

Capital Market Day 2022

Sustainability

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Sustainability

is a business opportunity

Key messages

We will benefit from the early decarbonization of the electricity sector

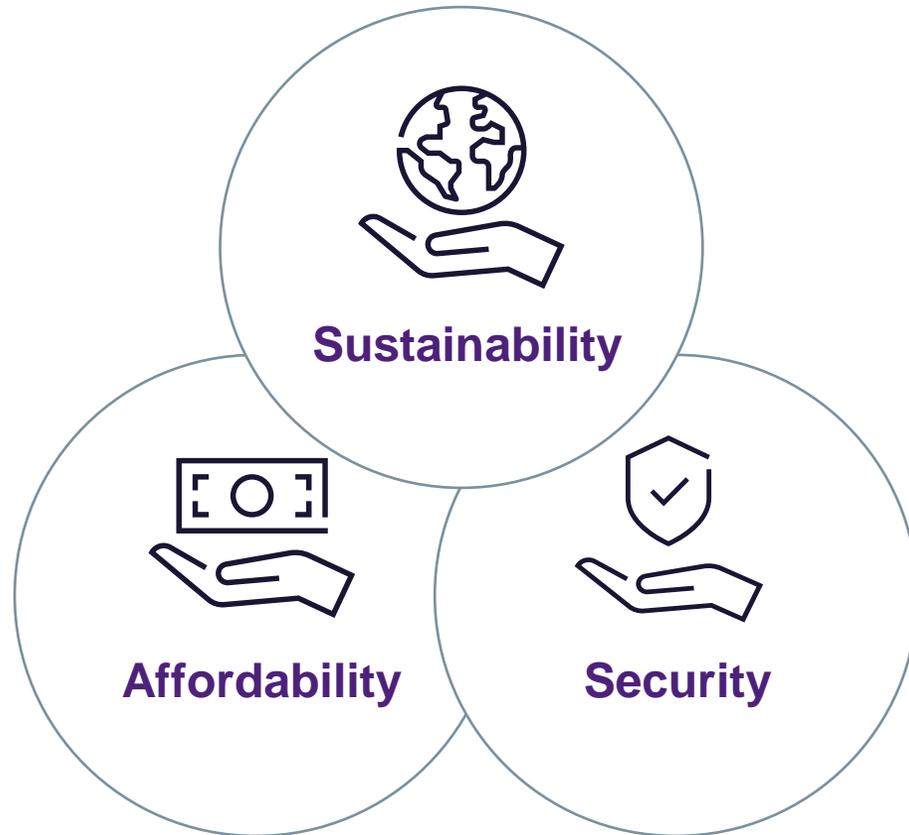
Our technologies help already today to decarbonize where it matters most – the use phase of our products

We act now and decarbonize our value chain

We are transparent on our ESG performance

The Energy-Trilemma

Energy systems have to meet needs for



Current geopolitical situation draws focus on security of supply – climate change remains a defining issue

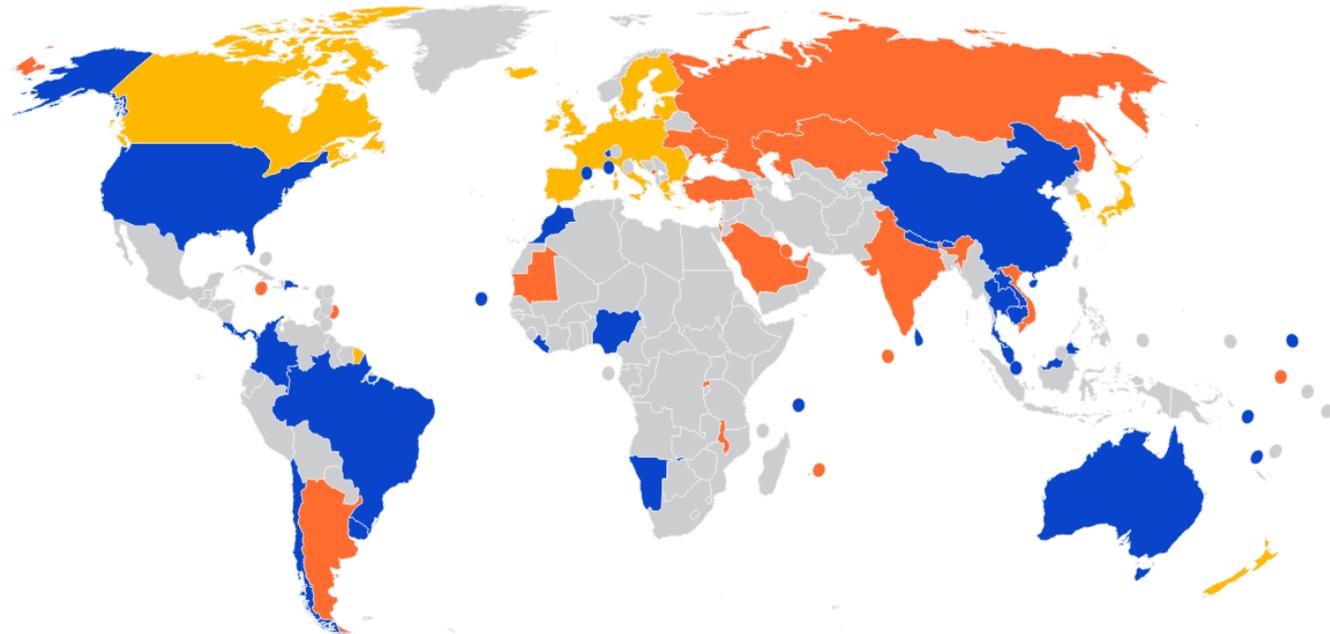


UN Intergovernmental Panel on Climate Change (IPCC)¹

- Unless there are immediate and deep emissions reductions across all sectors, 1.5°C is beyond reach
- There are options available now in every sector that can at least halve emissions by 2030

83 countries communicated a net zero target

74% of global emissions covered



- Net-zero Target in Law
- Net-zero Target in Policy Document
- Net-zero Target in Political Pledge
- No Document Submitted

Source map: Climatewatchdata.org (Status May 2022)

2022-05-24

	Electricity Sector targets	Overall net zero
G7	Reaching “an overwhelmingly decarbonized power system in the 2030s ”	2050
	Net zero electricity sector by 2035	2050
	Net zero electricity sector by 2035	2050
	90% non-emitting electricity generation by 2030	2050
	Reduction of 38% by 2030 ; “carbon neutral electricity sector by 2035”	2045
	Reduction of 46% by 2030	2050

Electricity sector needs to decarbonize first

Our technologies help already today to decarbonize where it matters most – emissions from the use of sold products

Suppliers

4,761kt CO₂e¹



Own Operations

233kt CO₂e¹



Customers

1,369,000kt CO₂e¹



2030
Targets

-30%

GHG³ emissions per
€ spent vs. 2018

Climate
Neutral²



-28%

GHG emissions from use
of sold products vs. 2019⁴

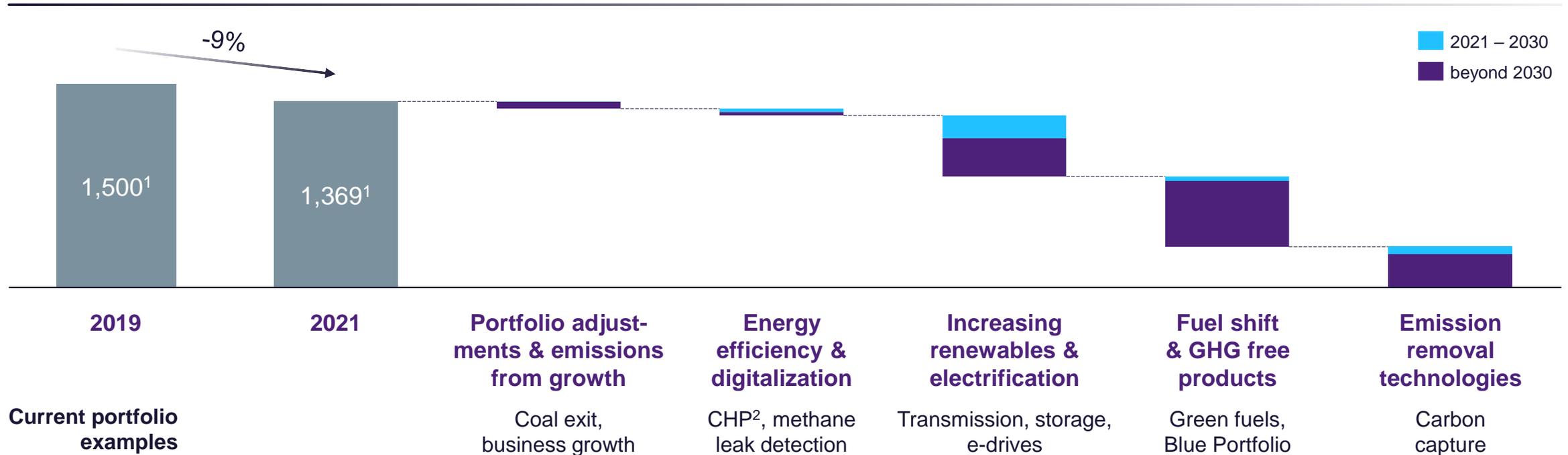


Aspiration to reduce Greenhouse Gas emissions to Net Zero across the entire value chain⁵

¹ FY21 Gas and Power Greenhouse Gas (GHG) emissions measured in CO₂ equivalents (CO₂e); customer emissions calculated based on order intake and lifetime | ² SGRE is already carbon neutral in own operations since 2019; includes Gas and Power targets: 100% green electricity by 2023 and -46% GHG emissions by 2025; validated by Science Based Targets initiative (SBTi) to be in line with 1,5°C ambition of Paris Climate Agreement | ³ Greenhouse Gas | ⁴ SBTi validated to be in line with well below 2°C ambition | ⁵ Scope 1 – 3

Our journey to Net Zero creates opportunity

Reduction measures



We believe a decarbonized energy system is possible if all stakeholders embark on that vision

¹ FY19 Gas and Power customer emissions calculated based on order intake and lifetime in Mt CO₂e | ² Combined Heat and Power

Our ambition to decarbonize...

**Decarbonization across
the entire value chain**

**Integrate GHG footprint
in business decisions**

**Honestly disclose
progress**

... is substantiated with **concrete actions**

- Regular progress review in Executive Board and Sustainability Council
 - Senior management long-term incentives partially linked to GHG emissions
-
- Transparency on footprint and piloting GHG budget in sales pipeline
 - ESG criteria for R&D allocation and portfolio strategy
 - €100 CO₂ price in infrastructure investments
-
- Annual disclosure of GHG footprint in Sustainability Report and CDP

Our sustainability program goes beyond decarbonization and is underpinned by ambitious targets

We energize society



Responsible operations

- Occupational health & safety
- Inclusion & diversity
- People development



Decarbonizing our business

- Decarbonized products, services and solutions for customers

- Employee engagement
- Product stewardship
- Conservation of resources

- Climate-neutral own operations

- Compliance & integrity
- Human rights
- Societal engagement

- Decarbonized supply chain

5 GENDER EQUALITY



7 AFFORDABLE AND CLEAN ENERGY



8 DECENT WORK AND ECONOMIC GROWTH



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



13 CLIMATE ACTION



Our Targets



Decarbonization

Climate neutral own operations by 2030
Aspiration to **Net Zero** value chain



Gender diversity

25% by 2025
30% by 2030
(share of women in top leadership positions)



Safety

Achieve Zero Harm
become the leader in our industry

Siemens Energy recognized for transparency in ESG performance



#7 of 217 in industry,
low risk rating



B- prime (1st
decile rank
in industry)



BBB (on a scale
of AAA – CCC)

**Disclosures
provide transparency**

Sustainability Report

Task Force on Climate-related
Financial Disclosures (TCFD)

UN Global Compact
Communication on Progress

B (on a scale
of A to D)



Silver Label
(63/100)



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