

## **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 2015 until September 14th 2016.

### **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 Additional Sustainability Information to the Siemens annual report 2015 (for period October 1<sup>st</sup> 2014 until September 30<sup>th</sup> 2015, available at [http://www.siemens.com/about/sustainability/pool/en/current-reporting/siemens\\_sustainability\\_information2015.pdf](http://www.siemens.com/about/sustainability/pool/en/current-reporting/siemens_sustainability_information2015.pdf) and additional information available on the Siemens sustainability website <http://www.siemens.com/about/sustainability/en/> for the period after October 1<sup>st</sup> 2015) are therefore applicable for Siemens d.o.o.. Therefore in this Communication on Progress we refer to the Additional Sustainability Information to the Siemens annual report 2014 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 various environmental awareness raising activities. Two main initiatives in this area are:

- 1.) Werner von Siemens Efficiency Award:** started in 2012 and continued in 2013 and 2014 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](http://www.siemens.si/nagrada); [www.financeakademija.si/nagrada](http://www.financeakademija.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.

Promotion of best practice cases in various communication platforms was further present in 2015: on website [www.siemens.si](http://www.siemens.si), in innovation magazine hi!tech, and in connection with our SPEED project.

**2.) Siemens Promoting Energy Efficiency Development (SPEED)** in the Adriatic Region was another awareness raising activity in which Siemens Slovenia actively participated and supported it with own resources. The program consisted of:

- a) Research project Energy Efficiency Trend Monitor, where we explored status and trends of energy efficiency in industry production.
- b) SPEED Internal Commitment program, aimed at educating our employees about Siemens energy efficiency portfolio and stimulating it to promote it in relation to external stakeholders – especially to raise awareness on how energy efficiency can contribute to sustainability.
- c) SPEED external conference, taking place in Opatija (Croatia) on Sep 10-11 2015, with Slovenian participants actively involved. The conference was focusing on presenting the research (see article 4.a of this chapter) findings, involving the participants in the debate how to systematically approach energy efficiency topic in their respective companies and presenting the best available technologies in this area.

Started in 2015, SPEED campaign has been further upgraded in 2016, with these activities:

- Production of research report on Energy Efficiency in the industry of Adriatic region, available for download to anyone interested in the topic at <http://www.siemens.rs/speed2015/>.
- Promoting the need for energy efficiency in industry and the report through direct communication with partners, media relations, in innovation magazine hi!tech, on [www.siemens.si](http://www.siemens.si), on internal platforms, and through online advertising of the report.
- Promoting the research and its findings through an expert lecture in cooperation with our partner Jožef Stefan Institute at a relevant national symposium Dnevi energetikov – Energy Management Days. Further promotion of the report and its findings is planned for En.economics & Industry 016 event, taking place on September 29-30 2016.

### **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 2014 Siemens signed Slovenian Guidelines to Corporate Integrity and was asked to become the ambassador of the latter. Siemens Slovenia CEO was participating in public event where the Guidelines were formally signed and a series of workshops was organized around the topic.

Another initiative was in the field of “anti-trust” topic. Siemens partnered with German Slovenian Chamber of Commerce in organization of public expert and educational event, attended by 60 professionals in the field of compliance and anti-trust. Siemens representative dr. Wolfgang Heckenberger was keynote speaker at the event, we also used the opportunity to distribute messages of anti-trust activities to wider audience using various media channels.

Since January 2008, the majority of 65 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.

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.

To promote corporate transparency and integrity German-Slovenian Chamber of Commerce is organizing an event in October 2016 at which Siemens d.o.o. will be an active participant.

### **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 2016 women accounted for 33 percent of our total workforce and 45 percent of managers in Siemens d.o.o..