

MARCH 2021

Modern Slavery Statement

SIEMENS

About this statement

Australian legislation requires certain entities to report on the risks of modern slavery in their operations and supply chains and to report the actions they are taking to address those risks. Siemens controlled entities in Australia support the objectives of the legislation which are fully aligned with our company values and sustainability initiatives globally and locally.

To prepare this Modern Slavery Statement in accordance with the *Modern Slavery Act 2018* (Cth) (the Act) we undertook an assessment of our operations and supply chains and established a cross company working group to review and contribute to the strategic direction. This statement describes our structure, operations and supply chain. It also outlines the process we undertook to better understand our supply chain, the potential risks, as well as the actions we've taken and are taking in support of the objectives of the Act.

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 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 2020.

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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.

Siemens AG is a global technology powerhouse that has stood for engineering excellence, innovation, quality, reliability and internationality for more than 170 years. Active around the world, the company focuses on intelligent infrastructure for buildings and distributed energy systems and on automation and digitalisation in the process and manufacturing industries. Siemens brings together the digital and physical worlds to benefit customers and society.



Through Mobility, a leading supplier of intelligent mobility solutions for rail and road transport, Siemens is helping to shape the world market for passenger and freight services. Via its majority stake in the publicly listed company Siemens Healthineers, Siemens is also a world-leading supplier of medical technology and digital health services. In addition, Siemens AG holds a minority stake in Siemens Energy, a global leader in the transmission and generation of electrical power.



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 2020, the Siemens Group generated revenue of approximately \$83.2 billion and the company had around 293,000 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).



Where our technology is making an impact

Siemens Australia focuses on intelligent infrastructure for buildings and cities and distributed energy systems, as well as automation and digitalisation for many different industries. We support everything from manufacturing to food and beverage, pharmaceutical, mining, defence, renewables, agribusiness and water and waste-water industries and more.

In fact you will find our technology behind the scenes in everything from the automated lane change controls on the Sydney Harbour Bridge, intelligent infrastructure such as the iconic MCG stadium and Museums Victoria, automation and digitalization of the reef simulation centre in Townsville, through to the world-leading Dulux paint facility on the outskirts of Melbourne, and more.

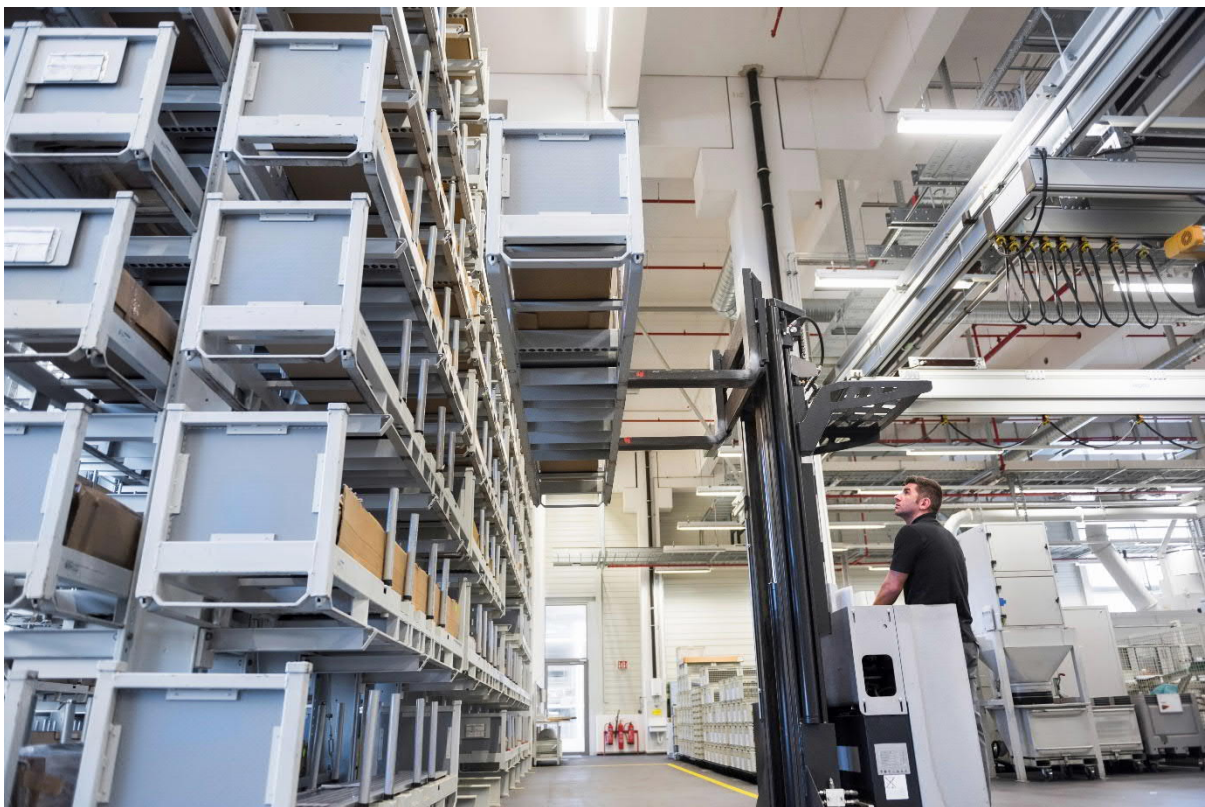
We also have manufacturing facilities locally where innovations such as FuseSaver are designed, assembled and exported to over 30 countries around the world. This technology, for instance, is being used by energy utilities to mitigate the risk of bushfires caused by fallen power lines.

The supply chain that supports our operations

More than half 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 1,100 Siemens affiliated or third party suppliers from over 50 different countries
- almost 70% of our procurement spend relates to suppliers in Australia and Germany
- over half of our supply chain is sourcing goods and services from Siemens factories and Siemens companies
- of our third party supplier spend over 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





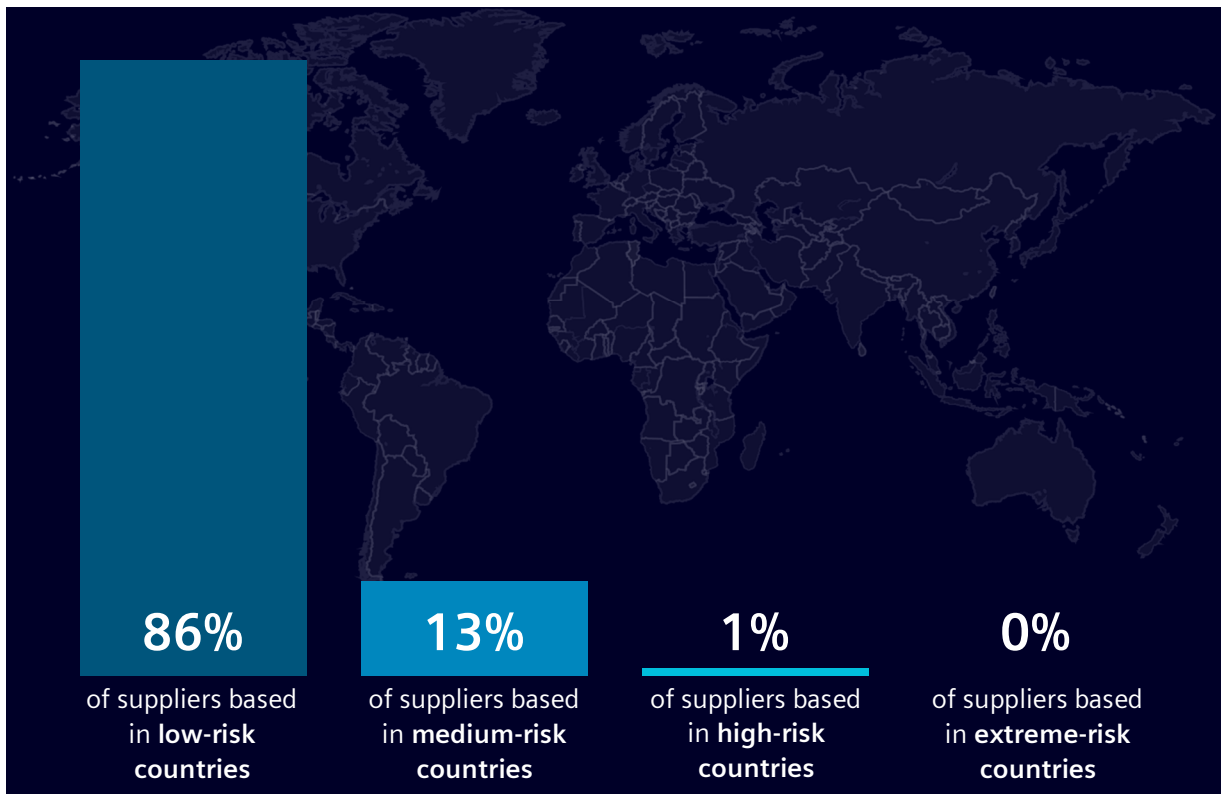
As part of the worldwide Siemens group of companies, sustainable practices are firmly anchored in our corporate culture, based on our company values – **responsible, excellent and innovative.**

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 Systain Consulting GmbH (Systain). Systain is a leading sustainability consultancy for companies across Germany, especially with regard to sustainability in the supply chain. Systain 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 were able to use data from Systain to identify that approximately 86% of what we spend is with suppliers based in low-risk countries, with 13% based in medium risk and 1% based in high risk countries. Over 60% of our spend in high risk countries was procuring through Siemens organisations. We reported no spend with suppliers operating in extreme risk countries within FY20.



Modern Slavery risks identified in supply chain and operations

For this statement, Siemens Australia has prioritised our due diligence assessments around identifying and understanding the potential context and scale of modern slavery risks with our first-tier suppliers. Supply chain risks identified by Siemens Australia include:

Suppliers operating in high risk countries, such as the Philippines, Turkey, India, Mexico and Papua New Guinea	Hire of specialist skilled labour from high-risk countries such as Turkey, India and Mexico	Sector and industry risks in the procurement of electric and electronic products, hire of semi-skilled labour and mining of minerals used in manufacturing
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As a technology company with a largely professional workforce, we consider the risk of modern slavery in our direct business operations to be low. However, we recognise that we may be exposed to such risk, either directly or indirectly, particularly through our supply chain.



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.



Continuous improvement of supply chain processes

During this reporting period we reviewed our procurement policies and procedures to assess their effectiveness. We identified some areas for improvement to strengthen the way in which we engage with suppliers to address modern slavery risks.

Our supplier risk management strategy can be broken down into 3 process steps, which are supplier registration, supplier qualification and supplier reviews. We have taken the following steps in this reporting period as part of the continuous improvement in our supply chain processes and practices.

Supplier Registration

1 Update to the 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 Update to our standard purchasing terms

Our standard purchasing terms for suppliers have been updated to 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.



Supplier Qualification

3 Introduction of 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.

Supplier Review

4 Completed risk assessment of entire supply chain of Siemens Australia

We conducted a review of the entire supplier base to enable us to identify the modern slavery risks as outlined in this statement.

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 Whistleblower 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:





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 of modern slavery risks.

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 2019 and ending 30 September 2020.

This statement was approved by the Board of Siemens Ltd.

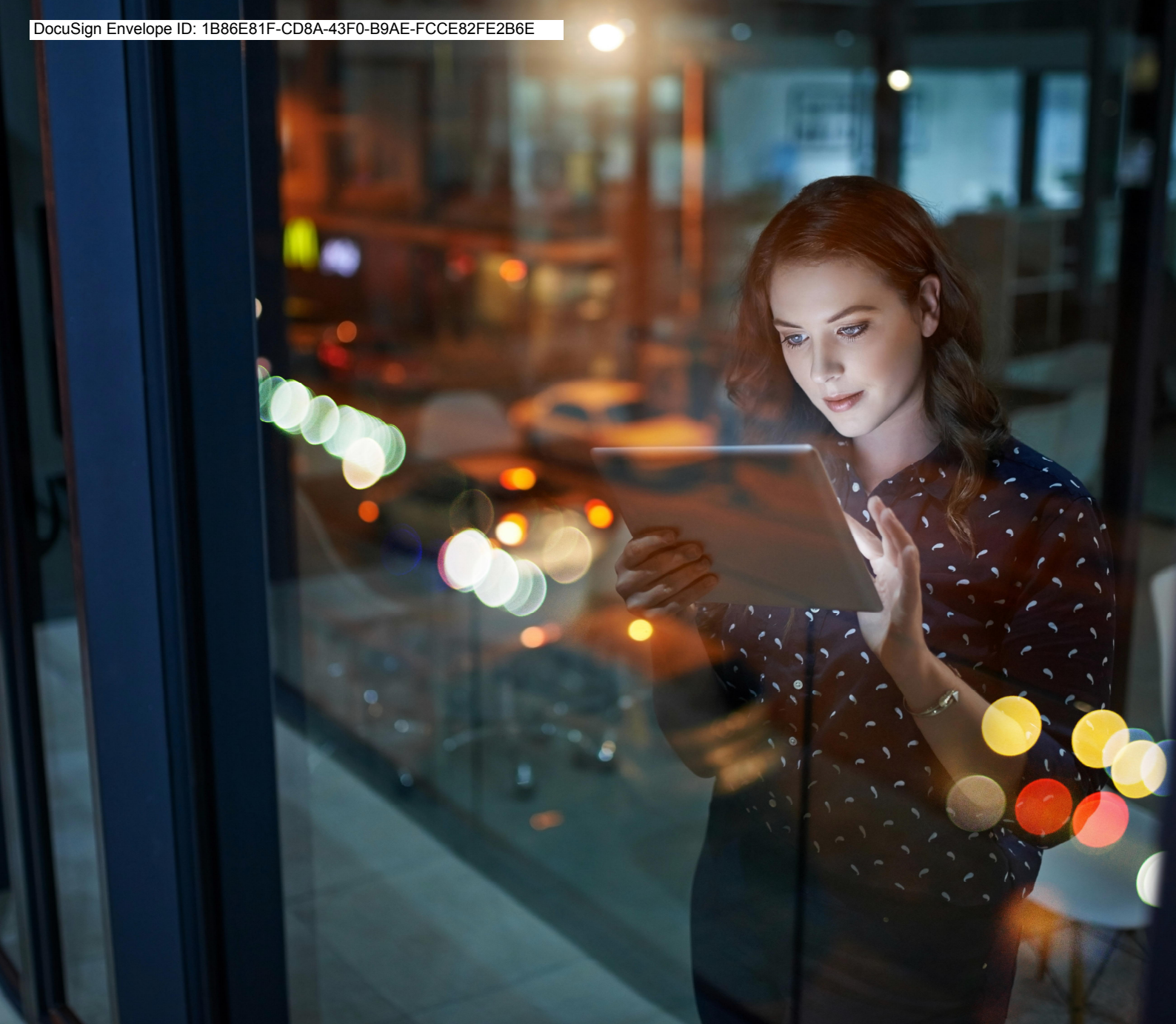
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