

MARCH 2022

Modern Slavery Statement

SIEMENS

About this statement

Siemens as a global company, are well aware of our responsibility to society. We are unreservedly committed to safeguarding and respecting human rights in every stage of the value chain. We understand this to be a key element of acting with integrity and responsible corporate governance. Our goal and aspiration is to identify any human rights violations occurring anywhere in our value chain as early as possible and to mitigate identified risks responsibly.

The Siemens group recognises establishing sustainability in the supply chain as a key company policy and responsibility to jointly work for a better life for all who take part in our interconnected world - with no place for forced labour, slavery, and human trafficking in any form.

As part of the worldwide Siemens group of companies, sustainable practices are firmly anchored in our corporate culture, based on our company values – responsible, excellent, and innovative. We apply globally binding principles that require all staff to behave in an ethical, law-abiding manner. We act responsibly to support economic, environmental, and social progress. We have the same expectations of our customers and supply chain.

This statement is in accordance with the Modern Slavery Act 2018 (Cth) (the Act) and relates to the specific reporting entity, Siemens Ltd (ACN 004 347 880), a public company incorporated in Australia with its registered office at 885 Mountain Highway, Bayswater, Victoria 3153 (Siemens Australia). This statement covers Siemens Australia financial year ending 30 September 2021.



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Our structure, operations and supply chain

The Siemens ecosystem

Siemens Australia is ultimately owned by Siemens AG and is part of the Siemens global ecosystem and has been active in Australia, New Zealand, and the Pacific region since 1872. As we celebrate 150 years in the region, our parent company, Siemens AG, celebrates 175 years of operation.

Siemens AG is a technology company focused on industry, infrastructure, transport, and healthcare. From more resource-efficient factories, resilient supply chains, and smarter buildings and grids, to cleaner and more comfortable transportation as well as advanced healthcare, the company creates technology with purpose adding real value for customers. By combining the real and the digital worlds, Siemens empowers its customers to improve their industries and markets, helping them to transform the everyday for billions of people.

Siemens also owns a majority stake in the publicly listed companies Siemens Healthineers, a globally leading medical technology provider shaping the future of healthcare. In addition, Siemens holds a minority stake in Siemens Energy, a global leader in the transmission and generation of electrical power. is a global technology powerhouse that has stood for engineering excellence, innovation, and quality.



Siemens entities in Australia and New Zealand directly employ over 2,000 people and research has shown that **Siemens enables approximately 29,000 jobs in the region.**

in financial year 2021, the Siemens Group generated revenue of approximately \$98.34 billion and the company opened up possibilities for 5 million jobs, 2.6 million of them in developing and emerging economies. Siemens employs 303,000 employees worldwide. Siemens entities in Australia and New Zealand directly employ over 2,000 people and research has shown that Siemens enables approximately 29,000 jobs in the region.

This report focuses only on Siemens Australia which has two subsidiaries: Siemens Industry Software Pty Ltd (ACN 607 224 662), which is a non-reporting entity under the Act, and Siemens (N.Z.) Limited (NZCN 318303), which is incorporated and operates in New Zealand. Siemens Australia is also registered as an overseas company in Papua New Guinea (3-114403).

Broad view on sustainability – DEGREE framework

Sustainability is an integral part of our business – it is part of our DNA. We are taking our ESG commitment to the next level with our DEGREE framework. It constitutes a 360-degree approach for all stakeholders – our customers, our suppliers, our investors, our people, the societies we serve, and our planet. In addressing the three aspects of ESG, we are building a better future that helps us stay within the planetary boundaries, helps us foster a culture of trust, empowerment, and growth, supports inclusive economic opportunities, and ensures that our people and businesses remain resilient and relevant for whatever the future holds. The DEGREE framework is based on six fields of action that drive sustainability and are dynamic and continuously evolving.

Our new DEGREE framework, which was introduced in financial year 2021, consists of different components to address the multifaceted issue of human rights in the areas of G (Governance), E (Ethics), and E (Equity). Our human rights principles are firmly grounded in the United Nations 2030 Agenda for Sustainable Development. Our pledge to safeguard human rights is anchored in our Siemens Business Conduct Guidelines (BCGs). The BCGs are binding on 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.

Caring for our people

At Siemens, equitable treatment and respect form the core of our value system. We foster diversity, inclusion, and community development to create a sense of belonging to our people in a safe environment where our people can contribute their best. We offer all of our employees a flexible work policy and each employee has access to Siemens employee share plans, to participate in Siemens' success also as a shareholder.

In addition, we focus on matching the right candidates with job vacancies based on competency and experience, and then continuously upskilling and reskilling our people by supporting their willingness to experiment and learn, and to help them develop a personal growth mindset.

When determining the remuneration of our employees, we analyse external market data in Australia, relevant to the specific role and the required qualifications, knowledge, and skills.

We measure ourselves on things that are important to developing and supporting our people including digital learning hours, access to free mental health and assistance programs and safety,

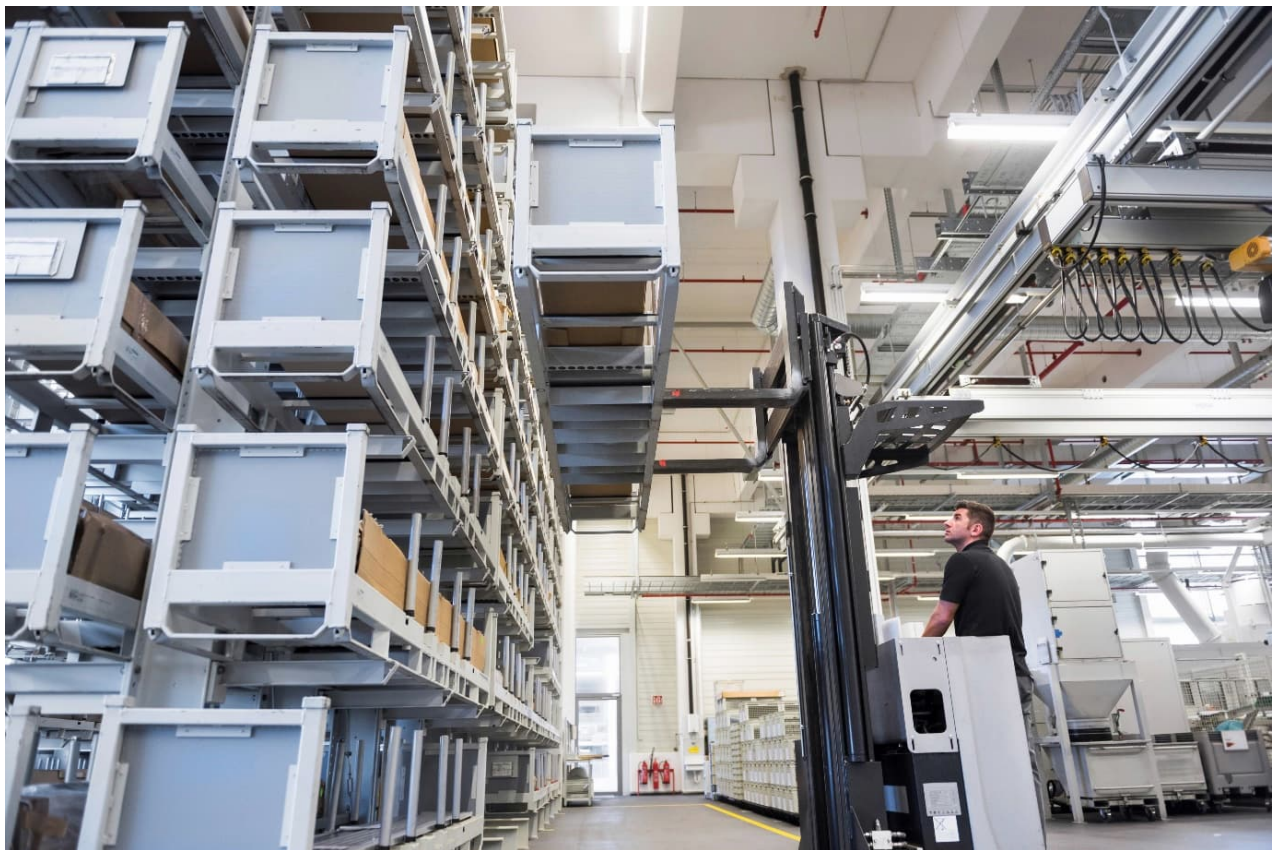


The supply chain that supports our operations

Sixty percent of what we source, comes from Siemens factories around the world - largely Germany and China. This is predominately due to the majority of Siemens equipment we sell being manufactured by other Siemens entities globally, and not manufactured locally by Siemens Australia.

Outside of Siemens factories, most of what we procure comes from third party suppliers within Australia, which we engage through various contractual arrangements, such as single transactions or under long term supply frameworks, depending on the nature of purchase. Our investigations during this reporting period found:

- Siemens Australia engaged directly with over 700 suppliers from over 50 different countries
- almost 70% of our procurement spend relates to suppliers in Australia and Germany
- over 60% of our supply chain is sourcing goods and services from Siemens factories and Siemens companies
- of our third party supplier spend, nearly 80% of this relates to suppliers within Australia
- the majority of our suppliers can broadly be defined to fall into the following categories of services and products:
 - electrical and electromechanical products and equipment
 - facilities and property, and
 - subcontractors





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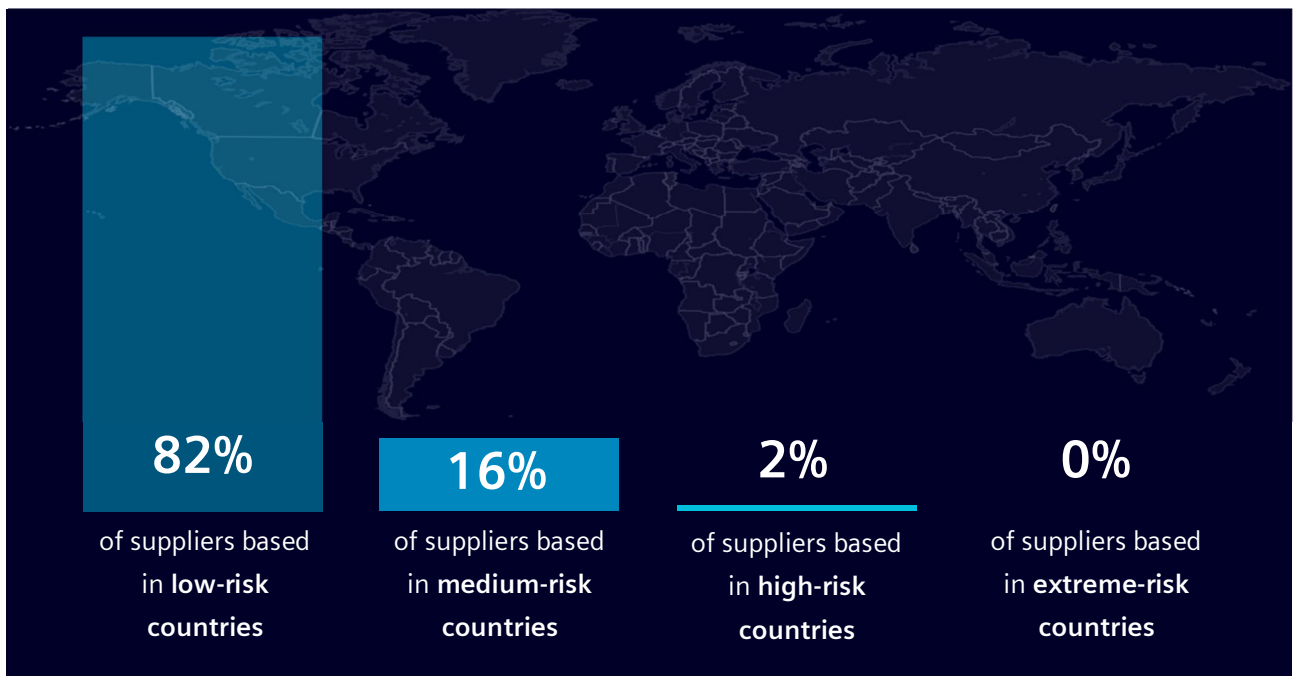
Risks of Modern Slavery practices in operations and supply chain

Process of identifying our supply chain risks

To identify both geopolitical and sustainability risks across the supply chain, Siemens AG sources insights from Sustain Consulting GmbH (Sustain). Sustain is a leading sustainability consultancy for companies across Germany, especially with regard to the supply chain. Sustain produces sustainability risk ratings based on supplier country and covers legal compliance, human rights and labour practices, environmental protection, fair operating practices, responsible minerals sourcing and supply chain.

Siemens Australia used data from Sustain to identify that approximately 82% of what we spend is with suppliers based in low-risk countries, with 16% based in medium risk and 2% based in high risk countries.

Over 70% of our spend in high risk countries was procuring through Siemens organisations. We reported no spend with suppliers operating in extreme risk countries within FY 2021.



Data: Financial Year ending 30 September 2021.

Includes: Third party, Siemens, and Siemens affiliated spend.

Assessing the Modern Slavery risks in our supply chain and operations

As a technology company with a largely professional workforce, we consider the risk of modern slavery in our direct business operations to be low and is mitigated through our existing Governance and processes. Our employees are directly engaged under contracts or enterprise agreements via the relevant national employment legislation. Siemens policy framework establishes channels for grievance reporting, annual remuneration and bench marking reviews.

Siemens' recognise that we may be exposed to such risk, either directly or indirectly, particularly through our supply chain. Our focused due diligence assessments around identifying and understanding the potential context and scale of modern slavery risks related to our first-tier suppliers in FY21, has identified that Siemens Australia supply chain risks include:



Suppliers operating in high risk countries

Countries with procurement in FY21:
Philippines, Turkey, India, Mexico and Papua New Guinea



Procurement of sector and Industry risks

Including; electric and electronic products, hire of semi-skilled labour and mining of minerals used in manufacturing



Hire of specialist skilled labour in high risk countries

Countries with procurement in FY21:
Turkey, India and Mexico



We act responsibly to support economic, environmental, and social progress. **We have the same expectations of our customers and supply chain.**



Actions taken to address and assess risk

Governance framework

Siemens Australia has a governance framework in place, based on the global Siemens framework, which underpins the way we engage with suppliers and the way we operate. Our integrated management system houses our policies and procedures, including those related to procurement, supplier management and our Code of Conduct guidelines.

To ensure that compliance and integrity are deeply anchored in the organisation, Siemens employees receive targeted risk-based training on compliance topics.

Continuous improvement of supply chain processes

We recognise that risk can be a rapidly and evolving topic. As part of our Modern Slavery actions, we identified areas for improvement to strengthen the way in which we engage with suppliers to address modern slavery risks. We have embedded a process to actively monitor our supply chain on a periodic basis, ensuring we can effectively focus on emerging and current risks.

As part of the continuous improvement and monitoring in our supply chain processes and practices, a Supplier Risk Management Strategy was implemented in 2021. Our supplier risk management strategy can be broken down into 3 process steps, which are supplier registration, supplier qualification and supplier reviews.

Supplier Registration

1 Siemens Group Code of Conduct for Suppliers and Third Party Intermediaries (Code of Conduct)

The Siemens Group Code of Conduct is based on the principles of the UN Global Compact relating to human rights, labour standards, environmental protection, and anticorruption initiatives. These principles are derived from the Universal Declaration of Human Rights, the Declaration on Fundamental Principles and Rights at Work of the International Labour Organization (ILO) and the principles of the Rio Declaration on Environment and Development. To do business with Siemens Australia, all suppliers must accept and comply with our Code of Conduct.

2 Our standard purchasing terms

Our standard purchasing terms for suppliers include a modern slavery clause setting out obligations in regards to complying with modern slavery related laws and supporting us in managing and monitoring of modern slavery risks in the supply chain and are included as part of all purchasing activities.



Supplier Qualification

3 The supplier self-assessment process

Siemens Australia adopted the Siemens Group standardised Corporate Responsibility Self-Assessment (CRSA) questionnaire module as part of our existing supplier qualification process. The CRSA questionnaire is now mandatory for all third party suppliers who have or are expected to meet a defined threshold.

Ongoing monitoring of our Suppliers

4 The ongoing monitoring and risk assessment of the entire supply chain of Siemens Australia

Periodically we conduct a review of the entire supplier base (using the Sustain insights). This enables us to focus on emerging and current risks, and proactively work with our supply chain and/or take necessary actions.

We take a continuous improvement approach to our supply chain processes and systems to ensure our suppliers meet the necessary qualification requirements at any given time.

Openness and compliance

Siemens Australia is also addressing the risk of modern slavery through its onboarding process and ongoing education of its contractors in all relevant governance topics including environment, health and safety, business conduct, bullying and harassment.

Siemens Australia encourages a culture of openness where any one can raise concerns about our business without any fear of retribution. We have reliable reporting channels for internal and external stakeholders and a Whistle-blower Policy setting out, amongst other things, information on how reports can be made and whistle-blower protections. The "Tell Us" compliance reporting system provides a secure channel for reporting this information 24 hours a day, online or by telephone, anonymously if desired, and in several languages. Siemens Australia has a Compliance Officer who is part of team responsible for managing any reports of misconduct.



Assessing the effectiveness of our actions

Modern Slavery Working Group

Siemens Australia Modern Slavery Working Group, including senior key cross functional stakeholders, was established to assess and identify the company wide modern slavery risks, establish mitigation measures, and ensure continuous improvement. This working group will continue to collaborate and implement Siemens Australia future activities, which will include:

FY21

- Established a Modern Slavery Working Group to review risk across the organisation, and contribute to the strategic and sustainable direction of Modern Slavery
- Embedded periodic risk-based monitoring of our supply chain, with focused controls (preventative and detective) – with a particular focus on high and extreme risk indicators
- Set expectations for our suppliers and employees
- Introduced the DEGREE sustainability framework
- Implemented Modern Slavery Policy

Future

Elevate/excel – Now that we are established with a baseline, we will look beyond.

- Periodic reviews of our entire supplier base using Sustain data to identify where greatest potential exposure for Modern Slavery risk is within our supply chain
- In addition to the on-boarding qualification and monitoring process of all high-risk suppliers, in FY22 commence desktop audits of at least 25% of medium to high risk suppliers (selected using a risk based approach) to provide an additional layer of assurance.
 - Continue to monitor and mitigate our risks, and look to improve our risk assessment and management processes
- Continue to build knowledge within our organisation, including through our onboarding processes
 - Build a long-term road map that evolves as the Modern Slavery risk profile changes

Cross-entity sharing

In addition, representatives from the centralised procurement teams across the Siemens entities operating within Australia have also set up an ongoing working group whereby ideas and experiences can be shared to better support the Siemens brands to achieve best practise when it comes to assessing and mitigating modern slavery risks across our supply chains.

Siemens Risk and Internal Control framework will further ensure the on-going review of the effectiveness of our controls and management.

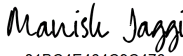
This Statement is made in accordance with the Modern Slavery Act 2018 (Cth) and constitutes our Modern Slavery Statement for the reporting financial year commencing 1 October 2020 and ending 30 September 2021.

This statement was approved by the Board of Siemens Ltd.

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SIEMENS

**Transforming
the Everyday
for 150 years**



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