

Focus topics from new “Sustainability information 2020” report:

Siemens cuts CO₂ emissions by 54%

- **Declared intermediate target for CO₂ reduction achieved**
- **Sustainability index embedded into Managing Board compensation system**
- **Innovative digital ESG tool provides basis for comprehensive review of sustainability risks in customers’ business operations**
- **Top ratings in Dow Jones Sustainability Index, in particular for innovation, environment and cybersecurity**

Siemens has achieved its declared intermediate target for carbon reduction. The company has reduced the carbon footprint of its own value chain by more than half (54%) since 2014. Siemens has thus exceeded – by four percentage points – its goal of halving its global carbon dioxide (CO₂) emissions by 2020. Including Siemens Energy, the company has reduced its carbon emissions by around 1.2 million tons of CO₂ compared to its 2014 levels. Four levers are being used to reduce carbon emissions: expanding the energy efficiency program, using distributed energy systems, purchasing green power, and reducing emissions in the vehicle fleet. Siemens intends to achieve climate neutrality in its business operations by 2030. The company has recently published these details and other up-to-date information on sustainability.

“The pandemic has fundamentally changed our lives and has unsparingly revealed the weaknesses in our social, economic and ecological systems. To generate value responsibly, we need to create a sustainable future and harmonize the interests of people with the preservation of our planet. Decarbonization is an important milestone as we move toward this goal,” said Roland Busch, Deputy CEO of Siemens AG. “Right now, we have a huge opportunity to create a better world. We’re helping our customers reshape key areas within the backbone of our

economies to make the lives of billions of people a little bit better every day,” he added.

To embed the topic of sustainability even more solidly within the company, environmental, social and governance (ESG) criteria have also been introduced into the compensation system for the Managing Board. This Siemens-internal ESG/Sustainability index features three equally weighted key performance indicators (KPIs). For the company’s 2020 Stock Awards tranche, these KPIs are: reduction of CO₂ emissions (environmental), learning hours per employee (social), and Net Promoter Score for measuring customer satisfaction (governance). In a form similar to the system used with the Managing Board, the ESG criteria also apply to all senior managers worldwide who are eligible to receive the company’s Stock Awards.

“Our recently achieved successes prove that sustainability and profitable business go hand in hand. In this way, we’re creating long-term value – for our customers, our employees and society as a whole,” said Judith Wiese, Chief Human Resources Officer of Siemens AG, where she is also a Managing Board member and responsible, among other things, for sustainability. “Siemens’ innovative and digital solutions enable us and our customers to boost energy efficiency, automate processes and drive decarbonization. Together with our partners, we’re working hard to realize further potential to make the systems used for industry and infrastructure even more sustainable and more environmentally friendly,” she added.

In addition, to take potential environmental and social risks into account earlier and more comprehensively, an innovative digital advance-warning system for making sales-related business decisions was introduced on October 1. The ESG Due Diligence Tool was developed in cooperation with external experts – including human rights experts – and can be employed in all sales units at Siemens. The tool covers the identification, assessment, mitigation and monitoring of risks and combines internal information with external data.

For years now, Siemens’ sustainability commitment has also been garnering outstanding external recognition. In the well-known global Dow Jones Sustainability Index, the company again captured top ratings with the maximum number of points

in numerous areas, including innovation, the environment – more specifically operational eco-efficiency and product stewardship – and the newly created cybersecurity category.

Siemens also received a rating of “AAA” for the fifth time in a row in the extensive MSCI ESG Ratings. MSCI is the world’s largest provider of environmental, social and governance (ESG) indices.

This press release is available at <https://sie.ag/33AjdA9>

More information and Siemens’ new “Sustainability information 2020” report is available at www.siemens.com/sustainabilityfigures.

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Siemens AG (Berlin and Munich) is a global technology powerhouse that has stood for engineering excellence, innovation, quality, reliability and internationality for more than 170 years. Active around the world, the company focuses on intelligent infrastructure for buildings and distributed energy systems and on automation and digitalization in the process and manufacturing industries. Siemens brings together the digital and physical worlds to benefit customers and society. Through Mobility, a leading supplier of intelligent mobility solutions for rail and road transport, Siemens is helping to shape the world market for passenger and freight services. Via its majority stake in the publicly listed company Siemens Healthineers, Siemens is also a world-leading supplier of medical technology and digital health services. In addition, Siemens holds a minority stake in Siemens Energy, a global leader in the transmission and generation of electrical power that has been listed on the stock exchange since September 28, 2020.

In fiscal 2020, which ended on September 30, 2020, the Siemens Group generated revenue of €57.1 billion and net income of €4.2 billion. As of September 30, 2020, the company had around 293,000 employees worldwide. Further information is available on the Internet at www.siemens.com.