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# The United Nations Global Compact

Siemens has been a member of the UN Global Compact since 2003, and is expressly committed to upholding the Compact's Ten Principles. Our Sustainability Report 2021, our progress reports

online on the UN Global Compact website, and the index below describe the progress we made during fiscal 2021.

## Index of the Ten Principles of the Global Compact

Principle	Systems	Measures Taken	Achievements
<p><b>Principle 1</b> Support for human rights</p>	<p>Our pledge to safeguard human rights is rooted in the Siemens Business Conduct Guidelines (BCGs), which are binding on all our people worldwide.</p>	<p>The following are among the fundamental rights enshrined in our Business Conduct Guidelines:</p>	<p>In the year under review, the number of sustainability self-assessments came to 4,267. We conducted 319 supplier quality audits that included sustainability questions and 394 external sustainability audits. In external sustainability audits, we identified a total of 6,617 areas for improvement.</p>
<p><b>Principle 2</b> No complicity in human rights abuses</p>	<p>They set out the fundamental principles and rules that govern our actions within our company and in relation to our customers, external partners, and the public. The Siemens Business Conduct Guidelines provide the ethical and legal framework within which we conduct our business activities.</p>	<ul style="list-style-type: none"> <li>→ No discrimination; respect for the principles of equal opportunity and equal treatment</li> <li>→ Free choice of employment (no forced labor)</li> <li>→ No child labor</li> <li>→ Fair and reasonable wages</li> <li>→ Freedom of collective bargaining and association</li> <li>→ Compliance with safety rules</li> </ul>	<p>Human rights are a matter that calls for constant alertness. In fiscal 2018, Siemens joined the European Business and Human Rights Peer Learning Group of the Global Compact Network. This organization is likewise intended as a peer learning group on business and human rights for European companies from different sectors and of different sizes.</p>
<p><b>Principle 3</b> Upholding freedom of association</p>	<p>They contain our basic principles and rules for our conduct internally and externally, for example on core labor standards for human rights.</p>	<p>Our CoC includes the following aspects of human rights:</p>	<p>Governance is a focus area under our new DEGREE framework. Based on material risk areas, we successfully rolled out our new digital due diligence tool for risk, the ESG Radar.</p>
<p><b>Principle 4</b> Elimination of all forms of forced labor</p>	<p>Our Siemens Group Code of Conduct (CoC) for Suppliers and Third Party Intermediaries ensures that these basic rights and principles are also observed in our supply chain.</p>	<ul style="list-style-type: none"> <li>→ Fair working conditions (pay, work hours, vacation),</li> <li>→ Right to freedom of association,</li> <li>→ Responsibility for health and safety standards,</li> <li>→ No discrimination,</li> <li>→ No forced labor or child labor, and</li> <li>→ Availability of anonymous complaint mechanisms.</li> </ul>	<p>➔ <b>OUR KEY AREAS OF IMPACT</b></p> <p>➔ <b>SUSTAINABLE SUPPLY CHAIN PRACTICES</b></p> <p>➔ <b>HUMAN RIGHTS</b></p>
<p><b>Principle 5</b> Abolition of child labor</p>	<p>We have conducted a company-wide internal human rights risk assessment as part of our Compliance Risk Assessment (CRA).</p> <p>➔ <b>SUSTAINABILITY MANAGEMENT</b></p> <p>➔ <b>SUSTAINABLE SUPPLY CHAIN PRACTICES</b></p> <p>➔ <b>HUMAN RIGHTS</b></p>	<p>➔ <b>SUSTAINABLE SUPPLY CHAIN PRACTICES</b></p> <p>➔ <b>HUMAN RIGHTS</b></p>	

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<p><b>Principle 6</b></p> <p>Elimination of discrimination</p>	<p>We actively support diversity, equal opportunity, and inclusion by creating a working environment that is open and appreciative for everyone. Our commitment to protecting human rights is anchored in the BCGs. We will not tolerate discrimination. The BCGs state unequivocally, "We respect the personal dignity, privacy, and rights of each individual." They also make it clear that Siemens is committed to work with everyone, irrespective of ethnic origin, culture, religion, age, disability, skin color, gender, sexual identity and orientation, or world view. We are a signatory of the "Charta der Vielfalt" diversity charter.</p> <p>➤ <b>DIVERSITY, EQUITY &amp; INCLUSION</b></p>	<p>Our worldwide diversity networks promote and discuss diversity topics across the company. Leading Women in Industry, Global Leadership of Women@Technology &amp; Innovation, and GROW-2GLOW are some examples of such networks. We use key figures (including the percentage of women, generations, nationalities) to regularly monitor how effectively we implement diversity initiatives, and we publish the results in our Diversity &amp; Inclusion Fact Sheet.</p> <p>Focus areas for diversity include:</p> <ul style="list-style-type: none"> <li>→ Consciously addressing unconscious bias,</li> <li>→ Promoting gender balance,</li> <li>→ Highlighting the value of globality,</li> <li>→ Encouraging diversity and inclusiveness.</li> </ul> <p>➤ <b>DIVERSITY, EQUITY &amp; INCLUSION</b></p>	<p>In fiscal 2021, 167 different nationalities were represented in the Siemens workforce. The Ability@Siemens initiative is intended to promote a culture of integration for the more than 5,000 persons with disabilities who currently work at Siemens in Germany.</p> <p>Siemens Professional Education (SPE) is a program that offers possibilities for disadvantaged young people. In 2021 Siemens also joined the Valuable 500 – an initiative launched at the World Economic Forum to ensure that concerns of persons with disabilities are included in corporate management agendas.</p> <p>"Fostering diversity, inclusion, and community development to create a sense of belonging" was prioritized in fiscal 2021 as part of the DEGREE focal area for "Equity."</p> <p>➤ <b>OUR KEY AREAS OF IMPACT</b></p> <p>➤ <b>DIVERSITY, EQUITY &amp; INCLUSION</b></p>
<p>Empowering women</p>	<p>In fiscal 2016 we signed the CEO Statement on the UNGC Women's Empowerment Principles. Through sponsorships and strategic partnerships, we are also involved in such programs and initiatives as the "Charta der Vielfalt" diversity charter.</p> <p>➤ <b>SUSTAINABILITY MANAGEMENT</b></p> <p>➤ <b>DIVERSITY, EQUITY &amp; INCLUSION</b></p>	<p>We encourage applying the Women's Empowerment Principles to guide actions that advance and empower women in the workplace, marketplace, and community, and we communicate our progress by using sex-disaggregated data and other indicators.</p> <p>Under the DEGREE framework, Siemens (excluding SHS) is pursuing the goal of having 30% women in top management by 2025.</p> <p>➤ <b>DIVERSITY, EQUITY &amp; INCLUSION</b></p>	<p>In the year under review, women accounted for 26.7% of the total workforce at Siemens. The percentage of women in management positions has risen steadily in recent years, and now comes to more than 19.6%.</p> <p>In fiscal 2021, 30.2% of all new hires were women.</p> <p>➤ <b>OUR KEY AREAS OF IMPACT</b></p> <p>➤ <b>DIVERSITY, EQUITY &amp; INCLUSION</b></p>

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<p><b>Principle 7</b></p> <p>Precautionary approach to environmental challenges</p>	<p>Siemens has a comprehensive EHS system in place to manage its environmental performance. All relevant production and office sites are required to implement an environmental management system that complies with the internationally recognized ISO 14001 standard as well as our own internal specifications on environmentally compatible product and system design.</p> <p>➔ ENVIRONMENT</p>	<p>We bundle our binding climate protection goals and measures under the “D” heading (Decarbonization) in our DEGREE framework for sustainability at Siemens.</p> <p>→ Net zero operation by 2030, in compliance with SBTi targets</p> <p>→ Net zero supply chain by 2050, 20% emission reduction by 2030</p> <p>Our environmental programs are embedded in the DEGREE sustainability framework, and focus on reducing greenhouse gas emissions and making resource use more efficient all along the value chain. Our program for efficient resource use, Eco Efficiency @ Siemens, helps mitigate all our environmental impacts by encouraging a circular economy and a general dematerialization of business processes.</p> <p>The “R” for resource efficiency indicates that environmentally sound handling of limited resources is an integral part of Siemens’ DEGREE sustainability program.</p> <p>Robust, ecologically sound design of the next stage for all of Siemens’ relevant product families by 2030</p> <p>→ Decoupling from natural resources by procuring more secondary metal and plastic materials</p> <p>→ Circular economy by reducing landfill waste 50% by 2025 and toward zero landfill waste by 2030</p> <p>On top of that, the Efficient Own Operations component of the Eco Efficiency @ Siemens environmental program is also focusing on dematerialization and the circular economy in an operations context as well, to improve protection of resources. The emphasis here is on improving energy efficiency and reducing the environmental impact of our waste.</p> <p>➔ SUSTAINABILITY MANAGEMENT</p> <p>➔ ENVIRONMENT</p>	<p>We have reinforced our climate protection strategy further by confirming our science-based Targets, which aim for 1.5°C, and by joining the RE100, EV100, and EP100 initiatives. Anchoring our CO<sub>2</sub> reduction in business operations as part of the Long-term incentives (LTI) for Senior Management and making the business units responsible for reducing their own shares of emissions are now significant components of our management approach.</p> <p>In terms of our own business activity, we launched our global “CO<sub>2</sub>-Neutral” program in September 2015. By 2020 this program had already reduced our own operations’ carbon footprint 54% from the 2014 figure (as was reported for 2020, including Siemens Energy), and thus we achieved our intermediate goal last year.</p> <p>In 2021, we reduced our Scope 1 and Scope 2 emissions by another 83 kt CO<sub>2</sub>e, or 12%, from the year before. During the year under review, 78% of our electric power consumption was “green.”</p> <p>➔ OUR KEY AREAS OF IMPACT</p> <p>➔ SUSTAINABILITY MANAGEMENT</p> <p>➔ ENVIRONMENT</p>

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<p><b>Principle 8</b></p> <p>Initiatives for greater environmental responsibility</p>	<p>Raising our people's awareness of environmental and climate protection is intrinsic to both our environmental strategy and our social commitment, with the core components of access to technology, access to education, and sustaining communities. Our internal communication measures and our corporate citizenship focus help heighten a sense of responsibility for ecological issues. Protecting the environment and preserving natural resources are two goals that are of paramount importance for preserving communities.</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 actively involved member of One Young World, the World Bank's Carbon Pricing Leadership Coalition (CPLC), and the World Economic Forum (WEF).</p> <p>➤ SUSTAINABILITY MANAGEMENT</p>	<p>In the year under review, we reported € 40.6 million in community investment. In July 2021 we took part in the One Young World Summit in Munich, Germany. As part of Earth Day, Siemens UK provided teaching materials to 214 elementary schools to teach resource conservation in ways appropriate for children.</p> <p>➤ OUR KEY AREAS OF IMPACT</p> <p>➤ SUSTAINABILITY MANAGEMENT</p> <p>➤ CORPORATE CITIZENSHIP</p>
<p><b>Principle 9</b></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 CO<sub>2</sub> emissions, lower lifecycle costs, and protect the environment.</p> <p>We are preparing for the introduction of the EU taxonomy, which will provide a classification system for sustainable economic activities. This will supplement Siemens' previous Environmental Portfolio reporting.</p> <p>➤ CLIMATE ACTION</p>	<p>Our Environmental Portfolio is our biggest contribution to mitigating climate change. It comprises products, systems, solutions, and services (Environmental Portfolio components) that meet one of our criteria for selection – that they offer energy efficiency above a defined threshold, or employ renewable forms of energy.</p> <p>Our DEGREE framework has set the ambitious goal of achieving next-stage, robust, ecologically friendly design for 100% of the relevant Siemens product families by 2030.</p> <p>➤ CLIMATE ACTION</p>	<p>With all the Environmental Portfolio components that we have installed for customers since fiscal 2002 (excluding Siemens Energy) and that are still in operation today, by the end of fiscal 2021 we had reduced our customers' CO<sub>2</sub> emissions by 88 million metric tons (continuing operations).</p> <p>During fiscal 2021, 31% of our revenue in continuing operations came from our Environmental Portfolio.</p> <p>➤ OUR KEY AREAS OF IMPACT</p> <p>➤ SUSTAINABILITY MANAGEMENT</p> <p>➤ CLIMATE ACTION</p>

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<p><b>Principle 10</b> Combating corruption</p>	<p>Our Business Conduct Guidelines contain the fundamental principles and rules for our conduct within Siemens and in relation to Siemens' customers, external partners, and the general public. They also serve as an expression of our values and form the basis for detailed internal regulations. The Business Conduct Guidelines are binding on all our people around the world.</p> <p>Our compliance system is designed to ensure that our business practices worldwide comply with these guidelines and follow applicable laws.</p> <p>It is based on three pillars – prevent, detect, and respond – and includes activity fields in anti-corruption, anti-money laundering, antitrust, Collective Action, data privacy, export controls, and human rights.</p> <p>➔ <b>COMPLIANCE</b></p>	<p>Siemens takes a zero-tolerance approach to corruption and other breaches of applicable law and our values as laid down in the Business Conduct Guidelines. Our compliance priorities are:</p> <ul style="list-style-type: none"> <li>➔ Foster Integrity,</li> <li>➔ Manage Risk and Give Assurance,</li> <li>➔ Effective Processes,</li> <li>➔ An Excellent Compliance Team, and</li> <li>➔ Committed to Business.</li> </ul> <p>Our priorities will continue to guide our work and will be defined in further detail with focus areas for fiscal 2022.</p> <p>We actively support the United Nations Convention against Corruption and the Anti-Bribery of the Organization for Economic Cooperation and Development (OECD). Siemens' activities in the World Economic Forum (WEF) include our participation in the Partnering Against Corruption Initiative (PACI).</p> <p>To date, we have provided some USD \$ 120 million in funding for 85 projects as part of the Siemens Integrity Initiative to combat corruption and fraud in more than 50 countries.</p> <p>As part of the DEGREE framework, we plan to provide training and refresher courses in the BCGs for 100% of our people in three-year cycles.</p> <p>➔ <b>COMPLIANCE</b></p>	<p>Once again in fiscal 2021, we made important progress in advancing the Siemens compliance system, including:</p> <ul style="list-style-type: none"> <li>➔ BCG training was rolled out for some 77,000 employees around the world (including SHS), and 72,000 of them (about 93%) had completed it successfully by the end of fiscal 2021.</li> <li>➔ We established global teams of compliance experts for specific topics. In this way, we aim to address significant cross-organizational challenges and at the same time, identify opportunities for improvement in terms of efficiency and efficacy by making the most of available knowledge and experience. As a part of this network, continuous monitoring of compliance risks was supplemented with a global group of experts to provide early detection of risks from new digital business models, and to define proposals for risk mitigation.</li> </ul> <p>➔ <b>OUR KEY AREAS OF IMPACT</b></p> <p>➔ <b>COMPLIANCE</b></p>