Sustainability in the Supply Chain

Siemens Energy Code of Conduct for Suppliers and Third Party Intermediaries



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SIEMENS energy

Foreword

Sustainability requires close cooperation with our suppliers and third party intermediaries

As a global company present in more than 90 countries worldwide, we are conscious of the impact our activities have on the people who work for and with us, on our suppliers as well as on local communities and the environment. Sustainability results from our company values of being caring, agile, respectful, and accountable and is core to our company's culture and strategy.

Our people and culture provide the strong foundation upon which we can lead the energy transition and make a difference for our customers, investors, suppliers, partners, employees and society. As one-sixth of the world's electricity is generated by an installed base of more than 90,000 units delivered by Siemens Energy this puts us in a unique position to support societies around the world to successfully meet the growing need for sustainable, reliable, and affordable energy.

A competitive, globally balanced and localized network for suppliers and third party intermediaries is a precondition for further growth and success of Siemens Energy on a global scale. Therefore, these partners play a key role in a value chain focused on sustainability. Only in close cooperation with all stakeholders can we seize the opportunities and minimize risks associated with the challenge of sustainable development.

Siemens Energy conducts business responsibly and in compliance with the legal requirements and governmental regulations of the countries in which we operate. Therefore, Siemens Energy expects its employees and managers, suppliers and third party intermediaries to comply with all applicable laws and regulations based on – amongst others – the International Bill of Human Rights, Core Labor Standards of the International Labor Organisation, the UN Convention against Corruption and OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions.

Siemens Energy wishes to be perceived as an integral part of the national society and economy of each country in which we operate. Due to the huge diversity of conditions in which we purchase goods and services, this maxim of Siemens Energy's business policy is considered in the principles of our Code of Conduct. It is based on – among others – the ten principles of the United Nations Global Compact but also reflects the Siemens Energy "Business Conduct Guidelines", which establishes fundamental principles of sustainability and apply to the entire company. We require commitment to our Code of Conduct from all our suppliers and third party intermediaries and have made responsible business practices a core element of our Supplier Management processes. Therefore, it is our declared objective to closely cooperate to make sustainability a fundamental part of our business relationships. This includes a clear commitment to clean business.

On the following pages you will find information about our approach to Sustainability in the Supply Chain, a set of commonly accepted rules and regulations, as well as practical help in implementing sustainable business practices. We are asking you to join us on our path to sustainability for the benefit of the generations to come. This brochure is addressed to suppliers and third party intermediaries. For simplification purposes the term "partner" is used for both. If "suppliers" or "third party intermediaries" are meant exclusively, in this brochure the respective term will be used.

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Siemens Energy Code of Conduct

This Code of Conduct defines the basic requirements placed on the suppliers and third-party intermediaries of Siemens Energy concerning their responsibilities towards their stakeholders and the environment. The supplier and/or third-party intermediary declares herewith to:

Legal Compliance

- Comply with the laws and regulations of the applicable legal systems.

Human Rights

To ensure respect of all internationally proclaimed human rights by avoiding causation of and complicity in any human rights violations. Heightened attention shall be paid to ensuring respect of human rights of specifically vulnerable rights holders, such as women, children or migrant workers, or of (indigenous) communities.

Prohibition of Forced Labor

- Neither use nor contribute to slavery, servitude, forced or compulsory labor, oppression, exploitation and human trafficking.

Prohibition of Child Labor

- Employ no workers under the age of which compulsory schooling ends according to the law of the place of employment, provided that the age of employment is not less than 15 years or, in those countries subject to the developing country exception of the ILO Convention 138, employ no workers under the age of 14.
- Employ no workers under the age of 18 for hazardous work according to ILO Convention 182.

Non-Discrimination and Respect in employment

- Ensure equal treatment of employees, irrespective of skin color, race, nationality, ethnicity, social background, health status, disabilities, gender, sexual identity and orientation, marital status, political opinion, ideological or religious conviction, belief, or age, and promote their equal opportunities.
- Refuse to tolerate any unacceptable treatment of individuals such as mental cruelty, sexual harassment or discrimination including gestures, language and physical contact, that is sexual, coercive, threatening, abusive or exploitative.
- Refrain from unnecessary restriction on freedom of movement, except for safety and security requirements.

Freedom of association and collective bargaining

- Recognize the legal rights of workers to form or join trade unions and to engage in collective bargaining; neither disadvantage nor prefer members of employee organizations or trade unions.

Working Hours & Wages for Employees

- Adhere to all applicable working-hours and rest breaks regulations.
- Pay fair, at least minimum, wages required by applicable law.
- In the event of cross-border personnel deployment adhere to all applicable legal requirements.

Life, Health & Safety of Employees

- Act in accordance with the applicable statutory and international standards regarding occupational health and safety and provide safe working conditions and, where applicable, adequate accommodation to safeguard health and wellbeing of employees.
- Provide training and instruction to ensure employees are educated in health and safety issues.
- Establish and apply a reasonable occupational health & safety management system[1].

Impact on communities

- Refrain from unlawful eviction and / or unlawful deprivation of land, forests and waters.

Security Forces

- When using private or state security forces, ensure that the human rights of employees and other rights holders are respected (in particular, no use of physical or psychological force, except in case of legitimate self-defense).

Environmental and Climate Protection, Protection of Natural Resources

- Act in accordance with the applicable statutory and international standards regarding the environment.
- Minimize environmental pollution and make continuous improvements in environmental protection.
- Establish a reasonable environmental management system[1].
- Not cause harmful soil change, water pollution, air pollution, harmful noise emission or excessive water consumption, which significantly impairs the basic existential needs or harms the health of a person.
- Reduce waste and ensure their proper treatment and disposal.

Fair Operating Practices

Anti-Corruption and Bribery

- Tolerate no form of and do not engage directly or indirectly in any form of corruption or bribery and do not grant, offer or promise anything of value to a government official or to a counterparty in the private sector to influence official action or obtain an improper advantage. This includes to renounce from giving or accepting improper facilitation payments.

Fair Competition, Antitrust Laws and Intellectual Property Rights

- Act in accordance with national and international competition laws and do not participate in price fixing, market or customer allocation, market sharing or bid rigging with competitors.
- Respect the intellectual property rights of others.

Conflicts of Interest

- Avoid and/or disclose internally and to Siemens Energy all conflicts of interest that may influence business relationships, and to avoid already the appearance thereof.

Anti-Money Laundering, Terrorism Financing

- Not directly or indirectly facilitate money laundering or terrorism financing.

Data Privacy and Cybersecurity

- Process personal data confidentially and responsibly, respect everyone's privacy and ensure that personal data is effectively protected and used only for legitimate purposes.
- Commit to have an adequate Cybersecurity management framework established in its organization based on good industry practice, to ensure the confidentiality, authenticity, integrity, and availability of data, processes, products, systems and services.

Foreign Trade Regulations

- Comply with the applicable export, import, customs and foreign trade regulations.

Responsible Minerals Sourcing

- Take reasonable efforts to avoid in its products the use of raw materials which originate from Conflict-Affected and High-Risk Areas and contribute to human rights abuses, corruption, the financing of armed groups or similar negative effects.

Grievance Mechanism

- Provide access to a protected mechanism for their employees to report possible violations of the principles of this Code of Conduct.
- Ensure protection of reporters or whistleblowers against any kind of retaliation.

Supply Chain

- Take reasonable measures to make its suppliers comply with the principles of this Code of Conduct and to verify this on a risk basis.
- Comply with the principles of non-discrimination with regard to supplier selection and treatment.

[1] https://www.siemens-energy.com/global/en/company/about/supply-chain-management/sustainability-in-the-supply-chain/ehs-management-systeme.html









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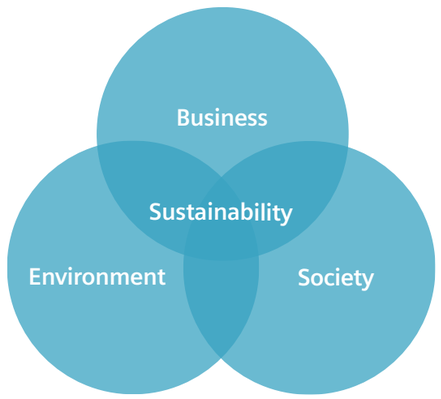
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Sustainability in the Supply Chain

Seize opportunities, minimize risks, live our values. For us, sustainability means acting responsibly on behalf of future generations in order to achieve economic, environmental and social progress. The global trends – demographic change, urbanization, climate change, globalization and digitalization – are affecting and defining lives and economies throughout the world. These trends are significantly shaping our business by creating new markets and opening up valuable new opportunities. Yet they also harbor significant risks that need careful management. Only a value-based, sustainability-driven company committed to living its principles can minimize these risks and master these challenges to optimally leverage emerging opportunities for its stakeholders.



Sustainability is not new for Siemens Energy. Acting as a responsible and accountable company has always been part of our philosophy. This is why we take a stand today on our commitments.



Here are some examples:

- We actively contribute to forward looking development at our locations.
- All of our products have to be engineered and manufactured in such a way that they pose no threat to life, limb or property.
- Our responsibility extends not only to Siemens Energy, but to our value chain and to society.
- With our portfolio and environmental work, we make effective contributions to climate protection.
- We act with integrity in business, and our behavior complies with our moral principles and values.

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Purchased products and services account for almost two thirds of our total revenue. As our suppliers play a critical role in our sustainability-oriented value chain, Siemens Energy expects them also to demonstrate their commitment towards these standards and principles which are summarized in the Code of Conduct.

Siemens Energy Values and Legal Requirements

Our understanding of sustainability is fully based on our company values of being caring, agile, respectful and accountable. Siemens Energy's sustainability initiatives are an essential aspect of successfully implementing the Siemens Energy strategy. At Siemens Energy, we define sustainable development as the means to achieve profitable and long-term growth. In doing so, we align ourselves with the goals of the UN's 2030 Agenda for Sustainable Development and the OECD Guidelines for Multinational Enterprises as well as with the United Nations' Guiding principles for business and human rights.

Siemens Energy Code of Conduct is based to a great extent on the ten principles of the UN Global Compact relating to human rights, labor standards, environmental protection and anti-corruption initiatives. These principles are derived from the Universal Declaration of Human Rights, the Declaration on Fundamental Principles and Rights at Work of the International Labor Organization (ILO) and the principles of the Rio Declaration on Environment and Development.

According to the UN Global Compact, the "supply chain can make a significant impact in promoting human rights, fair labor practices, environmental progress and anti-corruption policies". Some of the biggest contributions can be made to the United Nations Sustainable Development Goals (SDG), especially regarding SDG 8 on Decent Work and Economic Growth, which among other things addresses labor issues, and SDG 12 on Responsible Consumption and Production. SDG 12 specifically calls on companies to work to adopt sustainable practices and increase reporting on their progress too. Efforts can be made to address poor working conditions, ranging from minimum wage violations to extreme occupational hazards, and eradicate all forms of forced labor and child labor. Unhealthy workplaces can be cleaned up.

In the last decade numerous pieces of legislation were published and require our absolute attention. Besides others, EU law on human rights and environmental protection came into effect as well as legislation in USA, UK, France, Australia, and Germany.

Some examples:

- European Union: Regulation concerning the Registration, Evaluation, Authorization and Restriction of Chemicals (REACh), Regulation concerning Restriction of Hazardous Substances (RoHS), Timber Regulation, F-Gases Regulation, Conflict Minerals Regulation; CSR Reporting Obligations Directive in 2014 and Conflict Minerals Regulation in 2017, EU- Taxonomy for sustainable activities 2020, Corporate Sustainability Reporting Directive 2022, Corporate Sustainable Due Diligence Directive expected 2023/2024
- United States of America: Dodd-Frank Act, Sec 1502 "Conflict Minerals" 2010, California Transparency in Supply Chains Act 2012, Business Supply Chain Transparency on Trafficking and Slavery Act 2015
- Germany: Supply Chain Due Diligence Act 2021
- United Kingdom: Modern Slavery Act 2015
- France: Loi de Vigilance 2017
- Australia: Modern Slavery Act 2018
- Netherlands: Child Labour Due Diligence Law 2019
- Norway Transparency Act 2021



Legal Compliance

Siemens Energy conducts business responsibly and in compliance with the legal requirements and governmental regulations of the countries in which we operate. Therefore, the company will under no circumstances tolerate illegal or noncompliant behavior. We have set ourselves globally-binding Business Conduct Guidelines that require all employees and managers to behave in an ethical, law-abiding manner. Equally, Siemens Energy expects its partners to comply with all applicable laws and regulations.



Human Rights

The Code of Conduct requires all Siemens Energy partners to ensure respect of all internationally proclaimed human rights by avoiding causation of and complicity in any human rights violations.

The core internationally recognized human rights are contained in the International Bill of Human Rights (consisting of the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights, coupled with the principles concerning fundamental rights in the eight ILO core conventions as set out in the Declaration on Fundamental Principles and Rights at Work) and are increasingly regulated also in national legislation such as the German Supply Chain Due Diligence Act. Partners should pay heightened attention to ensuring respect of human rights of particularly vulnerable rights holders or groups of rights holders such as women, children or migrant workers, or of (indigenous) communities. Required focus of increased attention will depend on the specific situation and circumstances the partners operate within. Specifically, Siemens Energy expects its partners to respect the fundamental employment rights set out in international conventions of the United Nations (UN) and the International Labor Organization (ILO).







Prohibition of Forced Labor

We demand the elimination of all forms of forced labor to which our partners must contribute to by implementing appropriate measures and control mechanisms – not only within their own organization but also in their supply chain, e.g., when using Labor Brokers, Temporary Employment Agencies, etc. Under no circumstances we accept that e.g., employees' IDs or passports are confiscated, the freedom of workers to terminate their employment or to leave the site at the end of the working day is restricted, salaries not paid periodically or in too long periods, physical or psychological pressure put on employees or their families.

We expect you as our partner to:

- Neither use nor contribute to slavery, servitude, forced or compulsory labor, oppression, exploitation and human trafficking.
- Not confiscate IDs or passports.
- Respect the freedom of movement of workers, to leave the site at the end of the working day or to terminate their employment from unnecessary restriction.
- Implement respective control mechanisms in their own supply chain.

Prohibition of Child Labor

Siemens Energy expects its partners to only employ workers with a minimum age of 15. This minimum employment age is laid down in several conventions of the International Labor Organization (ILO). These conventions regulate internationally valid lower limits. If a higher minimum employment age is valid in the country in which a partner maintains its business premises, then the partner must adhere to it. In exceptional cases only, we will accept a minimum age of 14 provided that a statutory minimum age of 14 applies under ILO Convention 138 in the country where the affected partner maintains its business establishment. For hazardous work according to ILO Convention 182, an age limit of 18 years is essential.

We expect you as our partner to:

- Employ no workers under the age of which compulsory schooling ends according to the law of the place of employment, provided that the age of employment is not less than 15 years, or, in those countries subject to the developing country exception of the ILO convention 138, employ no workers under the age of 14.
- Employ no workers under the age of 18 for hazardous work according to ILO Convention 182.
- Verify dates of birth and document them in the personnel files, when appointing new employees.



Non-Discrimination and Respect in Employment

Our partners shall ensure equal treatment of employees during the recruiting process and their employment period, irrespective of skin color, race, nationality, ethnicity, social background, health status, disabilities, gender, sexual identity and orientation, marital status, political opinion, ideological or religious conviction, belief, or age and promote their equal opportunities.

Our partners shall refuse to tolerate any unacceptable treatment of individuals such as mental cruelty, sexual harassment or discrimination including gestures, language and physical contact, that is sexual, coercive, threatening, abusive or exploitative.

Our partners shall refrain from unnecessary restriction on freedom of movement, except for safety and security requirements.

We expect you as our partner to:

- Have internal regulations governing respect for applicable employment rights.
- Abide by the principles of equal opportunities and equal treatment, and implement internal regulations created for this purpose, when hiring employees, and in other personnel-related activities such as training and continuing professional development and advancement. For example, discrimination, based on e.g., race or skin color, is prohibited within your company.
- Not restrict the freedom of movement of workers, except for safety or security reasons.
- Have established internal rules for the fair treatment of others and monitor their observance. Your employees are free to lodge complaints with their superiors without fear of reprisal.

Freedom of Association and Collective Bargaining

Our partners shall recognize the legal rights of workers to form or join existing trade unions and to engage in collective bargaining; neither disadvantage nor prefer members of employee organizations or trade unions.

We expect you as our partner to:

- Recognize the legal rights of workers to form or join existing trade unions and to engage in collective bargaining; neither disadvantage nor prefer members of employee organizations or trade unions.
- Have established internal rules and procedures to avoid that those employees, who engage in collective bargaining are disadvantaged or can be dismissed without objective reasons.



Working Hours & Wages for Employees

Everyone has the right to fair remuneration ensuring for themselves and their families an existence worthy of human dignity.

Our partners, therefore, must pay appropriate wages and ensure reasonable limitation of working hours and regular paid vacation. In the event of cross-border personnel deployment all applicable legal requirements must be adhered to.

We expect you as our partner to:

- Adhere to all applicable working-hours regulations globally.
- Pay fair, at least minimum, wages required by applicable law.
- In the event of cross-border personnel deployment adhere to all applicable legal requirements.
- Implement internal procedures to ensure that applicable working hours and rest breaks are adhered to, and payment of adequate living wages is ensured.

Life, Health & Safety of Employees

Siemens Energy expects its partners to take responsibility for the health and safety of their employees.

We expect you as our partner to fulfill minimum requirements regarding health and safety for employees, depending on the category (see chapter "Health and safety management system – categorization according to the supplier's size or type of activities"):

- There is a clear commitment by management to occupational health and safety.
- You act in accordance with the applicable statutory and international standards regarding occupational health and safety and provide safe working conditions and, where applicable, adequate accommodation to safeguard health and wellbeing of employees.
- You take measures to prevent accidents on building sites, in plants and in projects.
- You eliminate unsafe and dangerous conditions immediately.
- You control hazards and take the best possible precautionary measures against accidents and occupational diseases, which means assessing hazards and effects of activities, products and services and implementing appropriate measures to eliminate or minimize the risks and their effects as far as possible.
- You regularly develop minimum requirements further internally and keep your suppliers informed about them.
- You have a person who is responsible for occupational health and safety matters and who trains and educates your employees.



- You support your suppliers actively in implementing these standards. If a supplier repeatedly or seriously breaches these standards, you exclude this supplier from further business transactions.
- You have an occupational health and safety management system in place in accordance with ISO 45001 or equivalent. Implementing an occupational health and safety management system includes risk assessment, risk minimization, systematic and complete description of process workflows, identification of requirements and efficient implementation, regular monitoring and assessment. In addition, our partners must adhere actively to the principles of occupational health and safety, both when selecting suppliers and in the conduct of their business relationships.

We defined stricter "Occupational Health and Safety Standards" for our contractors and made them mandatory in our procurement contracts. Important parts of this standard are the strict supplier selection and intensive trainings in each case before the contractor starts working on a Siemens Energy site/project.

Health and Safety Management System – Categorization According to the Supplier's Size or Type of Activities

The supplier's relevance and responsibility in terms of occupational health and safety depends essentially on the type of activities that its employees perform. A distinction is therefore made between suppliers that perform solely administrative/management or advisory functions, e.g. sales- and marketing-related activities (category 1), and those that also manufacture products or in any other way process or rework products (category 2 or 3).

Category 1 suppliers are expected to provide evidence of compliance with following occupational health and safety requirements:

- Availability of safety specialists.
- Instruction and training for employees.
- Conduct risk assessments and risk control measures.

In addition to requirements in Category 1, we expect Category 2 suppliers to provide:

- Written statement of commitment to occupational health and safety by the company's management.
- Written assessment of and plan for compliance with legal requirements.
- Written emergency plan.

Additionally, Category 3 suppliers have to show evidence of implementation of an occupational health and safety management system.

Impact On Communities

Siemens Energy respects the human rights of local communities and indigenous people who may be affected by our business activities and considers the local impacts of our operations. We do not engage in the unlawful taking of land, forests and waters and expect our partners to responsible and respectful treatment of local communities that may be affected by their business activities.

We expect you as our partner to:

- Refrain from unlawful eviction and / or unlawful deprivation of land, forests and waters, the use of which secures the livelihood of a person.
- Have established internal rules and procedures to ensure that human rights of local communities and indigenous people are respected and that no unlawful deprivation of land, forests, and waters is caused.





Security Forces

When we engage a private or public security provider to protect our facilities, we expect that appropriate requirements and measures are taken through appropriate instruction and monitoring, and that security personnel respects internationally recognized human rights during their deployment. The protection of our facilities or projects must not involve torture, cruel, inhuman or degrading treatment, injury to life and limb or interference with freedom of association. Siemens Energy expects its partners to ensure that the human rights of employees and other rights holders are respected when using private security providers or state security forces.

We expect you as our partner to:

- When using private security providers or state security forces, ensure that the human rights of employees and other rights holders are respected (in particular, no use of physical or psychological force, except in case of legitimate self-defense).
- Implement internal procedures to ensure that security personnel respects human rights through their deployment.

Environmental and Climate Protection, Protection of Natural Resources

Siemens Energy expects its partners to act in accordance with the applicable statutory and international standards regarding environmental protection in order to minimize adverse environmental impacts and make continuous improvements in environmental protection. Our partners shall not cause harmful soil change, water pollution, air pollution, harmful noise emission or excessive water consumption, which significantly impairs the basic existential needs or harms the health of a person. Siemens Energy expects its partners to reduce waste and ensure their proper treatment and disposal.

Siemens Energy's environmental protection policy is based on global standards for environmental management. Where our products are concerned, we take a holistic approach to environmental protection, ensuring that all products are environmentally compatible during the whole product life cycle, from development through manufacturing and use, to reuse, recycling or disposal.
We also expect you, our partners, to make every effort to protect the environment, and to keep the impact your activities have on it as low as possible. Among other things, we expect your environmental management policy to include the efficient use of energy and other resources. We need your contribution, as a partner, to actively support us in implementing the Code of Conduct regarding environmental protection (See also chapter "Environmental management system – categorization according to the supplier's environmental relevance"):

We expect you as our partner to:

- Have a process, or an organization of your own, that ensures compliance with statutory regulations and customer requirements governing operational and product related environmental protection.
- Document, implement and regularly check, all approvals and/or licenses required for the operation of your sites.
- Have a suitable management system (e.g. an ISO 14001-compliant or equivalent system) of environmental protection in place.
- Not cause harmful soil change, water pollution, air pollution, harmful noise emission or excessive water consumption, which significantly impairs the basic existential needs (as for instance access to food, safe drinking water or sanitary facilities) or harms the health of a person.
- Reduce waste and ensure their proper treatment and disposal.Have rules, guidelines, internal standards or similar governing product related environmental protection, for example with regard to product design, restrictions on materials, labeling, information obligations, reuse, recycling, environmentally compatible product use, maintenance and disposal and, where applicable, measures for protection against hazardous substances, and train your employees accordingly.



Environmental Management System – Categorization According to the Supplier's Environmental Relevance

The supplier's relevance and responsibility in terms of environmental protection depends essentially on the type of activities (e.g. production, services, project work) and the resources being used. A distinction is therefore made between suppliers that perform solely administrative / management or advisory functions, e.g. sales-, IT- and marketing related activities (category 1), and those that have a higher environmental impact (category 2 or 3): suppliers with low environmental relevance are assigned to category 1 irrespective of the industry in which they operate.

For category 2 suppliers, a formalized environmental management system is required which shall include ISO 14001-elements, for example:

- An environmental policy.
- Definition of roles & responsibilities for environmental protection.
- Ensuring that employees and managers with responsibilities concerning environmental protection or whose activities can have an environmental impact are qualified and act accordingly.
- Records of environmental training.
- Emergency preparedness and response.
- Regular monitoring of operations with significant environmental impacts.

Category 3 suppliers have a high environmental relevance and, therefore, have to implement an environmental management system like suppliers of category 2. They additionally have to achieve an ISO 14001 certification or an EMAS validation.



Fair Operating Practices

Siemens Energy conducts business responsibly and in compliance with the legal requirements and governmental regulations of the countries in which we operate and expects its partners to comply with all applicable laws and regulations.

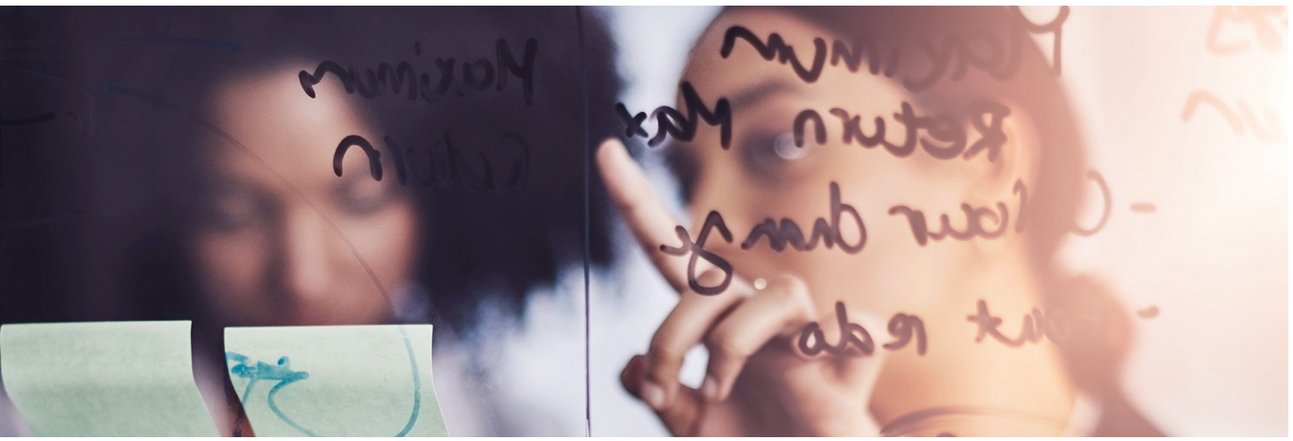
To ensure compliance with laws we expect you to:

- Set up, implement and maintain a company-wide appropriate compliance program or process which reflects the company's size and risks.
- Define binding rules for all employees, including rules governing the offering and acceptance of gifts.
- Provide your employees with regular training in respect of important compliance issues.
- Appropriately respond to compliance violations.
- Impose a contractual obligation on your suppliers to comply with the law, in particular the provisions governing corruption, and monitor adherence to it.
- Emphasize the responsibility of the executive management for compliance matters.

Prohibition of Corruption and Bribery

Siemens Energy does not tolerate any form of corruption in its business dealings anywhere in the world. This includes Siemens Energy business dealings through our external partners.

Bribery. The most common form of corruption is bribery. Bribery is a criminal offense worldwide. Siemens Energy strictly prohibits its partners from any form of bribery, i.e. from directly or indirectly offering, promising, granting or authorizing the giving of money or anything else of value to a government official or to a counterparty in the private sector to influence official action or obtain an improper advantage for Siemens Energy.
Any offer, promise, grant or gift made by a partner in connection with Siemens Energy business must comply with applicable laws and must not create an appearance of bad faith or impropriety.Specifically, outgoing payments must be used lawfully.



Facilitation Payments. Bribery also covers facilitation payments. A facilitation payment is a relatively small amount of money, or the granting of any other benefit, usually to low-ranking public officials,for their personal benefit or to expedite the performance or a routine governmental action. Facilitation payments are prohibited and can be prosecuted.

Gifts, Hospitality and other Benefits. In many cultures, gifts and invitations to entertainment events are important for developing and deepening business relationships. However, some gifts and invitations may unreasonably influence the recipient's decision-making or create the appearance of improper influence.

Gifts, hospitality and other benefits must always be in accordance with applicable laws and regulations. In any case they must:

- Be transparent and correctly recorded in the company's books and records.
- Be appropriate in terms of type, value, and frequency to the occasion and the position of the recipient.
- Not be offered, provided, demanded or accepted with the expectation of any type of advantage.
- Never give the appearance of dishonesty or inappropriateness

Counterparts, especially public officials, often have their own internal rules that restrict their ability to accept gifts and hospitality. These rules can be very strict and must be followed.

Travel Expenses. Companies may be required to pay third party travel expenses for certain business transactions. However, excessive reimbursement may inappropriately influence the recipient or at least create the appearance of influence.

Sponsorship, Donations, Contributions and Memberships. Sponsorships, donations, charitable contributions, and memberships can be important to social commitment and the pursuit of corporate goals. They:

- Must be carefully examined to determine whether they promote the company's legitimate objectives.
- May not be promised, offered, or made to obtain improper business advantages or for other unethical purposes.
- Must be religiously and politically neutral in connection with Siemens Energy business.

Involvement of Third Parties. There are many legitimate reasons for involving third parties in business relationships. However, the use of third parties to unlawfully or improperly influence public officials or private individuals is prohibited. Therefore, we expect our partners to check relevant third parties at the beginning of their activities and to monitor them during business relationships.

To prevent, detect and deter violations of any applicable law, particularly such relating to anti-corruption, Siemens Energy deems it necessary that our partners maintain books, records and accounts which accurately reflect any and all payments made, expenses incurred, and assets disposed of and to maintain an internal control system to ensure the proper authorization, recording and reporting of all transactions.[1]

We expect you as our partner to:

- Use accounts or funds only for legitimate purposes.
- Make payments only if they are lawful and have legitimate purposes.
- Make payments only with proper documentation.

[1] see p. 44-46, Information for Third Party Intermediaries



Respect Fair Competition, Antitrust Laws and Intellectual Property Rights

Siemens Energy conducts business responsibly and in compliance with the legal requirements and governmental regulations of the countries in which we operate. Therefore, Siemens Energy expects its partners to comply with all applicable laws and regulations, in particular in the field of fair competition and antitrust and to respect the intellectual property rights of others.

Antitrust law protects free, undistorted, and effective competition for the benefit of customers, companies, and society as a whole. Antitrust laws, amongst others, prohibit agreements and concerted practices between companies that restrict competition. Anticompetitive agreements include price fixing, market, customer, or territory allocations, and bid rigging with competitors. Abusing a dominant position is also prohibited.

Siemens Energy has a strict policy to act in compliance with antitrust laws and expects its contractual partners to do the same.
Inter alia, we expect you to handle confidential information from Siemens Energy and third-parties, such as competitors, customers, and sales partners, with care. Furthermore, Siemens Energy expects its partners to respect intellectual property rights of others, e.g. copyrights, patents and, trademarks and trade secrets and to act within the limits of licenses granted (e.g. with respect to software).

We expect you as our partner to:

- Act in accordance with national and international antitrust laws and e.g. not to participate in price fixing, market, customer, territory allocations or bid rigging with competitors.
- Respect trade secrets and the intellectual property rights of others.

Avoidance of Conflicts of Interest

Employees should always act in the best interest of their company. Therefore, a conflict of interest exists if the interests of an individual or of their close personal relations diverge from those of the company to which the individual belongs.

Conflicts of interest can hinder the success of a company, lead to economic damages and also tarnish the company's reputation if they become public, for instance, if the conflict of interest leads to uneconomical decisions, if customers are lost because they lose confidence in the integrity of the company or if restricted information is disclosed as a result. In some cases, conflicts of interest might also bear corruption or antitrust risks.

Accordingly, employees should have no relationship, financial or otherwise, with anyone that conflicts, or appears to conflict, with the employees' obligation to act in the best interest of their company.

Therefore, it should be our common goal to avoid situations of conflicts of interests and to create awareness for such situations.

We expect you as our partner to:

- Make business decisions in the best interest of the company and not on the basis of personal interests.
- Anticipate and avoid situations in which the appearance of a conflict of interest may arise.
- Avoid engaging companies with which personal interest exist if it could personally benefit the partner.
- Inform Siemens Energy of any personal interest that might exist in connection with the business relationship.
- Establish measures which prevent conflict of interests.
- Avoid that your employees use their position to offer gifts, invitations or other advantages to Siemens Energy employees or other third parties. This does not apply to occasional gifts of purely symbolic value or meals or entertainment of appropriate value.

The following questions can help an employee to assess whether there is a conflict or an appearance of a conflict:

- Is the decision we make for our company influenced by personal interests?
- What impression would the situation leave on third-parties, such as customers, business partners, and investors?
- How would the public react to the business decision?



Prohibition of Money Laundering and Terrorism Financing

Money Laundering is the disguising of the origin of money or other assets obtained from criminal activities and their moving into the legitimate economy. In addition to monetary support, terrorism financing may include other assets such as goods or merchandise. Siemens Energy strives to maintain business relationships only with reputable customers, partners, and companies whose business activities comply with legal requirements and whose financial resources are of legitimate origin.

We expect you as our partner to:

- Not facilitate money laundering or terrorism financing, directly or indirectly.
- Support us in identifying relevant shareholder(s), ultimate beneficial owner(s) and legal representative(s), when necessary.
- Take appropriate, risk-based measures to verify the identity and financial background of your customers, business partners, and other third parties, and the origin of payments to ensure they come from legitimate sources.
- Follow-up on suspicious business relationships, activities, and transactions immediately and report those to law enforcement authorities, when necessary.



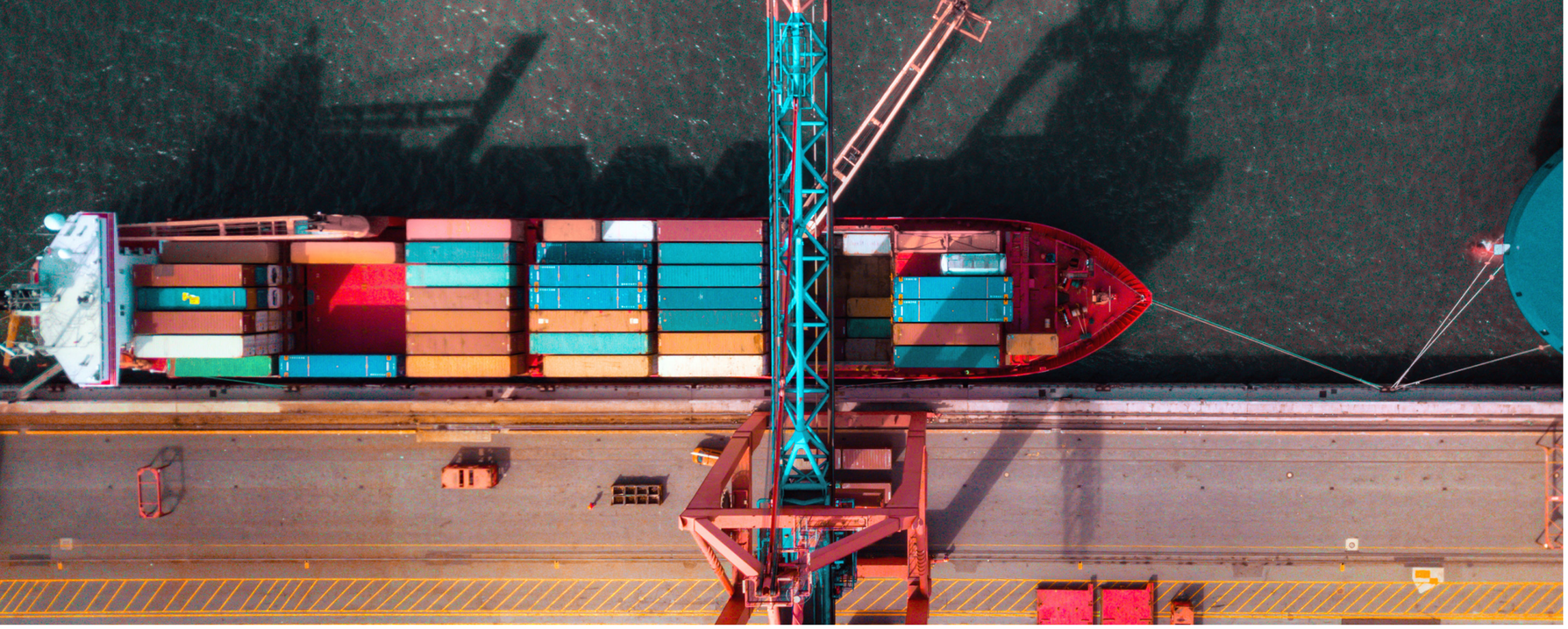
Respect Data Privacy

Personal data is information about specific or identifiable natural persons, such as name and address, photos, personnel number, bank data, digital identifiers, or health data.

The protection of personal data plays an important role in our digitized world. The loss or improper use of personal data can have serious consequences for the individuals concerned. It is therefore very important for Siemens Energy to ensure that this data is effectively protected and used only for legitimate purposes. All of us who handle the personal data of employees, customers, or third-parties bear a high level of responsibility.

We expect you as our partner to:

- Collect and process personal data confidentially, only for legitimate, predetermined purposes, and in a transparent manner.
- Only process personal data if it is protected against loss, modification, and unauthorized use or disclosure by appropriate technical and organizational measures.
- Immediately inform our company's local Data Protection Organization of possible data protection violations in connection with Siemens Energy business.



Cybersecurity

In an in increasingly digital world, cybersecurity is what our customers expect from our products and what Siemens Energy expects from the products and services procured from our third party supplier partners. It is also essential in the energy market and in any evolving, strategically relevant ecosystem.

Cyber risk management is one of the key methods for handling risks to information technology, operational technology, and the products and solutions that Siemens Energy offers its customers.

Successful cyber risk management relies on partners that ensure a cyber resilient business model, continuous cybersecurity protection, availability thus minimizing the exposure to major cyber threats and/or security risks.

We expect you as our partner to:

- Take appropriate organizational and technical measures to ensure the confidentiality, authenticity, integrity and availability of Supplier Operations as well as products, solutions and services. These measures shall be consistent with good industry practice and shall include an appropriate information security management system consistent with standards such as ISO/IEC 27001 or IEC 62443.
- Support and provide services to repair, update, upgrade and maintain products and services including the provision of patches to the vulnerabilities to be remediated for the reasonable lifetime of the products, solutions and services.
- Promptly report all relevant information security incidents occurred or suspected and vulnerabilities discovered in any Supplier Operations, services, solutions and/or products.
- On request, provide written evidence of its cybersecurity compliance including generally accepted audit reports (e.g., SSAE-16 SOC 2 Type II) and agreement to participate in Siemens Energy Third Party Risk Management supplier assessments.
- Have the same or equally effective protection measures in place to protect Siemens Energy information stored and/or processed within your IT systems and applications as the protection measures applied Siemens Energy IT systems and applications hosted on-our premises.

Abidance by Foreign Trade Regulations

As a globally operating company, Siemens Energy must comply with a wide variety of national and international customs, export control, embargo regulations that govern and restrict the free movement of goods.
Legal and related internal measures thereof are anchored in our Internal Control Program Export Control (ICP EX) as well as our Internal Control Program Customs (ICP CU).

Compliance with these regulations is essential to protect Siemens Energy and our global operations. In the same way Siemens Energy expects from its partners that the applicable foreign trade regulations are carefully complied with when goods are traded or transported, services are provided, or other technical know-how or software is transferred, including regulations on EU and US sanctions lists.

We expect you as our partner to:

- Comply with the applicable export, import, customs and foreign trade regulations.
- Provide us the applicable product- related export control classification numbers, harmonized system numbers, country of origin and, if asked, for free trade preferential origin.
- Not purchase products from sanctioned persons, companies or organizations, and in order to be able to continue to jointly employ efficient and secure import and export processes, your support concerning customs related supply chain security programs and their requirements.

Responsible Minerals Sourcing

Until the present day, trade with minerals in Conflict-Affected and High-Risk Areas (CAHRAs) is affected by violent conflicts and violation of human rights, especially in the Democratic Republic of the Congo and its adjoining countries (the DRC region). The local population is facing systematic exploitation in the fight between armed groups for control of the mines and trading routes.

Siemens Energy is committed to ensuring that minerals contained in its products are sourced with due respect for human rights, that sourcing those minerals does not contribute to any risk defined in Annex 2 of the OECD Due Diligence Guidance, and that Siemens Energy's supply chain practices support the development in the CAHRAs.

Responsible Minerals Sourcing is the Siemens Energy commitment to working toward avoiding the use of minerals from Conflict-Affected and High-Risk Areas which are affected by the risks defined in Annex 2 of the OECD Due Diligence Guidance within our supply chain. The relevant minerals include but are not limited to tantalum, tin, tungsten, the ores from which they originate, and gold.

CAHRAs include but are not limited to the Democratic Republic of the Congo, Angola, Burundi, the Central African Republic, Rwanda, South Sudan, Tanzania, Uganda, and Zambia. The mining of minerals represents one of the main sources of income for the local civilians in CAHRAs and is thus indispensable to them.

As such, imposing an embargo and stigmatizing the whole of the CAHRAs would most likely be an inappropriate response to this issue.
However, transparency and the disclosure of information about minerals will allow purchasing decisions to be made consciously, thus supporting responsible sourcing.

Siemens Energy takes systematic steps to determine the use, source and origin of the relevant minerals in its supply chain and works closely with its direct suppliers in carrying out these steps.
This information will also help Siemens Energy's customers to fulfill the U.S. Securities and Exchange Commission (SEC) reporting requirements and content of the planned business relationship.

To ensure transparency within the supply chain, Siemens Energy expects suppliers to provide supply chain data so that Siemens Energy can identify smelters in its common supply chain. Siemens Energy suggests that its suppliers use the standard Conflict Minerals Reporting Template of the "Responsible Minerals Initiative" (RMI).

Siemens Energy will compare smelters/refiners used by relevant suppliers against an independently verified list of smelters that use responsibly sourced minerals, identified through industry programs. Minerals originating from a smelter/refiner on this list can be deemed not to contribute to any conflict in CAHRAs.

Siemens Energy expects its suppliers to take every effort to avoid minerals that are not found to be sourced responsibly.





We expect you as our partner to:

- Take reasonable efforts to avoid in its products the use of raw materials which originate from Conflict-Affected and High-Risk Areas and contribute to human rights abuses, corruption, the financing of armed groups or similar negative effects.

Further minerals will be added to our Supply Chain Due Diligence processes in accordance with our risk-based approach.

You can also find the Siemens Energy Responsible Minerals Sourcing Policy, which the company expects its suppliers to follow, at:

https://www.siemens-energy.com/global/en/company/about/supply-chain-management/sustainability-in-the-supply-chain/responsible-minerals.html

Grievance Mechanism of the Partner

Employees as well as other companies' stakeholders need the possibility of reporting misconduct – also anonymously

We therefore require our partners to implement a protected grievance mechanism to report possible violations of the principles of this Code of Conduct. This grievance mechanism can, depending on the size of the company, vary from a complaint box to a sophisticated electronic tool and/or access to an external Ombudsperson.

The grievance mechanism must ensure anonymous reporting and must guarantee no negative consequences for all who report a possible misconduct or a reasonable suspicion.

Practical actions for implementing a Grievance Mechanism may involve:

- Nominating a company responsible who is setting up a complaint process.
- A roadmap for remediation and resolving complaints.
- Timelines for resolving grievances.
- Processes to respond to complaints if agreement is not reached or if its impacts are particularly severe.

We expect you as our partner to:

- Provide access to a protected mechanism for your employees to report possible violations of the principles of this Code of Conduct
- Ensure protection of reporters or whistleblowers against any kind of retaliation.



Supply Chain of the Partner

For our partners too, a large proportion of the value added is generated in the supply chain. It is therefore important to us that our partners take active steps to promote and implement compliance with our Code of Conduct or their own equivalent code of conduct in their supply chain and verify this on a risk basis.



For this reason, we expect our partners not only to comply with the Code of Conduct in their own organization but also to ensure in turn that their suppliers adhere to the international standards summarized in the Code of Conduct. Our values as well as increasing and stricter legislation requires companies – in particular, multinational enterprises – to conform with international standards.



The ‘OECD Due Diligence Guidance for Responsible Business Conduct’ as well as the UN Guiding Principles for business and human rights explain the international expectations and possibilities to implement necessary processes. In addition, our partners shall also actively adhere to the principles of nondiscrimination in the selection of their suppliers and in the conduct of their business relationships. Nondiscrimination in the area of business relationships means, in particular, that requests for quotations should be made accessible to as wide a circle of potential suppliers as possible. Equality of opportunity should not be restricted from the outset through the exclusion of suppliers (e.g. due to their background, race, beliefs) without reasonable grounds.

We expect you as our partner to:

- Have established your own ethical, social and ecological minimum requirements in your supply chain, and your suppliers be legally bound to comply with them.
- Have at least one officer who is responsible for issues of sustainability in the supply chain.
- Take suitable measures (e.g. Sustainability Self Assessments, on-site visits and management talks) to ensure that your suppliers permanently meet the minimum requirements and verify this on a risk basis.
- Actively support your suppliers in implementing these standards. If a supplier commits repeated or serious breaches, for example with regard to child labor, you take active steps to exclude this supplier from further business transactions.
- Undertake continuous further development of your own minimum requirements for suppliers.

Sustainability in Supplier Management

Siemens Energy operates in areas of business that are of major importance for today's society. These areas are all closely aligned with the guiding objectives of business sustainability: greater security, more efficient use of resources, and long-term environmental and social compatibility.

Siemens Energy sources goods and services worth approximately two thirds of its yearly revenue in more than 140 countries – a huge source of business for suppliers all over the world. Sourcing goods and services on this scale – in a variety of markets and for a large number of locations – poses major challenges to our Supply Chain Management and exerts a significant influence to the environment, societies and local economies in which we operate.

An integrated Supplier Management creates the conditions for the common optimization of this value chain. It ensures our global competitiveness and our adherence with our broad sustainability requirements.

Therefore, our sustainability requirements are embedded company-wide in unified, mandatory procurement processes, in particular those processes involved in Supplier Management. A key part of this is ensuring that our suppliers agree contractually to abide by the Code of Conduct.

We evaluate and review the Code's sustainability principles as part of our overall Supplier Management Process in all its three levels:

Supplier Qualification. Siemens Energy suppliers are subject to the company-wide standardized Supplier Registration and Qualification Process. It is a core element within our supplier selection process to make sure that our cross-functional requirements are continuously met by the supplier. As a prerequisite towards ensuring sustainability in their own organization and their supply chain, our suppliers are expected to commit to the requirements of the Code of Conduct and – if applicable – to conduct the Sustainability Self-Assessment (see chapter "Detection Modules").

Supplier Evaluation. Further, more detailed efforts are made to ensure the sustainability requirements in our supply chain during the Supplier Evaluation Process. Therefore, our Supplier Evaluation focus beside typical performance indicators like quality, technology, procurement and logistics also on control of sustainability aspects. The Sustainability Self-Assessments, the Supplier Quality Audits, the External Sustainability Audits and the Incident Driven Inspections form a control system which is based on a risk-based approach (see chapter "Supplier Sustainability Risk Detection Modules").

Supplier Development. Supplier Development activities aim at a sustainable cooperation between Siemens Energy and our suppliers as well as the continuous identification and realization of optimization opportunities. The established Supplier Development Process ensures sustainable implementation of relevant corrective actions which result from the described Detection Modules and supports continuous enhancements of suppliers' compliance with our requirements.

Contractual Obligation

We developed a system of contractual obligations to ensure that all of our suppliers commit to the requirements of the Code of Conduct:

Supplier Qualification. To become "Ready-for-Business" within our Supplier Qualification process, all suppliers have to pass several requirements – one of them is the commitment to our Code of Conduct. The commitment must be given during the supplier's registration process in our global procurement application Supplier Management tool.
Additionally, within the Supplier Qualification process, suppliers have to fulfill various requirements depending on defined triggers, e.g., country of location or kind of delivered products and services. Only if the supplier has successfully completed the registration and qualification processes, it is assigned with the status "Ready for Business" (R4B) and can be utilized by Siemens Energy buyers.

Corporate Responsibility Contract Clause. All new and extended procurement contracts have to include the Corporate Responsibility contract clause which commits the supplier to our Code of Conduct and, additionally, defines Self-Assessment and audit rights.

Conditions of Purchase. To complete the system and to cover possible small procurement volumes which might not be covered by explicit procurement contracts, all purchase orders include the Code of Conduct commitment in the Conditions of Purchase.





Supplier Sustainability Risk Detection Modules

Sustained compliance with the responsibilities and principles of the Code of Conduct is checked by Siemens Energy using the following methods: Sustainability Self Assessments, Regular Supplier Quality Audits, External Sustainability Audits and Incident Driven Inspections.

Inspections at the supplier's premises are only carried out following prior notification by Siemens Energy, within normal operating hours and in accordance with the applicable laws. In addition, it will be ensured that the business activities of the supplier are not disrupted and that confidentiality agreements with third-parties are not breached. Protection of personal data is important to Siemens Energy, therefore all personal information is handled in line with the applicable legal guidelines on the protection of personal information, data security and antitrust regulations. This means that personnel information or price calculations, for example, are not included in an audit.

Sustainability Self Assessment

The Sustainability Self-Assessment is an integral part of the Siemens Energy Supplier Qualification Process. Siemens Energy expects, on the basis of a questionnaire, that the supplier provides its own assessment of the requirements of the

Code of Conduct. We found that sustainability topics are observed or understood in different ways in different regions/countries. Therefore, we have categorized our suppliers according to their physical location: the categorization for higher risk status is mainly based on OECD countries membership combined with the result in the Transparency International Corruption Perception Index. Suppliers based on defined criteria (e.g. based in a higher-risk-country, Procurement Volume, etc.) need to perform a Sustainability Self-Assessment before the suppliers receive the "Ready-for- Business (R4B)" status. In case the supplier's answer is insufficient or deviates from the Siemens Energy requirement, the supplier has to undertake measures to improve and meet the Siemens Energy requirements or will be rejected. The Sustainability Self-Assessment must be renewed every three years based on the above described criteria.

Regular Supplier Quality Audits

During regular process and system quality audits at the supplier's premises the sustained implementation of the requirements of the Code of Conduct is also checked.
For this purpose, the supplier quality audits have, since 2007, been supplemented by special sustainability questions on all topic areas of the Code of Conduct. In the case of deviations, for example, if potential risks or dangers for employees exist and no remedial measures are put in place, the supplier and Siemens Energy collectively agree on the respective measures for improvement. The agreed measures are binding.

External Sustainability Audits and Incident Driven Inspections

Siemens Energy has appointed internationally recognized auditing companies which conduct on-site audits based on the universally valid principles of the Code of Conduct. The outcome is an in- depth assessment and report that enables Siemens Energy and its suppliers to identify and manage potential sustainability risks.

External Sustainability Audits also play an important role in the scheme of supplier development by improving the supplier's sustainability performance based on a so-called corrective action plan, which covers the implementation of requirements but also provides recommendations for the further development of sustainability practices.

Incident Driven Inspections are carried out when a strong suspicion of a nonconformance with the Code of Conduct exists – for example, on the basis of well-known media reports or results from regular quality audits. Incident Driven Inspections are carried out with prior notification. The scope of an Incident Driven Inspection focuses on a section of the Code of Conduct to ensure a detailed assessment of the suspected nonconformance. Incident Driven Inspections are carried out by a third-party auditor authorized by Siemens Energy.

Suppliers With High Purchasing Volume

Many of our "high purchasing volume suppliers" have strong sustainability processes and controlling mechanisms due to their own size and economical importance and seem less critical. But they are sensitive partners which have high impact in case of sustainability failures due to their large number of (possibly affected) employees or to the surrounding community due to their economic power.

We often use the External Sustainability Audit for in-depth controlling of our high-volume suppliers. A main aspect conducting audits at high volume suppliers is that they mostly have a larger supplier base.

An External Sustainability Audit enables us to ensure that our strong sustainability requirements will be forwarded to the supplier's supply base (our 2nd tier suppliers).

Supplier Sustainability Risk Mitigation – Consequences of Deviations

In the case of deviations from the Code of Conduct, Siemens Energy and the supplier will agree to implement sustainable measures for improvement within a suitable time frame. Deviations from this Code of Conduct by Third Party Intermediaries who are not Suppliers are regulated by the respective contractual clauses.

The time frame for rectification can, depending on the type and extent of the deviation, cover an agreed period of weeks or months during which time the required remedial measures are defined and put in place by the supplier immediately following discovery of the deviation.

All measures put in place after inspections are incorporated into the company-wide standard Supplier Management method at Siemens Energy and are systematically pursued. Implementation of the measures has, therefore, an influence on the supplier's annual performance rating and on the assessment of the supplier's future potential, as well as on the approval of the supplier within the regular supplier qualification process.

How do you, as a supplier, actively ensure us that the requirements of the Code of Conduct are implemented and sustained?





We expect you as our supplier to:

- Answer enquiries regarding compliance with the Code of Conduct within the requested time.
- Actively support the need for clarification and demonstrate active co-operation and willingness to improve, should a potential risk arise from the information in the Sustainability Self-Assessment, for example failure to check the age of young employees or non-implementation of corrective measures in the case of a well-known environmental incident.
- Permit the quality auditors access to the required documents and areas so that they can gain a full awareness of your compliance with the Code of Conduct.
- Make competent employees available for confidential interviews at Regular Supplier Quality Audits/External Sustainability Audits/Incident Driven Inspections.

What are the consequences of a breach of the Code of Conduct?:

- Should minor breaches be discovered or reported, for example no documented record of the person in your company responsible for legal compliance, a suitable and binding period for improvement will usually be put in place. In the context of the company-wide mandatory Supplier Management method, measures to correct the problem will be implemented and incorporated into the Supplier Development program.
- In the case of a significant breach, for example significant risks/dangers for employees are present which are not analyzed and eliminated, even when severe accidents take place, and if no measures are taken against the problem, or if measures are not sufficiently implemented within the agreed improvement period, the business relationship will be terminated.

Since fiscal 2015, we have implemented the tightened process of the "Central Warning Message", which ensures a faster and more effective reaction to major breaches of the Code of Conduct requirements:
All local blocking is decided centrally. It allows us to block suppliers for all Siemens Energy organizations worldwide at short notice.

Supplier Training and Capacity Building

It is especially important to us that we develop our suppliers' long-term skills, so we can rise to the future challenge of sustainable development together. It is not sufficient to solely implement the principles of sustainability within Siemens Energy, but we need to make sure that our supply chains follow the same rules Therefore, the principles of sustainability must be known, accepted, obeyed and confirmed by all our suppliers. For third party intermediaries, Siemens Energy provides specific trainings.



Our buyers regularly speak with our suppliers about the implementation status of the supplier's efforts in this regard.

However, such a sublime requirement cannot be explained in personal talks alone. We, therefore, decided to also offer a training method that distributes the information about and the spirit of sustainability to the many participants of our supply chains in an uniform manner. The Web Based Training (WBT), as a guideline for supplier, illustrates our sustainability requirements. In addition, we offer an internet-based information which is available free of charge to all suppliers.

Together with other international manufacturing companies, we have been supporting an industry-wide initiative of efficient substance-declaration via a web database called BOMcheck and also developed an internet-based information for our suppliers.



You can find further information under:

Sustainability in the Supply Chain website:

Sustainability in the Supply Chain | Supply Chain Management | Siemens Energy Global

Compliance website:

Compliance | About Us | Siemens Energy Global

Sustainability in the Supply Chain Web Based Training (WBT):

Sustainability in the Supply Chain | Supply Chain Management | Siemens Energy Global

Trustworthy Third-Party Relationships

Siemens Energy's global activities entail collaboration with many different partners all over the world. Mutual trust is essential to these relationships. However, as summarized in the OECD-Report on the "Liability of Legal Persons for Foreign Bribery", Siemens Energy may be held accountable for the actions of its third party intermediaries from a legal and also a reputational point of view. Therefore, Siemens Energy has implemented a special "Compliance Due Diligence Process" for third party intermediaries.



Legal Requirements. The US Foreign Corrupt Practices Act (FCPA) specifically refers to payments made to "any person, while knowing that all or a portion of such money or thing of value will be offered, given, or promised, directly or indirectly" to a foreign official.
To avoid the related "head-in-the-sand" problem, the FCPA already holds companies liable for a "conscious disregard," "willful blindness" or "deliberate ignorance" of a bribery scheme committed by third party agents. Also, the UK Bribery Act holds a company responsible for offences of a so called "associated person", which is defined as someone who performs services for or on behalf of a company. This can be an agent but also anyone else connected to a company who might be capable of committing bribery on its behalf. This broad scope means that also cooperation partners, contractors and resellers could be "associated" persons.

Transparency through Due Diligence.
To ensure mutual trust, Siemens Energy performs a compliance due diligence prior to the cooperation with such a third party intermediary. Our process is structured and straightforward and ensures that the relevant business relationship is responsibly evaluated and monitored throughout its existence.
Based on a risk assessment of the proposed business relationship, the initial due diligence questionnaires include internal information obtained from the third party intermediary as well as publicly available external information from independent sources. The required information varies depending on the type and content of the planned business relationship.

Contractual Safeguards. The contract between Siemens Energy and the third party intermediary will include specific compliance clauses. Your adherence to these contractual obligations will be monitored – which may include preventive or incident driven audits.[1] The nonfulfillment of these requirements can have consequences up to a termination of the contractual relationship.

[1] see p. 47, Information for Third Party Intermediaries

Siemens Energy's Books and Records Requirements

Third Party Intermediaries are required to maintain books, records and accounts

- An accounting system, appropriate to the nature and size of the business, should be used i.e. an IT based system or manual book keeping.
- The books, records, and accounts should include a balance sheet, profit and loss statement, trial balance, general ledger and sub-ledgers as appropriate.
- The business partner owners should segregate private and business-related incomes and expenses (i.e. private income and expenses should not be recorded in the books, records and accounts).

Reasonable Detail

The books and records should record:

- The exact amount of all income and expense transactions (e.g. no round-up or offsetting in accounting entries).
- Recipient of all payments.
- Details of the source of all income.

Accurately

- No accounting entries, records or supporting evidence should be falsified.
- The books, records, and accounts should agree to the related tax returns (Sales tax/Value added tax and Income tax).

Completely

The books and records should record:

- All financial income and expenses.
- All bank accounts (local and foreign/offshore), petty cash balances and cash boxes.

All bank account balances should be reconciled to the related bank statements.





Purpose and Approach of On-site Audits

For the purposes of a preventive or incident driven audit, which may be included in the specific compliance clauses of an agreement with a third party intermediary, Siemens Energy requires an appropriate level of documentation which substantiates, in a transparent and clear manner, the activities of the third party.

The documentation needs to support the appropriate use of the economic means received from Siemens Energy and their compliance with the contract and with the applicable laws and regulations, especially with the anti-corruption related regulatory environment.

Third Party Intermediaries are committed to maintain recipient and nature of every payment or expenditure:

Supporting evidences

- Retain detailed support for payments, expenditures, expense reimbursements, loans to shareholders / affiliated companies / individuals, commissions, fees, i.e. detailed description of services provided, date, value, customer.
- Invoices with one line item descriptions of services provided may not be adequate to properly explain the nature of services and the business rationale.

No / limited cash

- For full transparency, Third party Intermediaries should avoid cash transactions wherever possible.
- Business Partners (BPs) should not give cash or cash equivalents as gifts.

Lawful Marketing

Maintain detailed support for:

- Gifts, sponsorships and entertainment transactions (detailed description of expenditure, date, value, recipient and business rationale).
- Payments to consultants e.g. for market research (contract, detailed description of expenditure, date, value, recipient and business rationale).

Comply with all local and international legal requirements e.g. Sunshine Act regarding giving gifts to government officials.

What is Siemens Energy's approach?	Requested documents including but not limited to:
• In order to ensure transparency and compliance with other applicable laws and regulations, an audit will review company and ownership structure.	• Financial Statements e.g. Income Statement, Balance Sheet, Tax Returns • Overview of Business Partners' (BPs') employee setup
• In order to ensure transparency and compliance with anti-corruption regulations, an audit will review detailed supporting documentation for selected transactions.	• Sub ledger details for select company accounts (e.g. Travel expenses, Miscellaneous Expenses, etc.) • Cash and cash equivalent activity (e.g. petty cash, wired transfer activity, check register, etc.) • All bank accounts and their bank statements including bank reconciliations for all bank accounts
• In order to ensure transparency with the use of funds received from Siemens Energy, and audit will review detailed expense and payment activities.	• Gifts & Hospitality, Sponsorships and Donation • Marketing and Promotion expenses • Consulting professional fees
• In order to ensure that Third Party Intermediaries are complying with the books and records requirements, an audit will review detailed financial information.	• Shareholding/ownership information • Company setup e.g. business with affiliates • Compliance related guidelines

How to report allegations of Siemens Energy's wrongdoing

Siemens Energy's Reporting Channels

Reporting of Possible Misconduct.
To justify the trust placed in Siemens Energy by customers, suppliers, shareholders, employees and other stakeholders of the company, we place the highest priority on the integrity and transparency of our business processes.

Therefore, it is essential that Siemens Energy obtains knowledge of any compliance violations, in particular violations of the Siemens Energy Business Conduct Guidelines. Reliable reporting channels for internal and external stakeholders are indispensable for effective compliance, because they help ensure that possible misconduct is reported, thoroughly investigated and brought to light. Like other external stakeholders and Siemens Energy employees, Siemens Energy partners may choose between two protected channels to report possible misconduct to our company.

Compliance Hotline "Speak Up".
The compliance hotline "Speak Up" is a secure way of reporting potential compliance violations. Reports can be submitted at any time of the day or night, anywhere in the world, in a safe, confidential and if desired, anonymous manner, either online or by telephone, in multiple languages. The call center and website are operated by an external provider specializing in the secure and confidential handling of sensitive content. Incoming reports are not traced and reporting parties are not automatically registered. The content of incoming reports is forwarded by the service provider to the Siemens Energy Compliance Organization for clarification. The decision on further actions to be taken is made there. All reports are treated confidentially.

Ombudsperson. In addition to the compliance hotline "Speak Up", possible compliance violations can also be reported to the Siemens Energy Ombudsperson. The attorney Dr. Sibylle von Coelln of the Dusseldorf law firm of HEUKING · VON COELLN Rechtsanwälte has been appointed to serve as an external ombudsperson for the company, in order to give employees a protected reporting channel for possible compliance violations. All our Stakeholders can contact this impartial individual on a confidential and anonymous basis if they have observed any improper business practices in the company.

Processing of reported misconduct: Zero Tolerance for retaliation.
Siemens Energy will examine all reports and take appropriate measures. Siemens Energy does not tolerate any retaliation against complainants or whistleblowers. If ongoing or threatened retaliation is reported to the compliance organization, it will assess the allegation accordingly and - to the extent that this is factually, procedurally and legally possible - deal with or sanction it. All allegations of possible violations of the Business Conduct Guidelines or the Code of Conduct are responded to in accordance with formal company-wide processes.

These processes take into account the presumption of innocence and the participation rights of employee representatives where required by local policy. Identified violations of rules will be promptly remedied and appropriately sanctioned; appropriate remedial action will be taken accordingly. Siemens Energy will apply the same principles to allegations of wrongdoing brought by third-parties.

Dr. Sibylle von Coelln

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Company's responsibility

Establishing Sustainability in the Supply Chain (e.g. Human Rights, Health & Safety standards, Environmental Protection, fighting against Corruption) shall not be a secret internal company policy – it is not implemented to gain an economical advantage against competitors. It must be shared publicly as an inspiration to jointly work for a better life for all who take part in our interconnected world.

It is a company's responsibility – or less abstract: every buyer's responsibility – to ensure that all measures offered are used to improve the lives of our suppliers' employees and the conditions in the societies in which they are based.

"Speak Up" can be reached via a secure external Internet server:

https://www.bkms-system.net/bkwebanon/report/clientInfo?cin=LP5taA&c=-1&language=eng

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