

Siemens Energy UK
(Siemens Energy Limited, Siemens Energy Industrial Turbomachinery Limited and Industrial Turbine Company (UK) Limited)
(the "Company")

Section 172(1) Statement for Financial Year Ended September 30, 2022

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

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

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

Employees

Striving to be an employer of choice, Siemens Energy places value on creating a culture of learning, promoting diversity and fostering equality

Engagement

Key topics, decisions and outcomes influenced by this stakeholder group

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

Siemens Energy promotes an active understanding of "Engagement" as taking actions resulting in positive change and fuelling Human Energy. To create the best possible employee experience and a thriving environment, we actively involve our employees: Employees have recently participated in the 'Siemens Energy Voices' employee opinion survey, this is in addition to 'Ask Me Anything' sessions with the Managing Director of the Board.

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

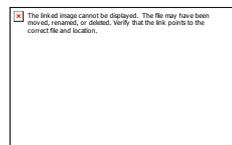
The survey gives all employees worldwide, the opportunity to reflect and share their unique perspective on how they perceive our company, our culture, leadership, team collaboration and work environment. It addresses the topics like Drivers of Engagement, Human Energy, Employee Well-Being as well as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

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

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

Inclusion and Diversity initiatives have focused on inclusive culture, LGBTQIA+ inclusion, racial and gender equality and equal opportunities for people with disabilities. Siemens Energy has sought to influence these topics externally through influencing and collaboration with customers and other Siemens Energy businesses through workshops, hosting webinars and on social media.

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



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

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

We have three strategic drivers that form the basis of our plan for Inclusion and Diversity:

Equal Opportunity: We are committed to fair and transparent practises for the attraction, promotion, development and retention of diverse people with different skills, abilities and ideas. We will listen, learn and act to visibly demonstrate to all our employees that we are committed to multivariate diversity. The Board is responsible for overseeing the Company’s progress in closing the gender pay gap and publishes each year a Gender Pay Gap report.

Belonging: We make our mix work by creating an inclusive culture where people feel respected, engaged, able to speak up and be themselves.

Society and Partnerships: We work together, internally and externally, with customers and partners to support us in becoming more diverse and inclusive.

One effect of the COVID-19 pandemic has been to accelerate the flexibility of how our employees work. With Siemens Energy already committed to Employee Led Flexibility via its #bettertogether programme, in many cases employees can carry out their roles in a way which best fits their preferences and circumstances, reflecting the commitment of Siemens Energy to mobile working which includes working away from traditional workplaces, and instead working at home or other locations which suit both employees and the Company. This has become increasingly embedded as the ‘New Normal’ way of working for many of our employees.

Customers, Suppliers and Business Partners

Business relationships with the Company’s customers, suppliers, and other business partners are fundamental to Siemens Energy

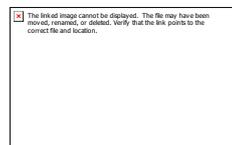
Engagement

Key topics, decisions and outcomes influenced by this stakeholder group

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

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

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



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

We are committed to increasing spend with the Social Enterprises through the Buy Social Corporate Challenge. The Social Value impact of everyday spend is monitored and measured through the annual Social Value Portal report which is communicated to the Extended Board.

Decarbonisation is a key strategic theme for Siemens Energy. A Decarbonisation Steering Committee was formed to review progress, the committee meets quarterly and is comprised of workstream leads, selected members of the management team and some Board members, including the Vice President. Updates are provided by the workstream leads and feedback provided on achievements, issues and future actions.

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

Our procurement teams are committed to developing business relationships formed by committed organisations to maximise joint performance for achievement of mutual objectives and creation of additional value. For strategic suppliers, a member of the senior management team act as an owner of the relationship.

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

We have committed to improving Social Value in the supply chain through annual assessment with the Social Value Portal on several "Themes, Outcomes and Measures" (TOMs) relating to supply chain. The first report on Social Value measures covering financial year (FY) 2021/2022 has been presented to the Extended Board. Supply Chain measures are

We continue to extend our supply chain finance solution in order to facilitate the sale of receivables under attractive conditions to support suppliers to optimise their cashflow and working capital. In the last financial year, 29% of our purchase volume has been paid via the Supply Chain Finance programme. In addition, we have increased the % of invoices paid within 30 days.

Social Enterprise purchase volume for 2022 has increased by 100% when compared with 2021. This is a result of continuing to promote existing opportunities and the introduction of new suppliers for example:

- 1) Office supplies are now purchased via a supplier who creates social impact through UK initiatives in education, employability and mental health plus global initiatives to support enterprise, education and health in developing countries while supporting environment through net zero targets and inspiring the next generation through education. The purchase volume with this supplier has positively impacted 180 lives.
- 2) Introduction of a sign supplier who supports ex-service people who are finding it difficult to find employment.

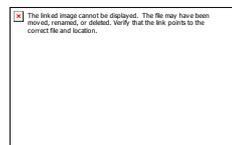
In the last year, a carbon web assessment has been developed which applies an accepted methodology and external database data to estimate supplier carbon emission. In 2022 this was supported by a questionnaire which targeted supplier with high emissions, with the aim of gaining more insight into their existing and future approach to carbon emission reduction. This data will be used to engage suppliers in local workshops aimed at sharing our knowledge and advice to support suppliers in reducing their emissions. This will form part of Siemens Energy global approach which has set a target to reduce CO2 emissions by 30% by 2030.

On specific customer projects we work with suppliers to ensure all their directly employed people and people employed at their sub-contractors are paid the real living wage. We are in the process of developing an action plan which will cover our full supply chain on adherence to the real living wage and allow our organisation to become accredited by the Living Wage Foundation.

Regular collaboration workshops are held which are attended by senior management from Siemens Energy and the supplier to discuss the wider aspects of the relationship.

A supply chain resilience tracker has been established which tracks the risks for our key suppliers and outlines the mitigation actions between the supplier and Siemens Energy.

We are committed to social value and ethical procurement using the TOMS framework, through the Social Value Portal. We have completed a pilot within our Grid Technologies business area and are in the process of rolling this out to cover all of our business areas. Some of the measures agreed are:



included as part of Social Value measures and would be included as an ongoing target for the Board.

- Identification and classification of suppliers as Micro, Small or Medium Enterprises (MSME).
- Annual report on MSME spend.
- Development of an annual report for Local Spend.
- Measure of supply chain contracts with a commitment to ethical procurement including modern slavery.
- Measure of supply chain audits undertaken which identify and manage the risk of modern slavery.
- Measuring participation in Meet the Buyer Events to promote local supply chain opportunities.

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

All suppliers can access our supply chain management "About Us" communication page which encompasses collaboration, our supplier management portal and sustainability in the supply chain.

We have implemented correct purchasing guidelines for all our business areas which ensures a standard global framework is in operation on how we engage and manage suppliers at Siemens Energy.

We engage suppliers about our sustainability standards and principles through our Code of Conduct which they agree to follow and implement within their own supply chains.

Communities and Environment

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

Engagement

Key topics, decisions and outcomes influenced by this stakeholder group

Societal Engagement Programme

Societal Engagement Programme outcomes for FY22

In the UK, we follow the Siemens Energy global approach, for societal engagement, with a focus on regional activities.

1) Energy transformation

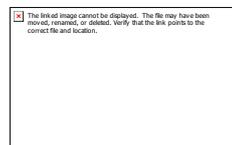
Societal Engagement is grouped into three key themes:

- 1) Energy Transformation
- 2) Access to education
- 3) Sustaining communities

Siemens Energy have partnered with National Energy Action (NEA), a national charity working to end fuel poverty in England, Wales and Northern Ireland. In 2022 we have supported two projects:

- Funding for Bitesize training, developed for smart phones to identify homeowners who might be in a vulnerable situation in relation to their energy use and supply. Using Ofgem's Vulnerability Strategy as a starting point, the guidance helps with recognising situations indicating that additional support is needed and signposts to external organisations for assistance.

- NEA is committed to provision of training courses that are inclusive and benefit learners with different disabilities, for example the visually impaired or dyslexic. Siemens Energy is funding the development and an audio version of the Energy Awareness Course as the first step in this process.



We have established a Societal Engagement programme to deliver social value which is led by the Head of Sustainability and supported by a network of local site and project ambassadors. Employees are encouraged to take two days per year to undertake volunteering to support the programme.

We are committed to following the United Nations Sustainable Development Goals which are a social value charter for the planet.

We have engaged the services of a leading specialist consultancy in this area, Social Value Portal (SVP) to enable measurement of social value.

We use both non-financial and financial data as evidence of the impact of our activities on communities.

Decarbonisation Programme (UK)

2) Access to education

The Work Experience Programme has been developed with a portfolio of bitesize resources reflecting the sustainable challenges faced by our business. The modules give students real life insight, exploring the world of Siemens Energy, Science, Technology, Engineering and Maths (STEM) careers, whilst helping students to develop key core skills such as listening, reading, observing, analysis, team working, researching, and problem solving.

Virtual work experience programmes delivered in 2022 were attended by over 700 students from across the UK with a focus on engaging with students from deprived areas.

A Virtual Work Experience website has been launched with free resources available to download.

To support inclusion and diversity in education, a Panel and Hackathon event were delivered in partnership with Stemettes, an award-winning social enterprise working young non-binary people into STEM.

STEM activities supported: Primary Engineer competition, STEMfest Net Zero in Newcastle, Furness STEM show in Cumbria, work experiences sessions hosted at local sites and STEM visits to schools.

3) Sustaining Communities

Our Societal Engagement Community have been delivered fundraising and community programmes across our sites and projects in the UK. The volunteering activities and donations are recorded in our Social Value portal. Key projects for FY22 have included:

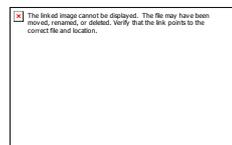
- Fundraising for MIND to support the mental health charity and mental health campaigns.
- Support for the Wildlife Trusts with over 8% of employees volunteering for 'Wild Workdays' in 2022.
- Fundraising for local charities nominated by each Siemens Energy site has raised over £144K in FY22.

Siemens Energy created over £2.5 million of social value in FY22 using National TOMS framework supported by the Social Value Portal. This was a significant increase in Social Value generation from FY21 as volunteering and schools' engagement opportunities have become more available post-Covid.

A full update of Siemens Energy Social Value delivered from our UK Societal Engagement programme has been published on our UK website.

In August 2022, our UK colleagues, with their friends and family, made a powerful statement of Inclusion & Diversity – standing out as an ally to our Pride Community in the heart of Lincoln City by participating in the 'Lincoln Pride UK Parade'. At the event, they talked to the visitors of all ages about allyship and Inclusion and Diversity at Siemens Energy - creating a fabulous piece of community art in the process.

Decarbonisation Programme (UK) outcomes



Siemens Energy is dedicated to delivering our customers innovative solutions that drive their energy transformation and support the decarbonisation of the energy sector. At the same time, we are consistently pursuing climate neutrality in our own operations and intend to be climate neutral by 2030. The three pillars of Decarbonisation in Siemens Energy are:

- Decarbonise our product and service portfolio
- Climate neutrality in our own operations by 2030
- Emission reductions throughout our supply chain

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

The Decarbonisation programme is reviewed annually to consider significant events, risks and opportunities that impact targets.

The programme has been communicated to internal and external stakeholders.

UK Targets (Scope 1 & 2)

1. Reduction in absolute carbon emissions (CO₂e) by 5% year-on-year
2. Annual energy performance targets for all Siemens
3. Energy manufacturing sites and offices
4. Replace natural gas used for heating on manufacturing sites and offices by 2030
5. Reduction of carbon emissions from testing gas turbines by 5% year-on-year (normalised against test demand)
6. Transition Siemens Energy vehicle fleet to be 100% low emission vehicles by 2025

UK Targets (Scope 3)

7. Engage our supply chain to understand monitoring of scope 1, 2 and 3 emissions and develop improvement plans (3-year plan)
8. As part of the 'Better Together' programme, agree employee guidelines for Business Travel post-covid with the aim of not returning to pre-Covid carbon emissions.

Siemens Energy carbon and energy performance for FY22 is reported in the Streamlined Energy and Carbon (SECR) report, for the legal entities that meet the required reporting thresholds.

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

Carbon Trust Assurance Limited (CTA) was commissioned by Siemens Energy in FY22 to provide an independent, limited level of assurance on the following selected Information:

- Scope 1 emissions
- Scope 2 (location-based) emissions
- Scope 2 (market-based) emissions
- Scope 3 emissions from Business Travel

In the UK, the baseline for our carbon footprint is Business Year 2021 (October 2020 – September 2021) as our first full year operating as Siemens Energy. Verification of the carbon footprint will allow reporting on progress against targets from our baseline year.

FY22 is the first year that Siemens Energy has reported Climate Related Financial Disclosures following the introduction of new legislation in April 2022. The new legislation implements the Financial Stability Board's (FSB) Task Force on Climate-related Financial Disclosures (TCFD) framework. Disclosures of material climate-related financial information can help support investment decisions as we move towards a low-carbon economy.

Siemens Energy key manufacturing sites in Newcastle and Lincoln are certified to ISO 5001:2018 for energy management. The manufacturing sites at Ulverston and the Grid Technology project business based in Manchester will be joining the certificate in FY23/24.

A UK Energy Forum co-ordinated energy performance targets for all sites in support of our Decarbonisation targets.



Zero Harm programme

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

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

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

Below this sits a set of 6 EHS behaviours that are mandatory for all employees to follow concerning risk assessment, incident reporting, stopping work if it is unsafe, driving, health and environment. All employees in FY22 have been encouraged to measure themselves against these with the Zero Harm Behaviours tool which are part of all employee end of year reviews. The Company has invested considerable resource this FY and next FY in bespoke training for frontline employees on Safety Leadership with the THRIVE program using actors in immersive and realistic training, giving employees the confidence to say stop and to challenge when something is unsafe.

Environmental Protection

Siemens Energy global Zero Harm programme supports both the safety of our employees (as described in Employees Section above) and protection of the environment.

There are four core principles for Zero Harm underpinned by behaviours and building blocks for local programmes.

The principles for Environmental protection:

- We will act to reduce the environmental impacts of our work activities and protect resources
- We will never ignore any opportunities to minimise energy usage and waste generations

The three focus topics for Environmental Protection:

- Decarbonisation
- Product Stewardship
- Conservation of Resources

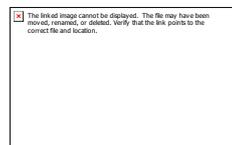
The Company commits to supporting the physical and mental wellbeing of all employees, engaging with Occupational Health providers and various wellbeing partners to achieve this. Across the Company, Wellbeing Champions and Mental Health First Aiders are part of a strategic approach to wellbeing which aims to equip our managers and employees with the tools to cope with the stresses and strains of life and make healthy lifestyle decisions. All employees have access to an Employee Assistance Programme (including counselling where required), fortnightly virtual Yoga sessions as well as various training courses on topics such as: Building Resilience, Mental Health Awareness, Mindfulness and Body Mechanics. In addition, line managers have access to a mental health awareness training course.

In FY22, Siemens Energy organised a virtual interactive training programme 'Search Inside Yourself' for its employees worldwide, to create an inspiring work environment in which we can all be successful and evolve both personally and professionally.

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

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

- In FY23 preparations will be made for compliance with the extended producer responsibility (EPR) for packaging coming into force from 2024.
- A Producer Responsibility (Packaging Waste), WEEE and Battery Training Workshop held for all Siemens Energy UK businesses in May 2022.
- An audit of WEEE and Battery compliance was conducted by our Compliance Scheme in August 2022 with non-conformances identified.
- In FY22 Siemens Energy input into the DEFRA consultation group on changes to the F-gas regulations.
- In support of Siemens Energy Climate Neutral Programme, from FY23 all locations, including leased sites will procure 100% renewable energy.
- Duty of Care Audit conducted with waste provider with focus on sub-contractor management, modern slavery, and compliance issues.



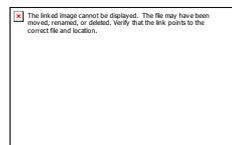
Compliance with environmental regulations is managed through local management systems certified to the International Standard ISO 14001:2015. An annual compliance review is conducted for all business supported by internal audits.

All our businesses comply with the requirements of and ISO 50001:2018 for Energy Management and set annual targets for energy performance improvement.

Siemens Energy have established clear objectives for waste management with commitment to moving up the Waste Hierarchy, maintaining zero waste (indirect) to landfill and improving waste segregation and recycling at all Siemens Energy locations (office, production and project sites).

In financial year 2023, Siemens Energy will review the Waste management programme to include targets for Circular Economy and Resource management.

- Focus on minimising the environmental impact of our project and civils work, promoting circularity, and reducing embedded carbon.



Government, Regulators and Trade Associations

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

Engagement

Siemens Energy is politically neutral, but we operate in markets which are shaped by UK Government policy, either directly or indirectly. We are also providers of solutions to some of the most pressing issues facing the planet, such as digitisation, de-carbonisation and urbanisation. As a result, we are regularly consulted on economic and policy issues by governments, business associations and civil society.

Our external engagement is governed in full accordance with our Company commitment to responsible and sustainable business. In doing so, we often meet with policymakers directly. We also engage through memberships of industry organisations such as Energy UK, Renewable UK and Make UK. These allow Siemens Energy to engage with peers and regulators to discuss emerging policies, regulation, and innovation.

Key topics, decisions and outcomes influenced by this stakeholder group

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

Energy cost and energy security have moved up the political agenda in many countries, including the UK. The change in Prime Minister creates uncertainty over direction of energy policy at a time when the industry was gearing up to deliver significant energy infrastructure changes required for net zero. We have started thought leadership on the supply chain required for a net zero electricity system with our report "A National Endeavour - Delivering the supply chain for a net zero GB electricity system by 2035", which was launched at a parliamentary reception on September 6, 2022.

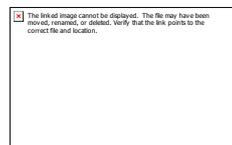
Other active topics this year include, decarbonisation readiness of new power generation, re-regulation post Brexit, e.g., UKCA marking requirements for spares, exports, e.g., removal of export credit and other support for export of fossil fuelled equipment, and inward investment.

Members of our leadership team regularly meet with key contacts within the Department for Business, Energy and Industrial Strategy ("BEIS"), Number 10 energy policy team and the Department for International Trade, to discuss and understand the UK Government's approach to reaching net zero and how energy policy will deliver this. Members of the EBM are also involved in joint Government-Industry working groups on supply chain and developing hydrogen policy in the UK, including the Green Jobs Taskforce, the UK Hydrogen Advisory Council and the hydrogen taskforce within the Strategic Markets Initiative. We responded to formal consultations on subjects including export finance – ending support for fossil fuel projects, and decarbonisation readiness, consultations on subjects including export finance – ending support for fossil fuel projects, and decarbonisation readiness.

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

Engagement with Make UK has included employment policy implications of COVID-19 such as the furlough scheme and the Skills Survey post COVID-19. Siemens Energy participates in several Energy UK committees covering public affairs and policy development covering a range of topics. In addition, we have received information through our membership on the discussions Energy UK is having with BEIS and the Department of Health and Social Care relating to COVID-19.

Following the spin-off from Siemens AG in September 2020, a number of initiatives have been undertaken to ensure that Siemens Energy continues to be fully compliant with all applicable laws and regulations and deploys and monitors its own set of policies and procedures, to ensure that all employees, associates and contractors understand the zero-tolerance stance of Siemens Energy in relation to tax evasion. In addition, the Company published a UK tax strategy last year, available on our Company website, outlining its approach to taxation in the UK and its intention to be fully compliant and transparent in its interactions with HMRC.



Siemens Energy AG Group Companies

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

Engagement

Siemens Energy announced its new operating model VOLT (Versatile Organisation to Lead Transformation) during the year.

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

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

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

The strategic decisions of the Siemens Energy AG Group influence the decisions taken by the Board which, in turn, adapts the Group strategy for the UK specific market - considering UK customer, employee and other stakeholder needs.

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

Key topics, decisions and outcomes influenced by this stakeholder group

With VOLT, the Siemens Energy Group wants to ensure a joint go-to-market approach, improve the way we work together and provide more transparency to our customers, partners, and the financial market. We have set the course for our new organisational structure which will become effective in the next financial year.

Globally, Siemens Energy launched a cost optimisation and competitiveness programme called Accelerating Impact. The programme had an impact in the UK, where significant restructuring in the Industrial Applications and Generation business units was required. Siemens Energy remains committed to the UK and the Accelerating Impact programme will enable future sustainable investment to continue.

Siemens Energy is committed to Inclusion and Diversity because we believe a welcoming, diverse and inclusive business culture is the foundation for innovation, better decision making and consequently improved profitability. As we master the energy transition, our business outcomes will be greatly enhanced through the rich multivariate diversity that we will foster in the Company.

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

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

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

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

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

