

Siemens Energy Industrial Turbomachinery Limited

Modern Slavery Act Statement

Financial Year Ended 30th September 2021

Introduction

This statement is made pursuant to s.54 of the Modern Slavery Act 2015 and sets out the steps that Siemens Energy Industrial Turbomachinery Limited has taken and is continuing to take to ensure that modern slavery or human trafficking is not taking place within our business or supply chain. Modern slavery encompasses slavery, servitude, human trafficking and forced labour.

Sustainable value creation is the path we choose to achieve our goal of profit-driven, long-term growth. As a global business, Siemens Energy, with its innovative power and investment strength assumes joint responsibility for worldwide sustainable development. We create added value for the societies in which we operate. At the same time, our business activities – both directly and indirectly – impact the lives of many. Siemens Energy is aware of its responsibility for ensuring the respect of human rights. For us, this responsibility is a core element of responsible business conduct. Building on our Business Conduct Guidelines, we have defined the respect of human rights in additional guidelines and principles.

Sustainable practices are firmly anchored in our corporate culture, based on our company values of caring, respectful, and accountable. We apply globally binding principles that require all employees and managers to behave in an ethical, law-abiding manner. We act responsibly to support economic, environmental and social progress.

As part of the worldwide Siemens Energy group of companies, Siemens Energy Industrial Turbomachinery Limited has a zero-tolerance approach to any form of modern slavery. We are committed to acting ethically and with integrity and transparency in all business dealings and to putting effective systems and controls in place to safeguard against any form of modern slavery taking place within the business or our supply chain.

Our business

Siemens Energy was officially listed on the Frankfurt stock exchange on 28th September 2020 and is the leading pureplay energy company operating globally along the entire energy value chain, including the service business.

The company employs over 4,000 staff in the UK in 16 locations (including manufacturing and service sites) and has over 170 years of engineering experience. Its products include gas turbines, steam turbines, generators, transformers and compressors and, in the area of wind turbines, Siemens Energy's 67% shareholding in Siemens Gamesa Renewable Energy makes it a global market leader in renewable energies.

Our high risk areas

Compliance risk management is an ongoing focus in all aspects of business activity and on an annual basis global risks are assessed in workshops at headquarter, divisional and regional hub levels, with key risk topics subsequently cascaded throughout the organisation to ensure proper management awareness and focus. Human Rights risk has been incorporated as a focus topic since 2017 and is now firmly embedded in our due diligence process for relevant major projects.

Our policies

We have various internal policies to ensure that we are conducting business in an ethical and transparent manner. These include:

1. Code of business conduct:

All employees are required to comply with our Business Conduct Guidelines which commits each of them to respect the personal dignity, and personal rights of every individual, as well as to act with integrity and in accordance with the law.

Our Business Conduct Guidelines require that our employees recognise and apply globally-relevant anti-slavery principles specifically including the International Labour Organisation's Tripartite Declaration of Principles, and its Declaration on Fundamental Principles and Rights at Work, in particular with respect to the elimination of child labour, abolition of forced labour, prohibition of discrimination, and rights to freedom of association and collective bargaining.

Each employee is required to sign a statement that they have read and understood the Business Conduct Guidelines as part of our recruitment process.

Siemens Energy also expects its suppliers and business partners to share its values and comply with all applicable laws as laid out in the respective code of conduct.

The Business Conduct Guidelines was updated in 2022 and includes a dedicated section on Human Rights, which further emphasises the importance of this area of compliance.

2. Compliance policy:

This globally binding all-encompassing compliance policy sets out the organisation's stance on Anti-Corruption, Anti-Trust, Anti Money Laundering, Data Protection, Human Rights and Export Control.

The policy specifically highlights the need to comply with local law and thereby the requirements of the Modern Slavery Act. In particular it requires its business units and employees to act always in accordance with the United Nations Global Compact principles, including without limitation:

Principle 1: that businesses should support and respect the protection of internationally proclaimed human rights.

Principle 2: that businesses should make sure that they are not complicit in human rights abuses.

Principles 3 to 6: which define fundamental responsibilities for businesses regarding labour.

The following are incorporated in day to day business practices and operated throughout the financial year:

- relevant projects include a specific set of due diligence questions in relation to Human Rights;
- the subject of Human Rights is a mandatory topic in risk assessment deep dives;

- potential Human Rights violations are subject to investigation as part of the formal compliance case handling process;
- training modules incorporate key aspects of Human Rights compliance.

3. Speak Up:

Integrity and transparency are of the highest priority in supporting the confidence our customers, partners, shareholders and employees place in Siemens Energy. Therefore, it is important that Siemens Energy is aware of all compliance violations, especially those that are against the law or violate our Business Conduct Guidelines.

The "Speak Up" hotline is for reporting compliance violations in a secure manner, 24 hours a day, 7 days a week, in 13 languages, online or via telephone. Reports can also be made anonymously. "Speak Up" can be used by employees and management as well as customers, suppliers and other stakeholders. The "Speak Up" system is managed by a third party supplier. All data supplied in a report is maintained on secure servers in Germany. All reported content is handled exclusively by Siemens Energy.

Employees who report compliance violations at Siemens Energy are protected by a special guideline that prohibits sanctions of any kind when reports are made in good faith. Thus, anyone who reports possible violations in good faith may not be disadvantaged in any way at Siemens Energy.

In addition, the Ombudsman is available for the reporting of compliance violations.

4. Recruitment Policy:

The company operates a robust recruitment policy, including conducting eligibility to work in the UK checks for all employees to safeguard against human trafficking or individuals being forced to work against their will.

Our suppliers

According to the UN Global Compact, the “supply chain can make a significant impact in promoting human rights, fair labour practices, environmental progress and anti-corruption policies”.

Siemens Energy globally has a substantial and complex supply chain with around 65,000 suppliers across 145 countries. With such a large and geographically dispersed supplier network, Siemens Energy ensures a higher priority is given to those suppliers deemed as high risk and has implemented a system of interconnected processes and tools to stay on top of this complexity under the governance of our Global Services Supply Chain Management function. Transparency and awareness of supply chain risks is ensured via a three-step process:

- Definition of sustainability risks and categories;
- Identification of the relevant suppliers;

- Development and implementation of necessary procurement processes to cover these risks for example by conducting on-site audits.

We support all our suppliers through our “Sustainability in the Supply Chain” and “Siemens Energy Code of Conduct for Suppliers and Third-Party Intermediaries” brochures, and the basis of all our supplier relationships is the commitment of our suppliers to observe the principles of the code. In addition, we explicitly encourage them to extend these values further into their own supply chain in order to create a network of interactions and business relations that are built on trust. As well as reflecting our Business Conduct Guidelines, our supplier code is based on the UN Global Compact and principles of the International Labour Organisation.

The code specifically prohibits the use of forced labour and child labour by our suppliers, requires our suppliers to respect the employment rights of their workers and requires our suppliers to use reasonable efforts to promote compliance with the code amongst their own.

Suppliers commit to the code by signing the Corporate Responsibility contract clause as part of the onboarding & qualification process, and also for all new and extended procurement contracts, via the Corporate Responsibility declaration or by acknowledging the Conditions of Purchase.

Prior to selection all suppliers undergo various due diligence checks. Suppliers deemed high-risk are required to complete a Corporate Responsibility Self-Assessment (CRSA). This questionnaire enables suppliers to assess whether they meet the requirements of our Code of Conduct. This process raises awareness of these requirements, identifies potential risks in connection with sustainability at an early stage, and ensures that appropriate steps are taken.

Following selection, suppliers are continually monitored and risk assessed, particularly those operating in higher risk countries. Suppliers for whom certain potential sustainability risks have been identified or where there are suspicions of non-compliance with the code of conduct are subjected to an in-depth assessment by audit experts on site. To ensure independent reporting, this assessment is carried out by external service providers.

Consequences of non-adherence

If our sustainability self-assessments or audits reveal infringements of our requirements, they must be remedied by the suppliers in question within a reasonable period of time. Besides follow-up audits carried out by our external audit partners, the responsible procurement units and the suppliers involved directly agree on the corrective actions defined during our audits. We reserve the right to end the supplier relationship in the event of serious infringements, such as evidence of slavery, servitude, human trafficking and forced labour.

Employee Training

Siemens Energy has made available two online training modules entitled “Sustainability in the Supply Chain” and “Correct Purchasing”. These trainings are mandatory for all employees with purchasing responsibility and highlight the importance of the “Siemens Energy Code of Conduct for Suppliers and Third-Party Intermediaries”. Completion forms part of an employee’s annual performance targets and therefore subject to formal monitoring.

Know-How Transfer and Building Competence



Our suppliers' commitment to comply with our sustainability principles is most effective when it is based on their own convictions. We are therefore increasingly committed to building their competence and intensifying knowledge transfers related to sustainability. As a supplement to existing programmes, an online sustainability training has been developed specifically for suppliers' staff cooperating with Siemens Energy in supporting with deliveries/services.

Other information

Ensuring commitment to human rights at Siemens Energy:

The overall commitment of Siemens Energy to respect human rights is contained in the Business Conduct Guidelines (BCG) in section B: "We respect the personal dignity, privacy, and personal rights of each individual." – is elaborated further throughout the BCG, especially in section K:

<https://www.siemens-energy.com/global/en/company/about/compliance.html>

Siemens Energy is committed to embracing and supporting, within its sphere of influence, the set of core values in the areas of human rights, labour standards, the environment, and anti-corruption included in the United Nations Global Compact (UNGC) as an integral part of its business strategy and operations.



Sustainability in the Supply Chain:

<https://intranet.siemens-energy.com/cms/se513/en/about/initiatives/Pages/coc.aspx>

Sustainability in the supply chain is of major importance to Siemens Energy, not least because it enables the company to minimise risks and comply with external requirements. These requirements are defined in the “Siemens Energy Code of Conduct for Suppliers and Third Party Intermediaries”. Procurement must ensure that suppliers accept the Code of Conduct and do not dissent from it.

Commitment

Siemens Energy will not tolerate any violations of applicable law – and if it does happen, we will take strong action. We will continue to apply a zero tolerance approach to forced labour, slavery and human trafficking in any form, in our business and supply chain.

Approval for this statement

This statement was approved by the Board of Directors with respect to the Financial Year ending on 30th September 2021.

A handwritten signature in black ink that reads "S. Scrimshaw".

Steve Scrimshaw (Director)

Date 27 Jan, 2022 1:58:32 PM GMT