knowledge to the



## SOCIETY AND SOCIAL ISSUES

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### **Watoto e.V.**

Watoto e.V. is a non-profit German association set up to promote the Mekaela Academies. Mekaela Academies is a private education initiative founded in 1994 consisting of four schools in Ukunda, Kenya, around 30 km south of Mombasa. Phoenix Solar supported the Mekaela Academies' Watoto Project by donating a photovoltaic plant. A 20kWp off-grid ground-mounted power plant was built for the Lulu High School. The plant, which also plays a part in contributing to physics lessons, has been producing electricity for the school building in Ukunda since February 2011. The plant was installed by seven Kenyans trained on site by a head construction engineer sent by Phoenix Solar. This enabled Phoenix Solar not only to support this project through a contribution in kind but also by passing on knowledge through training young people locally. The whole construction of the solar power plant was overseen by an employee of Phoenix Solar AG.

### **Solar modules for Tanzania**

Father George of the Little Flower Mission in Tanzania, East Africa, would love to have lighting and electricity in the vicarage. With the support of Bibertal hilft e.V., a development association, Phoenix Solar AG donated solar modules to bring "light to Africa" in the words of Father George.

### **Nachbarschaftshilfe Gemeinde Sulzemoos e.V.**

The social environment where we maintain our head office is important to us. With this in mind, Phoenix Solar regularly makes donations to support the activities of the association of helpful neighbours in the community of Sulzemoos. The association contributes to the community by helping senior citizens and people in need of care with their house work, official business or by looking after sick people. Moreover, it offers tutoring for school children, babysitting as well as child care. For those in financial distress, the services of the association are free or supplied at a small charge. More information on the whole range of services offered can be found on the association's website.

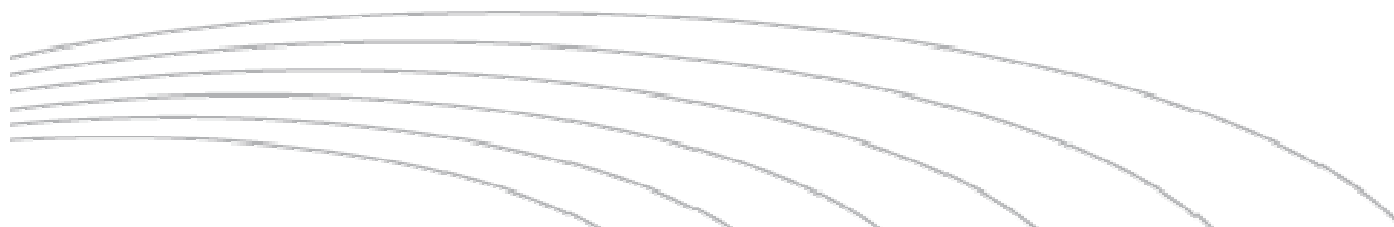
### **Sheltered workshops**

Phoenix Solar contributes to disadvantaged people by having the accessories for Phoenix Solar turn-key plants custom made by two workshops staffed by disabled people in the area. The Franziskuswerk Schönbrunn and Caritas Fürstenfeldbruck supply Phoenix Solar with fastenings for the assembly systems made by Phoenix under the Tecto brand family.



### **For us economics and sustainability go hand in hand**

We view the economic success of a company as an integral part of corporate social responsibility. Sustainable business and the sustainable management of the company are also instrumental in helping us to avert the risks inherent in the development of business and to exploit opportunities. Our intention is to secure sustainable competitive advantage and the long-term success of Phoenix Solar. From the company's beginnings as a private solar initiative in Germany, we have played a major role since 1999 in ensuring that photovoltaics becomes increasingly competitive and in accelerating its broad-based introduction into markets all over the world.





### Quality management

Phoenix Solar works together with local sub-contractors in the respective markets. These sub-contractors are selected in accordance with groupwide quality standards. Modules and inverters are also subject to stringent quality controls. Construction processes are certified under DIN EN ISO 9001 and 14001. More information can be found under the sections on "Environmental management system" and "Certified power plant construction".



### Opportunities and risk management

Our opportunities and risk management system is geared to identifying individual risks, analysing them in a transparent way and outlining suitable options for control. Beyond risks to the company as a going concern, activities, events and developments are recorded if they might exert a significant influence on the success of the company's business in the future. The objectives, processes and distribution of tasks in the context of risk management are documented in the Risk Management Manual of Phoenix Solar AG. You will find details on this topic in the current version of the Opportunities and Risk Report.



### Indices and ratings

Among other indices, the share of Phoenix Solar AG is listed on Deutsche Börse's ÖkoDAX which tracks the share price performance of the ten most liquid German companies in the renewable energies sector. It forms an excellent basis for investments in the promising fields of solar, wind, hydro and bio energy. The share also belongs to the UBAI, the UmweltBank's share index, which comprises listed companies specialised in ecology, renewable energies and sustainable business. Phoenix Solar currently holds an A-rating from oekom research, one of the world's leading rating agencies in the field of sustainable investment (November 2011). The oekom Corporate Rating uses the Frankfurt-Hohenheimer guidelines which constitute the world's most comprehensive collection of criteria for the ethical evaluation of companies. It assesses the responsibility of a company in respect of the people affected by the company's activities (social sustainability), society and culture (cultural sustainability) and the natural environment (environmental sustainability).



**Phoenix Solar AG**

Press & Public Relations

Hirschbergstraße 8

85254 Sulzemoos

Germany

Tel.: +49 (0)8135 938 - 000

Mail: [kontakt@phoenixsolar.de](mailto:kontakt@phoenixsolar.de)

**Making Energy Together**