

Communication on Progress for Siemens d.o.o. Ljubljana

General

The Communication on Progress (COP) for Siemens d.o.o. Ljubljana is covering period from September 14th 2011 until September 14th 2012.

Statement of continued support by the Chief Executive Officer (CEO)

Siemens d.o.o. has made a clear commitment to the ten principles of the UN Global Compact. Our goal is to make the company sustainable in every respect. The company has internal environmental targets and responsible, diversity-oriented employee policies. We're also driving occupational health and safety management and working to commit our suppliers to our own high standards. We are, in accordance with the corporate strategy, further expanding our environmental portfolio. In addition to that we are focusing on collective action with other stakeholders for fair market conditions and clean business practices.

Medeja Loncar,
CEO, Siemens d.o.o. Ljubljana

UNGC principles

Human Rights Principles

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses

Labor Principles

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labor;

Principle 5: the effective abolition of child labor; and

Principle 6: the elimination of discrimination in respect of employment and occupation

Environmental Principles

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies

Anti Corruption Principles

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery

Siemens d.o.o. is a daughter company of Siemens AG and member of its corporate organization. In accordance with the corporate internal rules, Siemens d.o.o. is obliged to implement all corporate programs supporting the 10 principles of the UNGC and to follow corporate strategy in those areas. All systems, measures and achievements mentioned in the Siemens AG Sustainability report for 2011 (for period October 1st 2009 until September 30th 2010, available at <http://www.siemens.com/sustainability/pool/en/current-reporting/siemens-sr2011.pdf>) and additional information available on the Siemens sustainability website

<http://www.siemens.com/sustainability/en/> (for the period after October 1st 2010) are therefore applicable for Siemens d.o.o.. Therefore in this Communication on Progress we refer to the Siemens AG Sustainability report for 2011 and the Siemens sustainability website in all areas. Further more, Siemens d.o.o. has implemented specific local activities and initiatives in certain areas and these are the main focus of this report.

Implementation of the UNGC principles by Siemens d.o.o.

Environmental Principles

Our responsibility for environmental protection is embedded in our Siemens EHS Principles. Raising our employees' awareness of environmental and climate protection is an element of both our environmental strategy and our social commitment. With internal communications measures and our corporate citizenship focus on environmental protection, we help create a greater sense of responsibility for ecological issues inside and outside the company. As part of Siemens Environmental Portfolio, we develop and market products and solutions that enable our customers to reduce their CO₂ emissions, lower lifecycle costs and protect the environment.

Siemens d.o.o. has made an assessment of its environmental footprint and has written a policy on environmental issues. Furthermore, Siemens d.o.o. has initiated and is executing environmental awareness raising campaign in cooperation with the City of Ljubljana. The campaign (titled Ljubljana, pametno mesto, translation: Ljubljana, Smart City) aims to help people take environmentally responsive actions and decisions and thus help the city administration achieve ambitious environmental goals. Environmental campaign has been further upgraded in 2012, in order to include citizen in the decision-making process – web platform with intuitive user interfaces have been created for every user to easily post his or her suggestion on how to improve the quality of living in Ljubljana. To further assist the city to be able to better plan the environmental measures for the future, Siemens d.o.o. commissioned a study, titled Ljubljana – Sustainable Urban Infrastructure – A View to 2050. The study was conducted by Institute Jožef Stefan, assessing possibilities for Ljubljana to achieve sustainable excellence development scenario through which the CO₂ emissions would be reduced by 80%.

Another activity, performed in 2012 is a combination of environmental and humanitarian initiative. Siemens d.o.o. donated and implemented technology for energy efficient heating into one of the holiday homes of Association of the Friends of the Youth. Holiday homes are frequently used by children from socially deprived environments. By raising energy efficiency the money can be saved and used to improve quality of programs, the environmental footprint is improved as well. The effects of this donation will be measured in 2013.

Siemens d.o.o. formed a group of people (ECO TEAM) who are responsible for raising awareness of environmental issues and find new and efficient ways in order to promote and save environment. Activities were done in the area of paper reduction (the use of paper was reduced by 10% in 2012 by two side copying and reduced printing).

In fiscal 2012, Siemens d.o.o. donated around € 100.000 to education and science.

Anti Corruption Principles

The Siemens Business Conduct Guidelines are the heart of our Compliance Program.

Siemens d.o.o. initiated the first collective action in Slovenia, together with the UNGC Slovenia, in 2010. The program is called Ethos and its aim is to raise awareness on corruption, as well as develop good practices, mechanisms and standards with which the companies can proactively prevent corruption and thus raise the competitiveness of the corporate environment and the country as a whole in the long-term.

The first outcome of the project Ethos was Declaration on Fair Business which was launched on January 20th 2011 at the public event, attended by the Slovenian opinion leaders and managers. President of The Republic of Slovenia gave welcome speech. The declaration was already signed by more than 30 Slovenian companies from various industries. In 2012, the task force (of which Siemens is part) focused on further promotion of the Declaration, improving the accessibility of topics, dedicated to corruption prevention, and invested effort into promoting compliant, fair business among business community with speeches at different events and round table discussions.

Since January 2008, 90 Siemens d.o.o. employees have completed online compliance training, and 70 have received personal compliance training.

In 2012, the on-line worldwide survey Siemens engagement and compliance survey was conducted again, whereas Siemens Slovenia showed an above average awareness of compliance, and acceptance of the compliance and ethical guidelines.

Human rights principles

Siemens d.o.o. has implemented Siemens Business Conduct Guidelines and Code of conduct for Siemens Supplier is signed by all Siemens d.o.o. suppliers.

Siemens suppliers reviews are performed on the corporate level, therefore the information about the number of audits performed and their results are to be found in the corporate report.

Labor principles

In accordance with our Business Conduct Guidelines and Slovene labor legislation, we tolerate no form of discrimination. We actively foster diversity within the company through the corporate Diversity Initiative.

In fiscal year 2012 women accounted for 30 percent of our total workforce and 30 percent of managers in Siemens d.o.o..