

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 2013 until September 14th 2014.

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 2013 (for period October 1st 2012 until September 30th 2013, available at (<http://www.siemens.com/sustainability/en/sustainability/reporting/current-report.htm>)) and additional information available on the Siemens sustainability website

www.siemens.com/sustainability for the period after October 1st 2013) are therefore applicable for Siemens d.o.o.. Therefore in this Communication on Progress we refer to the Siemens AG Sustainability report for 2013 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 environmental issues inside and outside the company. As part of Siemens Environmental Portfolio, we 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 2014, with these activities:

- Photo contest which aims to drive traffic to Ljubljana Smart City web platforms and thus further increase awareness of the citizens of the environmental actions has been moved to Instagram platform and we still promote it, stimulating users to post their photos of Ljubljana's environmental initiatives;
- Public social event was organized for people participating in the photo contest, at the event we promoted environmental technologies and solutions of Siemens as well as environmental initiatives and projects of the City of Ljubljana;
- We promoted environmentally friendly behavior of citizens through advertising in outdoor communication channels in Ljubljana. With the advertising campaign we raised awareness and stimulated favourable actions in the field of sustainable transport (promotion of biking), waste management (recycling, separating), energy efficiency (energy efficient lighting) and green areas.
- We promoted environmentally friendly behavior through our social media and web platforms, content was structured in monthly focus topics, ranging from architecture, through coworking, recycling, transport, water to self-supply with fruit and vegetables. For each of the topic web feature was created and posted on www.ljubljanapametnomesto.si, newsletter was distributed to 400+ addresses and the topic was continually promoted on Facebook and YouTube channels. Thus, we managed to raise the number of visits to the website and enhance engagement in social media platforms.

Another activity, started in 2012 and continued in 2013 is focusing on the promotion of best energy efficiency practices in industry. Siemens d.o.o. (in cooperation with University of Ljubljana and Finance newspaper) initiated the contest for industry sector, where we collect and promote best practices in energy savings and CO2 emissions abatement. Best cases were promoted at main business event, on

dedicated websites (www.siemens.si/nagrada; www.finance-akademija.si/nagrada), on relevant trade shows and symposiums (Poslovna konferenca Portorož – Business Conference Portorož, Dnevi energetikov – Energy Management Days), through print advertising in business daily Finance, in various brochures and internal magazines. The sustainability of this initiative is proven by the fact that the project was copied and introduced by Siemens Hungary, using similar principles, mechanisms and communication tools.

We executed blood-giving activity, open to all employees.

Siemens d.o.o. continued to be active in improving its own environmental footprint. ECO TEAM, employee task force, responsible for raising awareness of environmental issues and find new and efficient ways in order to promote and save environment.

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 50 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. Siemens continues to play an active part in the task force Initiative Ethos where it is represented by one employee. Siemens CEO Ms. Lončar spoke at several public events where she promoted fair and compliant business to top management, opinion leaders and the media and thus contributed to social awareness to this issues.

Since January 2008, the majority of 95 Siemens d.o.o. employees have completed online compliance training, have received personal compliance training. In 2014 refresher trainings were executed in the form of integrity Dialogue, attended by the majority of middle and top management staff.

To promote anti-trust rules, regulations and best practices we plan to organize public conference in cooperation with German-Slovenian Chamber of Commerce and Section of Corporate Lawyers at Association of Economy Law, where head of Compliance Competition department at Siemens AG dr. Werner Heckenberger will be keynote speaker, joined by director of Agency for Competition Protection and experts from corporate and academic sphere.

Siemens d.o.o. holds regular (quarterly) compliance review boards, intended to discuss compliance from organizational and structural principle. The meetings result in regular improvements of the processes directed to assure compliant and ethical business.

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 2014 women accounted for 35 percent of our total workforce and 30 percent of managers in Siemens d.o.o..