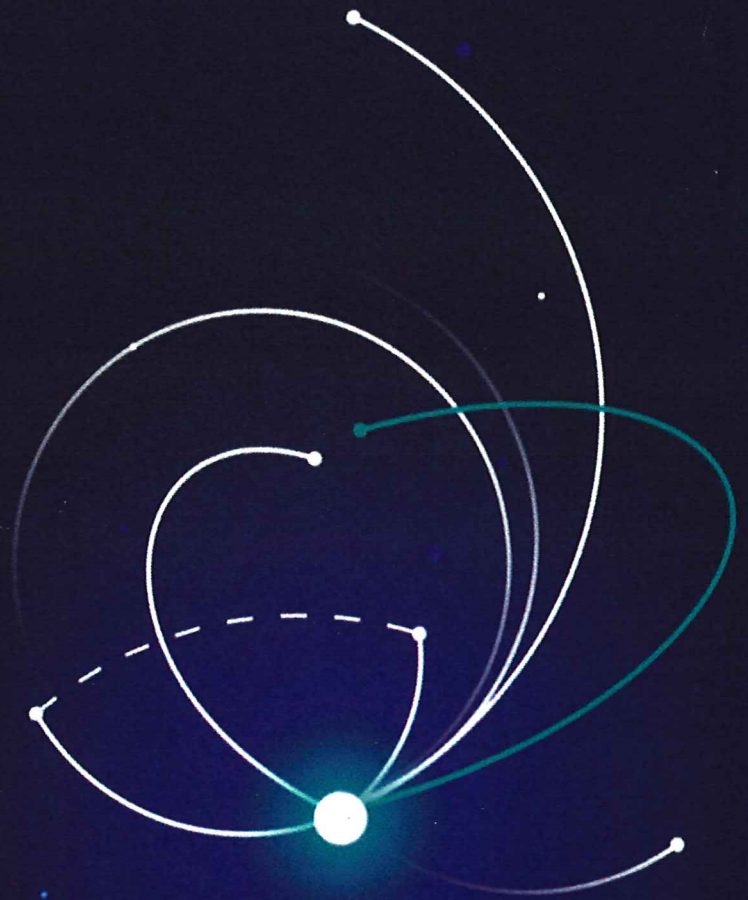


# Siemens Energy Pty Ltd

**ACN 636 537 409**

Modern Slavery Statement  
for the Reporting Period to 30 September 2022



[siemens-energy.com/sustainability](https://www.siemens-energy.com/sustainability)

## 1. Reporting Entity

This Modern Slavery Statement is made in accordance with the requirements of the *Modern Slavery Act 2018* (Cth) by Siemens Energy Pty Ltd ACN 636 537 409 with its registered office at 885 Mountain Highway, Bayswater, Victoria 3153, Australia. The statement covers the reporting period for the financial year ended 30 September 2022.

Siemens Energy Pty Ltd is a large proprietary company which is part of the Siemens Energy group of companies ultimately owned by Siemens Energy AG (*Siemens Energy Group*). This statement does not cover some separate processes of the Siemens Gamesa Renewable Energy Group.

At Siemens Energy, our mission is to support our customers in transitioning to a more sustainable world, based on our innovative technologies and our ability to turn ideas into reality. Our portfolio, extensive energy experience, and an ambitious strategy to decarbonize global energy systems are all central to our efforts to be a valued partner and driver of the energy transition.

Sustainability is firmly anchored in our company strategy. We aim to become the integrated energy company of the future – combining a global and local approach with solutions along the complete value chain and a focus on sustainability. The United Nations Sustainable Development Goals (SDGs) guide us in our ambition to become a sustainability leader in the industry. To ensure our efforts have the biggest impact, we focus on five SDGs, two of which are directly relevant to this report:

- To achieve SDG 5 “Gender Equality”, we are striving to create equal opportunities, in the firm belief that not just our company, but society as a whole can benefit from inclusion and diversity.
- We cover SDG 8 “Decent Work and Economic Growth” with the innovative power of our global operations, which stimulate economic development in many countries and creates decent, future-proof jobs.

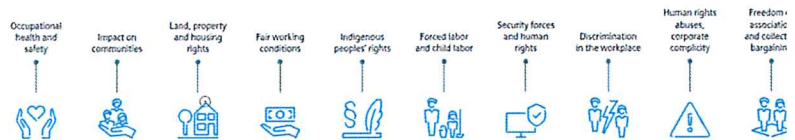
Sustainable business requires a sustainable supply chain. We work in partnership with our global suppliers to uphold international standards for social and environmental responsibility.

As a globally operating company, we are aware of the impact our business has on people around the world, especially from our large-scale energy projects. We are dedicated to responsible business conduct and are committed to ensuring respect for human rights within our spheres of influence. Identifying and managing our human rights impacts and mitigating risks along our entire value chain is therefore imperative.

Our actions go beyond compliance with applicable laws and regulations; they include our commitment to:

- **International Bill of Human Rights**, consisting of:
  - › Universal Declaration of Human Rights
  - › International Covenant on Civil and Political Rights and
  - › International Covenant on Economic, Social and Cultural Rights
- **European Convention on Human Rights**
- **ILO (International Labour Organization) Tripartite Declaration of Principles** concerning Multinational Enterprises and Social Policy
- **ILO Declaration on Fundamental Principles and Rights at Work** (in particular on the following topics: elimination of child labor, abolition of forced labor, prohibition of discrimination, freedom of association and the right to collective bargaining, and fundamental freedoms)
- **UN Sustainable Development Goals** specifically SDG 8 “Decent Work and Economic Growth”, which we have defined as one of our priority SDGs
- **United Nations Guiding Principles on Business and Human Rights** (UNGPs)
- **OECD Guidelines for Multinational Enterprises**
- **United Nations Global Compact Principles** (UNGC), to

Overview of material human rights topics



which we are a signatory.

## 2. Structure, Operations and Supply Chain

### Structure

Siemens Energy AG is the ultimate owner of Siemens Energy Pty Ltd which is headquartered in Melbourne, Australia and does not own or control other entities. It mainly carries on business in Australia, however it is also registered as a foreign company in New Caledonia (1 465 863 R.C.S. Noumea), as an overseas company in New Zealand (7875745), and as an overseas company in Papua New Guinea (3-127175). From time to time the entity does minor and infrequent work in Fiji. The operation is predominantly office and project-site based.

As of 30 September 2022, the Siemens Energy Group employed around 92,000 people in more than 90 countries worldwide. Siemens Energy Pty Ltd employed approximately 460 permanent and casual staff.

The Siemens Energy Group currently maintains, protects, and owns approximately 2,000 trademarks. Most products and services sold by Siemens Energy Pty Ltd use the trademark Siemens Energy or Siemens (under licence from Siemens AG), however some products have legacy brand names acquired over time including but not limited to Dresser-Rand (compressors, steam and gas turbines);



Rolls-Royce (aero-derivative gas turbine and compressors); Guascor (gas engines) and Trench (transformers, bushings and coil products).

**Operations**

The Siemens Energy Group has a broad portfolio of products, solutions and services, covering almost the entire energy value chain – from low- or zero-emission power generation, transmission and storage to reducing greenhouse gas (GHG) emissions and optimizing energy consumption in industrial processes.

Our products include conventional and renewable energy technologies, such as gas and wind turbines, hybrid power plants operated with hydrogen, high-voltage grid access solutions and high-voltage transformers.

**Solutions across the entire energy value chain**



Siemens Energy Pty Ltd sells Siemens Energy products solutions and services.

**Supply Chain**

Siemens Energy Pty Ltd does not have manufacturing facilities in Australia. Logistics requirements are outsourced to third parties.

The products we sell are sourced from all over the globe with Siemens Energy Group’s factories being the biggest supplier of product by value. Source locations include Europe, North America, and Asia.

The services that we provide include supply of labour that is sourced mainly in Australia, although some specialist Engineers are sourced from Siemens Energy Group Companies also located in Europe, North America and Asia and from other suppliers.

Depending on the nature of the supply of products and services, Siemens Energy Pty Ltd may have different contractual relationships with suppliers. These may vary from single transactions to multi-year relationships. Contractual arrangements will be different depending on the circumstances, and include purchase orders, master procurement agreements, framework agreements (local and global) and subcontracts.

Siemens Energy Pty Ltd’s other business relationships include customer product, solution and service contracts, as well as consortium agreements from time to time with third parties (which allocate the scope of supply under a customer contract).

**3. Risks of Modern Slavery Practices in the Operations and Supply Chains**

Operational risks of modern slavery practices identified by Siemens Energy Pty Ltd include services performed by low skilled workforces, such as cleaning and manual labour, where minimum wages may not be paid, or where excessive or unreasonable hours might be expected of supplier’s employees. We consider these risks to be low in our business.

Supply risks of modern slavery practices identified by Siemens Energy Pty Ltd include:

- Purchasing goods and services from suppliers operating in higher risk locations
- Health and safety risk to our suppliers’ workers
- Procurement of products that may have conflict mineral content such as electronics
- Sourcing of uniforms and personal protective equipment (PPE), as the manufacturing process has been susceptible to modern slavery in the past.

**4. Actions taken to assess and address these risks, including due diligence and remediation processes.**

**Business Conduct Guidelines**

Our commitment to respecting human rights is written into Siemens Energy’s Business Conduct Guidelines (BCG), with special emphasis on the Siemens Energy Group values of being caring, agile, respectful, and accountable.

The BCG are binding for all executives and employees worldwide. All employees must agree to them and are given mandatory web-based training sessions on the guidelines.

**Supply Chain Management**

Our supplier network extends across 139 countries worldwide. As international regulations for corporate responsibility tighten and global disruptions due to conflict, the pandemic and climate change increase, it is crucial we manage our supply chain sustainably, transparently and responsibly to make it more resilient. We aim to achieve this through solid relationships with suppliers that share our values and are equally committed to the protection of human rights, fair labour practices, anti-corruption measures and the environment. The people who work for us, on our suppliers as well as on local communities and the environment.

By anchoring sustainability criteria in the selection, qualification, assessment and development of our suppliers, we are contributing to the UN SDGs. With approximately 30,000 suppliers and a procurement volume of €21.5 billion in fiscal year 2022 (fiscal year 2021: €17.3 billion), we see our biggest contributions to SDG 8 “Decent Work and Economic Growth” and SDG 12 “Responsible Consumption and Production”. To meet these SDGs, we carefully consider labour conditions throughout upstream production processes and monitor the impact of our activities closely.

While it is evident that climate change will have a major impact on global supply chains, it is vital for the Siemens Energy Group to be prepared for other risks, such as global pandemics. Since the onset of COVID-19, there have been multiple and ongoing disruptions to supply chains worldwide. With the war in Ukraine and a further COVID-19 outbreak in China, the situation has become even more challenging. These events are compounding the existing logistics shortages and interruptions. Siemens Energy Procurement has been working together with operations and our project teams to mitigate the effects and safeguard customer commitments. By establishing a systematic supply chain resilience and crisis management procedure, we have been able to detect risks early, prepare preventive action and define mitigation measures to reduce risk exposures.

An important factor in our risk management is our relationship to our suppliers. We therefore have processes and policies in place that aim to ensure suppliers meet specific ESG requirements.

**Binding Code of Conduct for suppliers**

All of our suppliers and third-party intermediaries are required to sign the Code of Conduct (CoC) for Suppliers and Third-Party Intermediaries in order to do business with the Siemens Energy Group. It is based on the Business Conduct Guidelines (BCG) and the Principles of the UNGC.

The CoC requires specific environmental, compliance, and labour standards to be established across all countries of operations. It includes the following requirements:

- **Human rights and labour practices**, including (beside others)
  - › Prohibition of forced labour
  - › Prohibition of child labour
  - › Health and safety of employees
  - › Grievance mechanism
- **Environmental protection**
- **Fair operating practices**, including:
  - › Anti-corruption and bribery
  - › Anti-money laundering, terrorism financing
  - › Data privacy
- **Responsible minerals sourcing**

- **Compliance with the CoC in the supply chain of the supplier**

**Comprehensive supplier management**

The Siemens Energy Group’s SCM approach defines strategic procurement processes to sustain the company’s long-term success. It includes purchasing material and services cost-effectively, ascertaining high quality standards along the entire supply chain, identifying and exploiting opportunities to create value through procurement competence, and fostering compliance and sustainability.

The Siemens Energy Group Head of Procurement reports to the Executive Board of Siemens Energy AG. In Australia, the SCM Manager reports to the Director Finance (board member).

The supplier management process in place in the Siemens Energy Group encompasses an extensive range of procedures and tools to enable transparency and awareness regarding expenses, supplier data, and related risks and opportunities in the supply chain. It helps managers leverage the potential of our supplier network.

The procurement process applies strict criteria for supplier selection and qualification. These include financial stability, quality, and availability together with overriding sustainability criteria, such as contractor safety, substance declarations, or sustainability self-assessments.

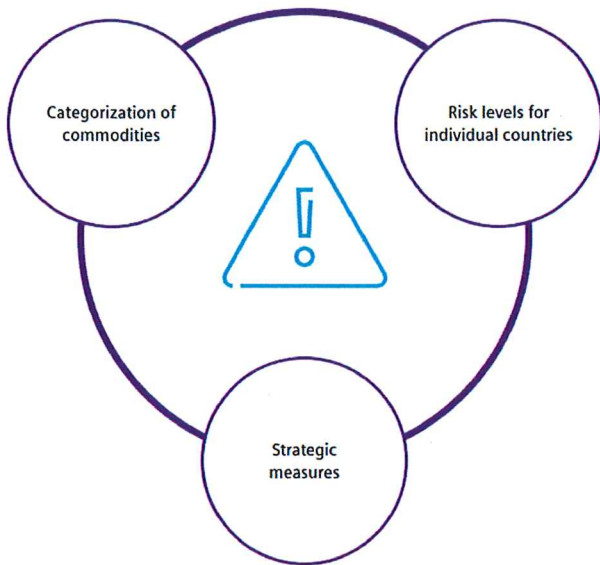
**Risk awareness**

Using our sustainability risk analysis system, the Siemens Energy Group systematically identifies potential risks in our supply chain every year. The cornerstones of this system are:

- Identification of risks and categorization of commodities
- Establishment of risk levels for individual countries. These are determined using sustainability indicators for key areas such as compliance with laws, bribery and corruption, human rights in the workplace, child labour, etc. Here, we make use of information supplied by internationally recognized organizations.
- Use of different strategic measures, for example special preparation of projects with large, local procurement volumes



### Cornerstones of our risk analysis system



#### Supplier assessment

##### Corporate Responsibility Self-Assessments

The Siemens Energy Group uses Corporate Responsibility Self-Assessments (CRSAs), covering all major aspects of the CoC, as part of the supplier qualification process that is regularly reviewed and updated as necessary to reflect new standards and regulations. New potential suppliers undergo a qualification process, while existing suppliers are re-evaluated every three years. Siemens Energy screens suppliers regarding all aspects of the CoC.

In fiscal year 2022, we expanded the implementation of our CRSAs to include all suppliers to be conducted by all suppliers with a purchasing volume > €10,000 p. a, not just those from high-risk countries.

Compared with fiscal year 2021, the number of CRSAs increased by 106% to 3,466 conducted self-assessments. This can be mainly explained by the criteria expansion to all countries and new CoC registrations that increased the number of self-assessments, as well as the rollout of the ESG Risk and Performance Management Framework.

Furthermore, the Siemens Energy Group conducts quality audits that include questions about sustainability that cover major aspects and requirements of the CoC. In fiscal year 2022, the Siemens Energy Group conducted 961 on-site audits worldwide, compared to 424 supplier quality audits in fiscal year 2021. This significant increase was due to SGRE's integration of some businesses and the qualification of a larger range of suppliers.

Corporate Responsibility Self-Assessments (CRSA) <sup>1</sup>	Fiscal year	
	2022	2021
<b>Number</b>		
Europe, C.I.S. <sup>2</sup> , Africa, Middle East	1,256	614
Americas	768	355
Asia, Australia	1,442	716
<b>Total</b>	<b>3,466</b>	<b>1,685</b>
<b>Agreed upon improvement measures<sup>3</sup></b>		
Legal compliance/prohibition of corruption and bribery	305	233
Respect for the basic human rights of employees	154	145
Prohibition of child labor	7	-
Health and safety of employees	282	77
Environmental protection	455	106
Supply chain	150	24
Responsible minerals sourcing	9	2
<b>Total</b>	<b>1,362</b>	<b>587</b>

<sup>1</sup> GP: To be conducted by all suppliers with a purchasing volume > €10,000 p.a.;  
 SGRE: To be conducted mainly by suppliers from non-OECD countries with a purchasing volume > €50,000 p.a.  
 Questionnaires initiated and completed in the year under review.

<sup>2</sup> Commonwealth of Independent States.

<sup>3</sup> Improvement measures agreed with suppliers relate either to actual deviations from the Code of Conduct for Suppliers and Third-Party Intermediaries or to structural improvements to management systems and the lack of specific processes and guidelines at the supplier. SGRE data reported from May 2022 onward. Number of CRSAs at SGRE amounted to 1,863.

#### External Sustainability Audits

We see external sustainability audits (ESA) as the most effective means of reviewing our suppliers' sustainability performance. Focusing on quality and objectivity, external audit partners conduct the ESAs. We assign repeat or follow-up audits if necessary. In fiscal year 2022, Siemens Energy Group conducted 167 ESAs. This number increased from 157 audits in fiscal year 2021, despite ongoing COVID-19 restrictions. Furthermore, we accepted 76 ESAs of suppliers where audits have been initiated by other companies. We only accept audits that fulfill our requirements and where the full audit documentation is provided to us.

Throughout the supplier assessment processes, we remain committed to the partnership with our suppliers and to helping them improve. However, if problems persist and/or the suppliers do not show a willingness to take necessary corrective action, we remove them from our list of approved suppliers.

All local instances of blocked suppliers are reported to Corporate Procurement, where the need for a worldwide block is discussed and decided. In 2022, no supplier was dismissed, as all suppliers with negative results are collaborating and implementing corrective actions.

In addition to the processes described above, we have a “Central Warning Message” system in place. This facilitates a fast, efficient response to violations of the CoC requirements. The responsible Procurement departments at Siemens Energy are authorized to agree on a series of remedial steps with the supplier.

Potential misconduct can be reported via the whistleblower hotlines “Speak Up” at GP and “Integrity Hotline” at SGRE. There were no cases reported in fiscal year 2022.

To inform Siemens Energy employees, suppliers and further external stakeholders, the Siemens Energy Group developed and published a web-based training in fiscal year 2022 that explains its approach to promoting sustainability in its supply chain.

External sustainability audits (ESA)	Fiscal year	
	2022	2021
<b>Number</b>		
Europe, C.I.S. <sup>1</sup> , Africa, Middle East	61	48
Americas	16	24
Asia, Australia	90	85
<b>Total</b>	<b>167</b>	<b>157</b>
<b>Agreed upon improvement measures<sup>2</sup></b>		
Legal compliance/prohibition of corruption and bribery	392	438
Respect for the basic human rights of employees	915	972
Prohibition of child labor	27	35
Health and safety of employees	895	985
Environmental protection	52	56
Supply chain	111	99
<b>Total</b>	<b>2,392</b>	<b>2,585</b>
<b>Accepted ESAs</b>	<b>76</b>	<b>85</b>

<sup>1</sup> Commonwealth of Independent States.

<sup>2</sup> Improvement measures agreed with suppliers relate either to actual deviations from the Code of Conduct for Suppliers and Third-Party Intermediaries or to structural improvements to management systems and the lack of specific processes and guidelines at the supplier.

In addition to the processes described above, we have a “Central Warning Message” system. It facilitates a fast, efficient response to violations of the CoC requirements. The responsible procurement departments at Siemens Energy may then agree on a series of remedial steps with the supplier. Stakeholders may also report potential misconduct via the whistle-blower hotlines “Speak Up”. There were no cases reported in the reporting period.

External sustainability audits (ESA)	Fiscal year	
	2021	2020
<b>Number</b>		
Europe, C.I.S. <sup>1</sup> , Africa, Middle East	48	5
Americas	24	5
Asia, Australia	85	50
<b>Total</b>	<b>157</b>	<b>60</b>
<b>Agreed upon improvement measures<sup>2</sup></b>		
Legal compliance/prohibition of corruption and bribery	438	241
Respect for the basic human rights of employees	972	486
Prohibition of child labor	35	20
Health and safety of employees	985	590
Environmental protection	56	36
Supply chain	99	58
<b>Total</b>	<b>2,585</b>	<b>1,431</b>
<b>Accepted ESAs</b>	<b>85</b>	<b>-<sup>3</sup></b>

<sup>1</sup> Commonwealth of Independent States.

<sup>2</sup> Improvement measures agreed with suppliers relate either to actual deviations from the Code of Conduct for Suppliers and Third-Party Intermediaries or to structural improvements to management systems and the lack of specific processes and guidelines at the supplier.

<sup>3</sup> ESAs initiated by third parties were accepted in 2021 for the first time.

### Supplier sustainability assessments



## Responsible minerals sourcing

We are committed to preventing the use of minerals from conflict-affected and high-risk areas in their supply chain that are affected by the risks defined in Annex 2 of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.

To this end, we have a Responsible Minerals Sourcing Policy (formerly "Conflict Minerals Policy") in place to provide a uniform, company-wide supply chain management standard. To determine the use, sources and origin of these minerals in our supply chains, we investigate the smelters involved. Siemens Energy is part of the steering committee of the Responsible Minerals Initiative (RMI), which provides an assessment program for smelters (Responsible Minerals Assurance Process).

When surveying our approximately 1,600 (fiscal year 2021: 1,800) relevant suppliers, we use the RMI's Conflict Minerals Reporting Template to obtain the necessary information on smelters producing tin, tantalum, tungsten, and gold (3TG). We are actively involved in the Responsible Minerals Assurance Process by screening smelters for eligibility and encouraging uncertified smelters to take part in RMI's assessment programs. All newly reported smelters are shared with RMI.

Based on risk sources identified by the EU, which cover armed conflicts, weak governance and human right abuses, the Siemens Energy Group also conducts a specific mineral risk assessment to identify other relevant minerals apart from 3TG. After cobalt, we added copper to our supply chain due diligence processes according to the 5-step framework of the OECD Due Diligence Guidance. In addition to our RMI membership and strategic partnership with the European Partnership for Responsible Minerals, we also became a member of the Copper Mark at the end of 2021.

### Implementation in Australia

The Siemens Energy Group supply chain management processes and systems are implemented by Siemens Energy Pty Ltd. During the reporting period Siemens Energy Pty Ltd:

- introduced a new improved supplier onboarding process and continued to request its key suppliers to complete the CRSA and/or reviewed these suppliers' modern slavery statements where available
- continued to perform onsite and desktop Environment, Health, Safety and Quality (EHSQ) audits. These audits cover compliance with Siemens Energy's policies and processes with the main focus being to check safe working conditions, environmental and quality issues. It is considered that the audit particularly of safe working conditions would detect modern slavery issues at supplier sites.

- five onsite supplier audits were performed which included specific questions relating to modern slavery
- gave Modern Slavery awareness training to staff to provide an awareness and understanding of Modern Slavery Risks and actions that can be taken to address these risks, including due diligence and remediation processes
- confirmed that significant suppliers of electronic goods are members of the Responsible Business Alliance, who have strong codes of conduct and supply chain audit processes in the electronics industry and
- again gave Modern Slavery awareness training to staff to provide an awareness and understanding of Modern Slavery Risks and actions that can be taken to address these risks, including due diligence and remediation processes.

The risk of modern slavery is also addressed during the employee onboarding process which includes background checks such as right to work in Australia, age verification and qualifications for the relevant tasks prior to undertaking work on behalf of Siemens Energy Pty Ltd. A global external partner is engaged to provide technical advice and support on visas for international personnel entering countries in which we operate. This ensures that they are being treated fairly and safely both by their overseas employers and by Siemens Energy Pty Ltd while working on our projects.

Significant suppliers of electronic goods were confirmed as being members of the Responsible Business Alliance, who have strong codes of conduct and supply chain audit processes in the electronics industry.

## Occupational Health & Safety

Providing a safe and healthy working environment for all employees, partners, contractors and suppliers is one of our key objectives. Having a sound occupational health and safety (OHS) approach is also vital to achieve the two SDGs to which we are committed in this regard: SDG 3 "Good Health and Well-Being" and SDG 8 "Decent Work and Economic Growth".

Our standards for environment, health and safety (EHS) are anchored in all our business practices and are aligned with our EHS Principles and Core Responsibilities as well as our Business Conduct Guidelines (BCG). At Siemens Energy we use these as a foundation for the development of our EHS management approach and processes.

To support the fundamental requirements for good OHS, our EHS Policy aligns with our company principles and behaviours demonstrating:

- Strong leadership, ownership and commitment
- Promotion of good health and safety conduct
- Commitment to continuous improvement
- Hazard identification, risk assessment and prevention
- Compliance with principles, standards and behaviours



