

1.1 Section 172 (1) Statement

The directors of the Company must act in accordance with a set of general duties. These include a duty under s.172 of the Companies Act 2006 to promote the success of the Company for the benefit of its members, and in doing so have regard (amongst other matters) to:

- 1) the likely consequences of any decision in the long term;
- 2) the interests of the Company's employees;
- 3) the need to foster the Company's business relationships with suppliers, customers and others;
- 4) the impact of the Company's operations on the community and the environment;
- 5) the desirability of the Company maintaining a reputation for high standards of business conduct; and
- 6) the need to act fairly as between members of the Company.

Understanding the perspectives of the Company's stakeholders and building good relationships enables their views to be taken into account by the Board of directors of the Company ("Board"). The Board uses forums such as the Extended Board Meetings ("EBM") plus the Siemens Energy Management Meeting ("SEMM") cascades delivered via the EU Hub updates and other sessions to ensure they are well informed to make key decisions. All Board members participate in the EBM and EU Hub cascades, which have representation from all Business Units and Support functions. Given the size and nature of Siemens Energy in the UK, stakeholder engagement often takes place at both an operational and senior management level as well as by the Board, the mechanisms that are in place provide a good basis to ensure stakeholder feedback is considered in the operation of the Company.

Employees

At Siemens Energy, our People Agenda is critical to how we achieve our business priorities by focusing on clear aspired outcomes in three key areas: thriving environment, game changing leaders and vibrant workforce.

Engagement

Thriving environment:

Siemens Energy is creating an environment for people to be self-directed, to have responsibility, and find meaning in their work. We guide this by setting standards through our Inclusion & Diversity (I&D) Framework, applying new ways of working, and establishing cross-organisational networks.

Game-changing leaders:

Leaders navigate through changing situations by providing clarity and direction in uncertain conditions. They bring new strategies, new mindsets, and business transformation to life, triggered by outside market changes and role modelling our Leadership Essentials.

Key topics, decisions and outcomes influenced by this stakeholder group

Siemens Energy is committed to building a welcoming, inclusive and diverse organisation. We understand diversity as a fact and inclusion as a choice: we want a diverse workforce that not only reflects today's society, but also makes best use of it by real inclusion. This means, we respect and value each other, so that everyone can fully develop their potential.

We use "inclusion" to describe our commitment to being an open and inclusive Company, striving to create safe, welcoming workplaces with a culture that encourages equality and belonging. We listen respectfully to learn from others and leverage our differences to innovate for better solutions. An inclusive culture brings our purpose to life; it ignites our innovation potential, paves our way towards a sustainable future and helps us transform ourselves and our customers.

We use "diversity" to describe our commitment to recognising and respecting the differences between people whilst valuing the contribution everyone can make to our business. We do not tolerate discrimination or bias of any kind. At Siemens Energy, we want every person to bring their authentic self to work and trust that their potential will be fulfilled.

Employees can make their views known through employee representative bodies, whether at a local, business or national level. These bodies provide a mechanism for ongoing dialogue between Company management and the employees' representatives on all aspects of the Company's operations. Furthermore, a confidential whistle-blowing hotline called 'Speak Up' enables employees to raise concerns about any aspect of Company practices or behaviour.

We have three strategic drivers that form the basis of our plan for Inclusion and Diversity: (1) Equity: We recognise the unique needs of each individual or group and we remove barriers and create opportunities under which everyone can participate on equal terms. (2) Belonging: We make our mix work by creating an inclusive culture where people feel respected, engaged, able to speak up and be themselves. (3) Society and Partnerships: We work together, internally and externally, with customers and partners to support us in becoming more diverse and inclusive.

Leadership Essentials

Our leaders are encouraged to seek feedback to become more self-aware and to be held accountable for role modelling our leadership essentials and leadership behaviours.

Siemens Energy UK
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Voices

The SE Voices engagement survey gives all employees worldwide, the opportunity to reflect and share their unique perspective on how they perceive our company, our culture, leadership, team collaboration and work environment. It addresses the topics like Drivers of Engagement, Human Energy, Employee Well-Being as well as Siemens Energy's Behaviours & Values.

The views of our employees are critical in helping us continually improve ourselves as an organisation, and regular employee engagement surveys enable us to both further understand our employees' perspective and generate ideas which can benefit everyone.

Team Up For Action

To drive Engagement and Human Energy, we expect and foster accountability on all levels. In addition to our corporate actions, our "Team up for Action" programme enables teams and their managers to realise positive change within their circle of influence: Employees focus on individual and team accountability for change while managers enable teams to create actions that will inspire engagement.

Growth

All our employees including apprentices and graduates are supported in growing and developing in their roles by the availability of comprehensive training programmes to equip them for both current and future roles. In addition to technical training, all our employees have access to learning and development resources that are individual, transparent and self-driven. All employees are encouraged to review their skills and to hold a growth dialogue with their manager to devise a growth and development plan.

Performance Management

All employees are set their top responsibilities linked to our Purple Book, followed by objectives which are discussed at regular check-ins with the employee's manager. Through these regular check-ins objectives are reviewed and amended to ensure they continually support the organisation's strategy

Transformational Accelerators (TAs)

Siemens Energy has a community of TAs from all areas and levels of the organisation who drive cultural change in line with our people and cultural strategy. They meet regularly to build a community of change agents and share success stories.

Recognition

Siemens Energy operates a number of recognition programmes for example STAR, which enables any employee to nominate or reward other colleagues for their excellent performance and collaboration.

Vibrant workforce:

Our ambition is to become the employer of choice in the energy industry. We do this by investing in employer branding, learning and development, strategic workforce planning, and a recognition and performance management system. All elements contribute to the implementation of our strategy and anchor our values and behaviours.

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Customers and Suppliers

Business relationships with the Company's customers and suppliers are fundamental to Siemens Energy.

Engagement

Key topics, decisions and outcomes influenced by this stakeholder group

Customers are always at the centre of our thinking with regard to technology, innovation and how to best consult and support them. Our main goal is to establish ourselves as the partner of choice for our customers by fostering close and trusted partnerships.

We engage with our customers to develop a portfolio of energy technology products, solutions and services in the delivery of their operational business requirements. We develop strong relationships with customers, suppliers and business partners to assist in their journey to a more sustainable environment and a carbon neutral target.

In the Energy sector, Siemens Energy has long term relationships with all the major utilities, industrial customers and Special Purpose Vehicles (SPVs). We engage with our customers through a number of contractual models for products, systems and EPC construction contracts for major infrastructure projects and service contracts supporting the installed assets over its lifetime.

Liquidity of our suppliers is critical to ensure a sustainable supply chain and Board members support this through reviewing our payment performance; ensuring availability of electronic invoicing and engagement of senior management with suppliers who are showing signs of financial stress.

We continue to extend our supply chain finance solution in order to facilitate the sale of receivables under attractive conditions to support suppliers to optimise their cashflow and working capital.

Our suppliers add value to Siemens Energy and our stakeholders through product innovation, quality, availability, and investment. We rely on our suppliers to provide a competitive and transparent supply chain, which we develop to ultimately generate energy. Our aim is to create sustainable diversity and safety for our people and for the people in our supply chain.

We continue to measure and report purchase volume with Voluntary, Community and Social Enterprises (VCSEs). We now ask suppliers if they are classified as a VCSE, either as a 'Social Enterprise' or 'Not for Profit' which supports an increase in purchasing volume reported for the current year.

We continue our commitment to support Voluntary, Community and Social Enterprises (VCSEs) through monitoring and reporting the social impact of everyday spend, which is measured and communicated to the Extended Board through the Social Value Portal Report.

Social Enterprise spend has increased by 66%. The increase is mainly due to purchasing office supplies through a company that creates social impact in the UK and overseas. Through this partnership Siemens Energy has supported transforming 584 lives during 2022 in both social and environmental initiatives. We now work with several other social enterprises including a soft drinks company who support water security, a wood recycling company which provides training and employment to long term unemployed, a site signage company who support ex-service people into employment plus several other enterprises. Purchasing volume with 'Not for Profit' organisations was 6.5 times bigger than last year, mainly due to location specific project work with a charity that supports regional heritage projects while bringing social value to the local area.

Decarbonisation continues to be key strategy theme for Siemens Energy. A Decarbonisation Steering Committee meets quarterly comprising of workstream leads, selected members of the management team and several Extended Board members, including the UK Vice President. Supply Chain Decarbonisation updates are shared with the Steering Committee who then have an opportunity to provide feedback.

We have committed to a 30% reduction in Scope 3 supply chain emissions, using Financial Year 2018 data as a baseline, this target has been signed off by the Global Board. To support delivery the business assesses the supply chain data, using accepted methodology and external databases which provides a Baseline analysis of CO₂e emissions, both directly and indirectly in the supply chain.

The Baseline CO₂e data is used to identify the highest supply chain emitters who are asked to complete an online Due Diligence Assessment (DDA), providing accurate information across several areas of carbon emission reduction, this is used to calculate the supplier's Co₂ reduction performance. Suppliers selected to complete the DDA this year cover >75% of company-wide supply chain emissions. Siemens Energy reported a 13.9% reduction against the baseline. Future improvements include allowing suppliers to increase Co₂ transparency within their own supply chain by inviting up to 10 of their own suppliers to complete a DDA free of charge.

Additionally, making online information available to support suppliers in the identification of Co₂ reduction opportunities and training material to 'map a carbon footprint' is being trialled to support smaller suppliers who may not have the resources or expertise available in-house.

We continue to promote the real living wage with our suppliers to enhance people's lives which has been shown to improve supply chain performance.

We work with customers to ensure the Real Living Wage requirements on their projects are passed onto the suppliers we work with, both directly employed, and people employed at subcontractors.

We have carried out a survey of a cross section of suppliers to understand how many currently meet the real living wage standards or have future plans to implement. Should the business decide to become accredited by the Living Wage Foundation, the responses will help identify the steps needed to correctly implement the Living Wage Foundation's requirements.

Our procurement function is committed to developing business relationships with organisations who are aligned to responsible business objectives to maximise joint performance and bring additional value. Relationships with strategic suppliers are supported by a member of the senior management team who acts as an owner.

As part of our Annual Supplier Management Plan, we review suppliers and the level of engagement required. Where required, supplier workshops are attended by Senior Management from Siemens Energy and the supplier to discuss collaboration and wider aspects of the relationship.

As a result of the ongoing geopolitical issues globally, we are working with our key suppliers to assess the risks this poses to their business operations and what support we can offer.

A supply chain resilience tracker has been established which tracks the risks for our key suppliers and outlines the mitigation actions between the supplier and Siemens Energy. This approach has been enhanced in 2023 to target specific suppliers with a risk questionnaire. The results are presented to the senior management team for review and input.

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Communities and Environment

Siemens Energy is committed to its purpose 'we energise society' which is supported by its Sustainability approach. Social Impact is delivered through our Societal Engagement Programme and protection of the environment is supported by our Decarbonisation and Zero Harm Programmes.

Engagement	Key topics, decisions and outcomes influenced by this stakeholder group
<p>Societal Engagement Programme</p> <hr/> <p>In the UK, we follow the Siemens Energy global approach, for societal engagement, with a focus on regional activities. Societal Engagement is grouped into three key themes:</p> <ol style="list-style-type: none"> 1. Energy Transformation 2. Access to education 3. Sustaining communities <hr/> <p>We have established a Societal Engagement Programme to deliver social value which is led by the Head of Sustainability and supported by a network of local site and project ambassadors.</p> <hr/> <p>We are committed to following the United Nations Sustainable Development Goals which are a social value charter for the planet.</p> <hr/> <p>We have engaged the services of a leading specialist consultancy in this area, Social Value Portal (SVP) to enable measurement of social value, generated by the Societal Engagement Programme.</p> <hr/> <p>We use both non-financial and financial data as evidence of the impact of our activities on communities.</p>	<p>Societal Engagement Programme outcomes for FY23</p> <hr/> <p>1. Energy transformation Siemens Energy provide ongoing support to National Energy Action (NEA) with the development of 'bitesize training', to identify homeowners who might be in a vulnerable situation in relation to their energy use and supply. Since the release of the training app in July 2023, NEA has engaged with interested organisations across the energy sector from housing associations to energy companies. Further interest in the product has come from the education sector and NEA are developing a student / younger person friendly version of the e learning which will be released to students in colleges. The Company will continue to support development of NEA training for first time tenants, students and young people</p> <hr/> <p>2. Access to education The Work Experience Programme has been developed with a portfolio of bitesize resources reflecting the sustainable challenges faced by our business. The modules give students real life insight, exploring the world of Siemens Energy, Science, Technology, Engineering and Maths (STEM) careers, whilst helping students to develop key core skills such as listening, reading, observing, analysis, team working, researching, and problem solving.</p> <p>Virtual work experience programmes delivered in 2023 were registered by over 380 students from across the UK with a focus on engaging with students from deprived areas.</p> <p>A Virtual Work Experience website has been launched with free resources available to download.</p> <p>To support inclusion and diversity in education, a Panel and Hackathon event were delivered in partnership with Stemettes, an award-winning social enterprise working young non-binary people into STEM.</p> <p>STEM activities supported: Primary Engineer competition, STEMFest Net Zero in Newcastle, Furness STEM show in Cumbria, work experiences sessions hosted at local sites and STEM visits to schools.</p> <hr/> <p>3. Sustaining Communities Our Societal Engagement Community have been delivered fundraising and community programmes across our sites and projects in the UK. The volunteering activities and donations are recorded in our Social Value portal. Key projects for FY23 have included:</p> <ul style="list-style-type: none"> • Fundraising for MIND to support the mental health charity and mental health campaigns. • Support for the Wildlife Trusts with over 5% of employees volunteering for 'Wild Workdays' in 2023. • Siemens Energy donated over £90K to charities in FY23 and in addition to donations from employee fundraising. Volunteering for charity and community projects was over 6000 hours. <hr/> <p>Siemens Energy created over £4 million of social value in FY23 using National TOMS framework supported by the Social Value Portal. This was a sustained improvement Social Value generation from FY22 as volunteering and schools' engagement opportunities continue to grow post-Covid.</p> <hr/> <p>A full update of Siemens Energy Social Value delivered from our UK Societal Engagement programme has been published on our UK website.</p> <p>In August 2023, our UK colleagues, with their friends and family, continued to make a powerful statement of Inclusion & Diversity – standing out as an ally to our Pride Community in the heart of Lincoln City by participating in the 'Lincoln Pride UK Parade'.</p> <hr/> <p>Decarbonisation Programme (UK) outcomes Siemens Energy carbon and energy performance for FY23 is reported in the Streamlined Energy and Carbon (SECR) report, for the legal entities that meet the required reporting thresholds.</p> <p>An update of Siemens Energy performance against UK Decarbonisation targets in support of the Climate Neutral Programme for own operations has been published on our UK website.</p> <p>A UK Energy Forum co-ordinated energy performance targets for all sites in support of our Decarbonisation targets.</p>
<p>Decarbonisation Programme (UK) Siemens Energy is dedicated to delivering our customers innovative solutions that drive their energy transformation and support the decarbonisation of the energy sector. At the same time, we are consistently pursuing climate neutrality in our own operations and intend to be climate neutral by 2030. The three pillars of Decarbonisation in Siemens Energy are:</p> <ul style="list-style-type: none"> • Decarbonise our product and service portfolio; • Climate neutrality in our own operations by 2030; • Emission reductions throughout our supply chain. 	

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Key topics, decisions and outcomes influenced by this stakeholder group

In the UK, we follow the Siemens Energy global approach, looking in more detail at the risks and opportunities for decarbonisation in our UK based businesses. The Decarbonisation Steering Committee oversees workstreams for delivering decarbonisation targets.

Siemens Energy manufacturing sites in Newcastle and Lincoln are certified to ISO 50001:2018 for energy management. The manufacturing sites at Ulverston will be joining the certificate in FY24.

The Decarbonisation Programme is reviewed annually to consider significant events, risks and opportunities that impact targets. The Decarbonisation Programme has been communicated to internal and external stakeholders.

In FY24 the Siemens Energy UK carbon footprint will be externally verified to measure reduction in emissions over the past two years since the previous verification audit in January 2022.

UK Decarbonisation Targets:

Carbon Neutral Programme

- Climate neutral in operations by 2030
- 50% reduction in absolute emissions by 2025 (from 2019 baseline)
- Reduction of carbon emissions from gas used for turbine tests by 5% year-on year (normalised against test demand)
- Company car vehicle fleet to be 100% low emission vehicles by 2025

FY22 was the first year that Siemens Energy has reported Climate-related Financial Disclosures following the introduction of new legislation in April 2022. The new legislation implements the Financial Stability Board's (FSB) Task Force on Climate-related Financial Disclosures (TCFD) framework. Disclosures of material climate related financial information can help support investment decisions as we move towards a low-carbon economy. In FY23 a reporting framework has been established to monitor climate related risks and opportunities for the UK.

Sulphur Hexafluoride (SF6)

- Reduce total SF6 emissions year on year as a % of total SF6 installed (leak rate)

An update of Siemens Energy performance against the UK Decarbonisation targets in support of the Climate Neutral Programme for own operations has been published on our UK website.

Energy performance

- Annual energy performance targets for all Siemens Energy managed manufacturing sites and offices
- Replace natural gas used for heating at manufacturing sites and offices by 2030
- Programme for installation of local renewable energy on manufacturing sites and offices

Decarbonise the supply chain

- Reduction in supply chain emissions by 30% by 2030 vs 2018

Zero Harm programme

Siemens Energy succeeds through its people. Fostering the health and safety culture and performance of Siemens Energy employees as well as safeguarding their working conditions are core to Siemens Energy social and business commitment.

The Company commits to supporting the physical and mental wellbeing of all employees, engaging with Occupational Health providers and various wellbeing partners to achieve this. Across the Company, Wellbeing Champions and Mental Health First Aiders are part of a strategic approach to wellbeing which aims to equip our managers and employees with the tools to cope with the stresses and strains of life and make healthy lifestyle decisions. All employees have access to an Employee Assistance Programme (including counselling where required), fortnightly virtual Yoga sessions as well as various training courses on topics such as: Building Resilience, Mental Health Awareness, Mindfulness and Body Mechanics. Mental health is part of a global strategy for Siemens Energy Group. In line with this, in the UK we have implemented several improvements in the last year. A new mental health training program for Managers has been rolled out in FY23 which raises awareness on their own mental health and also looking after their teams. The training also provides numerous resources for assistance to managers. The mental health Calm application has also been rolled out globally to all employees and their families to sign up to free of charge.

Siemens Energy has a Zero Harm philosophy based on 4 principles:

- It is achievable;
- We do not compromise;
- We take care of each other;
- We develop locally and share globally.

A monthly wellbeing newsletter and wellbeing awareness updates are regularly sent to employees of Siemens Energy.

Below this sits a set of 6 EHS behaviours that are mandatory for all employees to follow concerning risk assessment, incident reporting, stopping work if it is unsafe, driving, health and environment.

In addition to creating local zero harm programs for Environment, Health and Safety, a country specific set zero Harm plan of commitments was rolled out designed to improve the Health and Safety performance and culture of the business.

The Company continues to invest considerable resource in bespoke training for frontline employees on Safety Leadership with the THRIVE program using actors in immersive and realistic training, giving employees the confidence to say stop and to challenge when something is unsafe.

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<p>Environmental Protection</p> <p>Siemens Energy global Zero Harm programme supports both the safety of our employees (as described in Employees Section above) and protection of the environment.</p> <p>There are four core principles for Zero Harm underpinned by behaviours and building blocks for local programmes.</p> <p>The principles for Environmental protection: We will act to reduce the environmental impacts of our work activities and protect resources; We will never ignore any opportunities to minimise energy usage and waste generations.</p> <p>The three focus topics for Environmental Protection:</p> <ul style="list-style-type: none"> • Decarbonisation • Product Stewardship • Conservation of Resources <p>Compliance with environmental regulations is managed through local management systems certified to the International Standard ISO 14001:2015.</p> <p>All our businesses comply with the requirements of and ISO 50001:2018 for Energy Management and set annual targets for energy performance improvement.</p> <p>Siemens Energy have established clear objectives for waste management with commitment to moving up the Waste Hierarchy, maintaining zero waste (indirect) to landfill and improving waste segregation and recycling at all Siemens Energy locations (office, production and project sites).</p>	<p>In FY23, Siemens Energy complied with the extended producer responsibility (EPR) for packaging and with the ESOS Regulations reporting.</p> <p>In FY23 Siemens Energy input into the DEFRA consultation group on changes to the F-gas regulations.</p> <p>In support of Siemens Energy Climate Neutral Programme, from FY23 all locations, including leased sites procured 100% renewable energy.</p> <p>A Duty of Care Audit was conducted with waste provider with focus on sub-contractor management, modern slavery, and compliance issues.</p> <p>Focus on minimising the environmental impact of our project and civils work, promoting circularity, and reducing embedded carbon.</p> <p>Further details are published in the Siemens Energy Group 2023 Sustainability report.</p> <p>An annual compliance review is conducted for all businesses supported by internal audits.</p> <p>Details of our energy performance improvements are included in the SECR disclosure in the Directors’ report.</p> <p>In FY23, Siemens Energy reviewed the Waste management programme to include targets for Circular Economy and Resource management.</p>

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Government, Regulators and Trade Associations

Continuous dialogue with policy-makers is extremely important for the success of a global company like Siemens Energy.

Engagement

Key topics, decisions and outcomes influenced by this stakeholder group

Siemens Energy is politically neutral, but we operate in markets which are shaped by UK Government policy, either directly or indirectly. We are also providers of solutions to some of the most pressing issues facing the planet, such as digitisation, decarbonisation and urbanisation. As a result, we are regularly consulted on economic and policy issues by governments, business associations and civil society. With the full acquisition of Siemens Gamesa Renewable Energy ("SGRE"), we have combined the Siemens Energy UK and SGRE Government Affairs teams in the UK.

Siemens Energy engages with policymakers at all levels in the UK Government, devolved nations and on a cross-party basis.

Energy cost and energy security have moved up the political agenda in many countries, including the UK. There has been significant cost inflation since the Russian invasion of Ukraine. The recent period of more rapid UK political changes created a degree of uncertainty over the direction of energy policy at a time when the industry is gearing up to deliver significant energy infrastructure changes required for net zero.

We continued thought leadership on the supply chain required for a net zero electricity system following our 2022 report "A National Endeavour - Delivering the supply chain for a net zero GB electricity system by 2035", which was launched at a parliamentary reception on September 6, 2022. Other active topics this year include impact on offshore wind auction rounds of inflated global commodity prices, decarbonisation readiness of new power generation, re-regulation post Brexit, e.g., UKCA marking requirements for spares was eventually dropped in recognition of the impact on companies' exports, e.g., removal of export credit and other support for export of fossil fuelled equipment, inward investment, Hydrogen policy development and energy market design (REMA).

Our external engagement is governed by our Company commitment to responsible and sustainable business. In doing so, we often meet with policymakers directly. We also engage through memberships of industry organisations such as Energy UK, Renewable UK and Make UK.

Members of our leadership team regularly meet with key contacts within the Department for Energy Security and Net Zero ("DESNZ"), Number 10 energy policy team and the Department for Business and Trade, to discuss and understand the UK Government's approach to reaching net zero and how energy policy will deliver this. Members of the EBM are also involved in joint Government-Industry working groups on supply chain and developing hydrogen policy in the UK, including the Green Jobs Taskforce, the UK Hydrogen Delivery Council and the Global Grids Project within King Charles' Sustainable Markets Initiative. We responded to formal consultations on subjects including decarbonisation readiness, low carbon hydrogen standards and REMA.

There has been further political engagement with MPs and local political stakeholders in relation to construction projects and site footprints.

The Company is also participating in the Just Transition Working Group (TPT-Transition Plan Taskforce) by contributing to its work through collaboration or feedback.

Engagement with Make UK has included employment policy implications and the Skills Survey post COVID-19. Siemens Energy participates in several Energy UK committees covering public affairs and policy development covering a range of topics.

The Company published a UK tax strategy, available on our Company website, outlining its approach to taxation in the UK and its intention to be fully compliant and transparent in its interactions with HMRC.

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Siemens Energy AG Group Companies

The Siemens Energy Group is building our new Company for long-term value creation through focusing on the energy market transformation and stronger profitability with a simplified and leaner Company structure.

Engagement

In 2023, Siemens Energy Group acquired the remaining shares of Siemens Gamesa Renewable Energy ("SGRE") to gain full control and ownership. The acquisition of SGRE makes Siemens Energy a global market leader for renewable energies.

The Company has a twin track approach, delivering improved bottom line performance while creating long-term value through its Energy of Tomorrow programme, with a focus on:

- The supply side (low or zero emission power generation);
- The distribution side (transport of and energy storage); and
- The demand side (reducing CO2 emissions through electrification).

All the above is underpinned by an Environmental, Sustainability and Governance ("ESG") programme.

The strategic decisions of the Siemens Energy AG Group guide the decisions taken by the Board which, in turn, adapts the Group strategy for the UK specific market and in line with the duties contained within the Companies Act 2006 and considering UK customer, employee and other stakeholder interests etc.

The directors have a strong relationship with the EBM team, which is made up of all UK Business Units and Support Function Heads. This key stakeholder group regularly discuss the local Company strategy for implementation and adoption in their businesses or functions, and regularly receive communications from the Siemens Energy AG Group Board to help inform progress and direction relating to the global strategy.

Key topics, decisions and outcomes influenced by this stakeholder group

In the UK, plans are being developed to allow for the integration of the SGRE and Siemens Energy entities, this includes work to integrate people, IT systems and processes. As a large focus market, Siemens Energy in the UK will be one of the first companies globally to commence integration and will be an 'early adopter' for the company blueprint. Members of the Siemens Energy UK Board are regularly involved in the global project which is taking care of the integration.

In areas of rapid growth, such as hydrogen or grid stability, taking an early lead sets the pattern for the whole industry. We aim to emulate our success with off-shore wind in the last decade, where leading technology solutions coupled with recognised thought leadership, helped secure our strong position in the industry.

The Company is involved in numerous discussions and developments with clients and stakeholders in relation to a) the supply of low or zero emissions power generating assets, b) the distribution side including the transport of energy and storage and c) the demand side including the reduction of Co2 emissions through electrification and other means.

Examples include: Hyflex Power Project, which is a CHP power plant that has been designed to run on 100% hydrogen. The use of e methanol as a low carbon fuel for small gas turbines, Grid stability projects to support renewables deployment, electrification of offshore assets and the reinforcement of grid infrastructure to enable energy transition grid connections.

The development of projects of this nature will form the foundation for future opportunities in this area.

The energy transition to net zero affects every part of Siemens Energy's market and our future depends on being leaders of the transition and being regarded by all stakeholders as a trusted and capable partner. The transition is happening in different ways and timing in each country, so it is vital that the Company shows clear and consistent understanding of our local market and is seen to be a thought leader in key areas here.

The Board and EBM members are in regular contact with customers and employees plus other key stakeholders and Industry bodies to provide valuable input and to influence the Board decision making processes.

Dividend proposals are also a key decision made each year, with the Board having regard to the ability of the Company to make a dividend taking into account, amongst other considerations, guidelines under Companies Act 2006 and Pension Schemes Act 2021, local funding requirements and investments, as well as the needs of our global Siemens Energy Group.

The Board continues to maximise efficiencies by operating a lean board structure, and by investing in digital tools, to promote better and faster decision making.