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United Nations Global Compact

Siemens has been member of the UN Global Compact since 2003 and is committed to upholding the Compact's Ten Principles. Our "Sustainability Information 2020," our online Communication on Prog-

ress at the UN Global Compact webpage, and the following report index, describes the progress we have made during fiscal 2020.

Index according to the Ten Principles of the Global Compact

Principle	Systems	Measures	Achievements
<p>Principle 1 Support of human rights</p>	<p>Our pledge to safeguard human rights is rooted in the Siemens Business Conduct Guidelines (BCGs). The BCGs are required for all employees and business partners worldwide. They set out the fundamental principles and rules that apply to our actions within our company and in relation to our customers, external partners, and the public. Our Siemens Business Conduct Guidelines (BCG) provide the ethical and legal framework within which we conduct our business activities.</p>	<p>The following fundamental rights are enshrined in our Business Conduct Guidelines:</p> <ul style="list-style-type: none"> → No discrimination, respect for the principles of equal opportunity, and equal treatment → Free choice of employment (no forced labor) → Prohibition of child labor → Decent wages → Freedom of collective bargaining and association → Compliance with safety rules 	<p>In the year under review, the number of sustainability self-assessments added up to 4,759. We conducted 374 supplier quality audits with integrated sustainability questions and 269 external sustainability audits. In external sustainability audits, we identified a total of 5,394 potential improvements.</p>
<p>Principle 2 Exclusion of human rights abuses</p>			
<p>Principle 3 Assurance of freedom of association</p>	<p>They contain our basic principles and rules for our conduct internally and externally, for example on human rights core labor standards.</p>	<p>Our Code of Conduct (CoC) for Siemens suppliers and Third-Party Intermediaries encompasses the following human rights topics:</p> <ul style="list-style-type: none"> → Fair labor conditions (pay, working hours, vacation) → Right to freedom of association → Responsibility for health and safety standards → Prohibition of discrimination → Prohibition of forced labor and child labor → Provision of anonymous complaint mechanisms 	<p>Human rights is a continuous awareness topic. In fiscal 2018, Siemens joined the European Business and Human Rights Peer Learning Group of the Global Compact Network. It is designed as a human rights peer learning group for European companies from different sectors and sizes – on business and human rights.</p>
<p>Principle 4 Elimination of all forms of forced labor</p>			
<p>Principle 5 Abolition of child labor</p>	<p>With our Code of Conduct (CoC) for Siemens suppliers we ensure that these basic rights and principles are also observed in our supply chain.</p>	<p>At the end of fiscal 2020, we introduced a new digital risk due diligence tool (ESG Radar) on the basis of material risk fields.</p>	<p>↗ OUR KEY AREAS OF IMPACT</p> <p>↗ SUPPLY CHAIN MANAGEMENT</p> <p>↗ HUMAN RIGHTS</p>
	<p>We have undergone a company-wide internal human rights risk assessment as part of our Compliance Risk Assessment (CRA).</p> <p>↗ SUSTAINABLE DEVELOPMENT OF SOCIETIES</p> <p>↗ SUPPLY CHAIN MANAGEMENT</p> <p>↗ HUMAN RIGHTS</p>		

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Principle	Systems	Measures	Achievements
<p>Principle 6</p> <p>Elimination of discrimination</p>	<p>We do not tolerate discrimination and have anchored that in the Siemens Business Conduct Guidelines. At Siemens, diversity stands for the inclusion and collaboration of different ways of thinking, backgrounds, experiences, competences, and individual qualities across all levels and dimensions of the company. We actively foster diversity within the company by creating a working environment that is open to all people. We are amongst signatories of the "Charta der Vielfalt."</p> <p>➤ WORKING AT SIEMENS</p> <p>➤ EMPLOYEE DIVERSITY</p>	<p>Our more than 80 global diversity networks promote and discuss diversity topics across the company. These groups and programs include the Global Leadership Organization of Women (GLOW), Diversity Ambassador, and GENE, our generation's network to foster cross-generation exchange. The effectiveness of the implementation of diversity initiatives is regularly monitored through key figures (including the proportion of women, generations, nationalities) and published in our Diversity & Inclusion Fact Sheet.</p> <p>Diversity focus areas are:</p> <ul style="list-style-type: none"> → Consciously addressing unconscious bias, → promoting gender balance, → fostering the value of globality, → encouraging diversity & inclusiveness. <p>➤ EMPLOYEE DIVERSITY</p>	<p>In fiscal 2020, 168 different nationalities were represented in the Siemens workforce. More than 170,000 employees have already completed the unconscious bias training. The Ability@Siemens initiative promotes a culture of integration for more than 5,300 people with disabilities.</p> <p>In the year under review, Siemens in Germany made around 10% of apprenticeship positions available to disadvantaged young people who could not find another training position. Siemens Professional Education (SPE) provides support classes for refugees as part of a special integration initiative.</p> <p>➤ TRAINING AND DEVELOPMENT</p>
<p>Women Empowerment</p>	<p>In 2016, we committed to the UNGC Women's Empowerment Principles and signed the Diversity Charter, an initiative by the German government.</p> <p>➤ SUSTAINABILITY MANAGEMENT</p> <p>➤ EMPLOYEE DIVERSITY</p>	<p>We encourage the use of the Women Empowerment Principles as guide posts for actions that advance and empower women in the workplace, marketplace and community, and communicate progress through the use of sex-disaggregated data and other benchmarks.</p> <p>➤ WORKING AT SIEMENS</p> <p>➤ EMPLOYEE DIVERSITY</p>	<p>In the year under review, women accounted for 26% of our total workforce. The proportion of female employees in management positions at Siemens has risen continuously in recent years and is now 18.4%.</p> <p>In fiscal 2020, the number of women hired amounted to 29.7% of all new hires.</p> <p>➤ OUR KEY AREAS OF IMPACT</p> <p>➤ EMPLOYEE DIVERSITY</p>

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<p>Principle 7</p> <p>Precautionary approach to environmental protection</p>	<p>Siemens has an EHS management system in place to manage its environmental performance. All relevant production and office sites are obliged to implement an environmental management system which fulfills the requirements of the internationally recognized ISO 14001 standard as well as our own internal standard "Specifications on environmentally compatible product and system design."</p> <p>➔ ENVIRONMENT</p>	<p>Our programs "Serve the Environment" (StE), "CO₂ neutral Siemens", and "Product Eco Excellence" address all our material environmental impacts or industrial environmental protection and product-related environmental protection respectively. Since fiscal 2016, we report Scope 3 from supply chain, such as business travel, capital goods, fuel and energy related activities, and transportation.</p> <p>➔ SUSTAINABILITY MANAGEMENT</p> <p>➔ ENVIRONMENT</p>	<p>Siemens launched the global Carbon Neutral program in September 2015 with an eye to its own business activities. We shrank our own operations' carbon footprint by half between 2014 and 2020, achieving our interim target. In fiscal 2020, Siemens (incl. Siemens Energy) reduced its CO₂ emissions by 1.2 million tons CO₂ compared to the baseline in fiscal 2014. In Germany, almost 100% of the electricity consumption of our sites is already covered by renewables.</p> <p>For Scope 1 and 2 combined we reached a reduction in emissions of 225 kt CO₂ e.</p> <p>➔ OUR KEY AREAS OF IMPACT</p> <p>➔ SUSTAINABILITY MANAGEMENT</p> <p>➔ ENVIRONMENT</p>
<p>Principle 8</p> <p>Specific initiatives to promote environmental protection</p>	<p>Raising our employees' awareness of environmental and climate protection is an element of both our environmental strategy and our social commitment. With internal communication measures and our corporate citizenship focus on "sustaining communities," we help create a greater sense of responsibility for ecological issues.</p> <p>➔ SUSTAINABILITY MANAGEMENT</p> <p>➔ CORPORATE CITIZENSHIP</p>	<p>Siemens maintains a global environmental communications network to ensure that knowledge about environmental management, methods, solutions, and experiences is communicated across locations, businesses, and national borders.</p> <p>For years, we have been an engaged member of One Young World, the Carbon Pricing Leadership Coalition of the World Bank (CPLC), and the WEF.</p> <p>➔ SUSTAINABILITY MANAGEMENT</p>	<p>In the year under review, we donated €33.7 million for corporate citizenship activities. Siemens took part in the Conference of Parties (COP) in Madrid / Spain in November 2019, where we again gave insights how renewable energy can contribute to the decarbonization of the industry. In October 2019 we attended the One Young World Summit in London / UK.</p> <p>➔ OUR KEY AREAS OF IMPACT</p> <p>➔ SUSTAINABILITY MANAGEMENT</p> <p>➔ CORPORATE CITIZENSHIP</p>
<p>Principle 9</p> <p>Development and diffusion of environmentally friendly technologies</p>	<p>As part of our Environmental Portfolio, we develop and market products, solutions and services that enable our customers to reduce their CO₂ emissions, lower lifecycle costs, and protect the environment.</p> <p>From 2022, the introduction of the EU taxonomy will result in a classification system for sustainable economic activities that could supplement or replace Siemens AG's previous environmental portfolio reporting.</p> <p>➔ CLIMATE ACTION</p>	<p>We continuously review our portfolio with regards to newly developed or acquired portfolio elements that qualify as Environmental Portfolio elements or exclude elements that no longer fulfill our qualifications criteria.</p> <p>The spin-off of Siemens Energy has shifted the focus of the Siemens AG environmental portfolio to the emissions caused by our products' use of electricity and away from emissions resulting from energy conversion.</p> <p>➔ CLIMATE ACTION</p>	<p>In the year under review, our Environmental Portfolio without Siemens Energy helped our customers and partners throughout the world reduce their CO₂ emissions by 149.6 million metric tons.</p> <p>Continuing operations from our environmental portfolio accounted for 32% of our revenue in fiscal 2020.</p> <p>➔ OUR KEY AREAS OF IMPACT</p> <p>➔ SUSTAINABILITY MANAGEMENT</p> <p>➔ CLIMATE ACTION</p>