

**COMMUNICATION ON PROGRESS (COP)
BASIC TEMPLATE**

Period covered by your Communication on Progress (COP)

From: To:

1. STATEMENT OF CONTINUED SUPPORT BY THE CHIEF EXECUTIVE OFFICER (OWNER OR PRESIDENT IN THE CASE OF SMALL BUSINESSES)

Please use the box below to include the statement of continued support signed by your company's chief executive

04/30/2019

To our stakeholders:

I am pleased to confirm that Siemens reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

In this annual Communication on Progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We also commit to sharing this information with our stakeholders using our primary channels of communication.

Sincerely yours,

André Clark
President and CEO from Siemens Brazil

2. DESCRIPTION OF ACTIONS

Human Rights

Please use the box below to describe **actions** your company has taken in the area of human rights.

Assessment, policy and goals

- Our company is committed to the Universal Declaration of Human Rights and Sustainable Development Goals (SDGs) from United Nations (UN). This pact is perceived through our internal and external engagement, such as: all internal trainings, annual and sustainability report from Siemens Global, annual and sustainability report from Siemens Brazil, code of conduct, internal policies, projects assessments and many other initiatives.
- Siemens creates added value for the societies, in which we operate. At the same time, our business activities – both directly and indirectly – impact the lives of many. Siemens is aware of its responsibility for ensuring the respect of human rights. For us, this is a core element of responsible business conduct.
- Not addressing human rights issues may create reputational risk, and there is also a growing risk of litigation and of non-compliance with increasing legislation in the area. The United Nations Guiding Principles on Business and Human Rights (UN Guiding Principles) have reinforced global awareness of the risks that companies bring to people and of the resulting risks to business – and there is growing pressure on companies by regulators, investors, lenders and other influential stakeholders to address these issues appropriately.

Implementation

- Siemens is a participant in the United Nations Global Compact and regards its ten principles, as well as the rules laid down in the framework agreement of the International Metalworkers' Federation (IMF), as binding for the entire Company. Otherwise, the Company's internal arbitration arrangements apply.
- Siemens is committed to embracing, supporting and enacting, within its further sphere of influence, the set of core values in the areas of human rights, labor standards, the environment, and anticorruption included therein as an integral part of its business strategy and operations.
- In line with its Global Compact commitment Siemens therefore expects its employees, suppliers and business partners around the globe to recognize and apply particularly the standards of the:
 - International Bill of Human Rights consisting of the:
 - The Universal Declaration of Human Rights;
 - The International Covenant on Civil and Political Rights;
 - The International Covenant on Economic, Social and Cultural Rights.
 - European Convention for the Protection of Human Rights and Fundamental Freedoms
 - ILO (International Labor Organization) Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy and ILO Declaration on Fundamental Principles and Rights at work (specially with following issues: elimination of child labor, abolition of forced labor, prohibition of discrimination, freedom of association and right to collective bargaining)
 - OECD Guidelines for Multinational Enterprises
 - Agenda 21 on Sustainable Development (final document of the basic UN-conference on environment and development, Rio de Janeiro)
 - UN Convention against Corruption Siemens supports the United Nations Guiding Principles on Business and Human Rights. They provide important guidance for the further operationalization of the company's responsibility to respect human rights.
- Some concrete actions to implement Human Rights policies, address Human Rights risks and respond to Human Rights violations can be reported and evaluated:
 - Call center for misconduct including Human Rights deviations (Tell us)
 - Training of employees on Human Rights
 - Code of conduct for suppliers, third parties and customers
 - Projects assessments to evaluate Human Rights risks
 - Human resource policies and procedures supporting Human Rights (Code of conduct)

Labour

Please use the box below to describe **actions** your company has taken in the area of labour.

Assessment, policy and goals

- We respect the personal dignity, privacy, and personal rights of every individual. We work together with individuals of various ethnic backgrounds, cultures, religions, ages, disabilities, races, sexual identity, world view and gender. Consistent with our corporate principles and with the employment laws of numerous countries in which we work, we do not tolerate discrimination against anyone on the basis of any of these characteristics or harassment or offensive behavior, whether sexual or otherwise personal.
- These principles apply to both internal cooperation and conduct towards external partners. We make decisions about those we work with – including personnel, suppliers, customers and business partners – based only on appropriate considerations, not on the basis of inappropriate considerations such as discrimination or coercion. We are open, honest and stand by our responsibilities. We are reliable partners and make no promises we cannot keep. And we expect our employees to act with integrity. Some examples are:
 - Written company policies to uphold the freedom of association and collective bargaining and the elimination of forced labour, child labour and employment discrimination
 - Written policies that clearly state employee rights and responsibilities and their compensation and benefits
 - Policy requiring business partners and suppliers to adhere to the Global Compact Labour principles
 - Assessment of labour-related risks in the industry sector

Implementation

- Some concrete actions to implement Labour policies, address labour policies, address labour risks and respond to labour violations and can be reported and evaluated:
 - Call center for misconduct including Labour deviations (Tell us)
 - Code of conduct for suppliers, third parties and customers
 - Projects assessments to evaluate Labour risks
 - Human resource policies and procedures supporting the Labour principles
 - Internal communications and trainings showing how the health and safety of all employees is ensured
 - Annual week dedicated to safety, health and environment
 - Continuously dialog and meetings dedicated to safety, health and environment

Environment

Please use the box below to describe **actions** your company has taken in the area of environment.

Assessment, policy and goals

- Sustaining the environment lies at the heart of our sustainability efforts that we drive internally and together with our customers by improving energy and resource efficiency.
- This is reflected by our decarbonization and environmental programs that aim at conserving resources by optimizing their use along the entire product life cycle. Through our engagement towards the environment, we contribute to the planet. Our engagement towards the environment is embedded in our 12 sustainability principles. With this, Siemens addresses SDG 3 "Good Health and Well-being", SDG 6 "Clean Water and Sanitation", SDG 7 "Affordable and Clean Energy", SDG 8 "Decent Work and Economic Growth", SDG 9 "Industry, Innovation and Infrastructure", SDG 11 "Sustainable Cities and Communities", SDG 12 "Responsible Consumption and Production" and SDG 13 "Climate Action".

Implementation

- Siemens has some actions and initiatives to promote environment subject, such as:
 - Training of employees on environmental protection
 - Initiatives and programs to reduce waste materials and consumption of resources (energy, water, paper, copper, aluminum etc.)
 - Activities aimed at improving the energy efficiency of products, services and processes
 - Development and diffusion of environmentally friendly technologies
 - Environmental management system to identify, monitor and control the company's environmental performance
 - The environmental programs - Serve the Environment, Product Eco Excellence, - support the needs of the businesses and provide additional value. They are expression of our commitment around the world and help managers to meet EHS-related legal requirements, social responsibilities and customer demands
 - Siemens' Environmental Portfolio is a major factor in global decarbonization efforts. In fiscal 2017, the technologies of our Environmental Portfolio enabled customers all over the world to reduce their CO2-eq emissions by 570 million metric tons. That's equivalent to about 70 percent of Germany's annual CO2-eq emissions. Our Environmental Portfolio currently accounts for about 50 percent of our annual revenue and comprises technologies such as smart grids, industrial automation, e-vehicles, energy-efficient systems, and renewable energy technologies.
 - All relevant production and office sites must therefore implement environmental management systems that meet the criteria of ISO 14001, the relevant standard of the International Organization for Standardization

Anti-Corruption

Please use the box below to describe **actions** your company has taken to fight corruption.

Assessment, policy and goals

- Siemens shows zero tolerance toward corruption, violations of the principles of fair competition and other breaches of the law – and where these do occur, we take swift action. But compliance means much more than just adhering to laws and to the regulations described in the Siemens Business Conduct Guidelines. Compliance forms the basis for all our decisions and activities, and it is the key to integrity in conducting business. Our premise is this: Only clean business is Siemens business. This applies worldwide and at all levels of the organization. In addition to combating corruption and competition violations, the Compliance Department also protects our company against fraud and money laundering as well as safeguards personal data.
- We are also active in international organizations that strengthen responsible business practices. Since late 2013, our Chief Compliance Officer has chaired the Anti-Bribery and Corruption Policy Group of the Business and Industry Advisory Committee to the OECD.
- Business community is an important stakeholder in the fight against corruption. Moreover, due to its global presence, Siemens is subject to numerous national and international laws and statutes. Precisely, in the field of anti-corruption, these include for example the German Criminal Code (StGB), but also other criminal laws such as the UK Bribery Act (UKBA) and the U.S. Foreign Corrupt Practices Act (FCPA). These laws may – in addition to local criminal law – also apply to the conduct of Siemens’ subsidiaries worldwide.

Implementation

- It is essential to systematically enforce a prohibition on corruption within and towards the company’s business partners. Therefore, the Siemens Compliance Organization is responsible for implementing appropriate anti-corruption policies and procedures to prevent the abuse of entrusted power for private gain. Consequently, all managers and employees must obey to the applicable Siemens policies in addition to the laws and regulations of the legal systems within which they are operating.
- Besides internal efforts, we support the fight against corruption by working with external stakeholders in private sector, governments and civil society.
- Siemens has two global policies and guidelines - Business conduct guideline (internal and external partners) and Global Compliance Circular. Siemens Compliance operates a comprehensive landscape of procedures and policies to ensure that the Business Conduct Guidelines anticorruption measures are implemented and fully unambiguous:
 - Cooperation with Business Partners
 - Gifts and hospitality
 - Sponsorships, donations, charitable contributions and Memberships (SpoDoM)
 - Prohibition against corruption contained includes prohibition of facilitation payments
 - Compliance in project business
 - Compliance in procurement
 - High Risk Payments
 - Compliance requirements from third parties
 - Collective Action
 - Internal trainings
 - Appropriate provisions in agreements and contracts designed to protect Siemens

3. MEASUREMENT OF OUTCOMES

In the box below, please include the most relevant indicators to **measure outcomes**.

Human Rights

- Annual and Sustainability Report
- Annual evaluation from specialized entities or guides (e.g. Guia Exame de Sustentabilidade)
- The Siemens Board analyses all KPIs in an internal report called Siemens Excellence System
- Projects monitoring to evaluate Human Rights risks to mitigate and engage all stakeholders

Labour

- Annual and Sustainability Report
- Annual evaluation from specialized entities or guides (e.g. Guia Exame de Sustentabilidade)
- The Siemens Board analyses all KPIs in an internal report called Siemens Excellence System
- Internal surveys to measure labour climate
- Local and internal policies to follow and evidence
- Labour laws local and international are respected
- Projects monitoring to evaluate Labour risks to mitigate and engage all stakeholders

Environment

- Annual and Sustainability Report
- Annual evaluation from specialized entities or guides (e.g. Guia Exame de Sustentabilidade)
- The Siemens Board analyses all KPIs in an internal report called Siemens Excellence System
- Local and internal policies to follow and evidence
- Local and international laws are respected
- Projects monitoring to evaluate environment risks to mitigate and engage all stakeholders
- Due diligence
- Internal and external Audits
- Trainings

Anti-Corruption

- Annual and Sustainability Report
- Annual evaluation from specialized entities or guides (e.g. Guia Exame de Sustentabilidade and Selo Pró-Ética)
- The Siemens Board analyses all KPIs in an internal report called Siemens Excellence System
- Local and internal policies to follow and evidence
- Local and international laws are respected
- Projects monitoring to evaluate compliance risks to mitigate and engage all stakeholders
- Due diligence
- Internal and external Audits
- Trainings