

A woman with long dark hair, wearing a grey coat, is looking down at a tablet computer. She is standing in front of a blurred city skyline at night, with various lights and buildings visible in the background. The image has a bokeh effect, making the city lights appear as soft, out-of-focus circles of light.

SIEMENS

Ingenuity for life

Siemens Mobility Pty. Ltd.
Modern Slavery Statement
March 2021

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Modern Slavery Statement

1. Reporting Entity

Siemens Mobility Pty. Ltd. (625 304 556) (**Siemens Mobility**) is a large proprietary company incorporated in Australia with its registered office at 885 Mountain Highway, Bayswater, Victoria 3153, Australia. Siemens Mobility is part of the Siemens Mobility group of companies ultimately owned by Siemens AG which is listed on the Frankfurt stock exchange (**Siemens Group**). The Siemens Group recognises establishing sustainability in the supply chain as a key company policy and responsibility to jointly work for a better life for all who take part in our interconnected world with no place for forced labour, slavery and human trafficking in any form.

As part of the Siemens Group sustainable practices are firmly anchored in Siemens Mobility's corporate culture, based on a culture of care, excellence, and trust. Our vision is to be global entrepreneurs, trusted by our partners to pioneer transportation, moving people sustainably and seamlessly from the first mile to the last. Siemens Mobility applies globally binding principles that require all staff to behave in an ethical, law-abiding manner. Siemens Mobility also acts responsibly to support economic, environmental and social progress and has the same expectations of its customers and supply chain.

The *Modern Slavery Act 2018* (Cth) (**the Act**) requires certain entities to report on the risks of modern slavery in their operations and supply chains and to report the actions they are taking to address those risks. The Siemens Group supports the objectives of this legislation and is committed to doing business in a manner that meets fundamental responsibilities in the areas of human rights, labour, environment, and anti-corruption as a participant of the UN Global Compact. This includes working towards removing the risks of modern slavery by eliminating all forms of forced and compulsory labour and the abolition of child labour.

To prepare this Modern Slavery Statement in accordance with the Act Siemens Mobility undertook an assessment of its operations and supply chains and established a cross company working group to review and contribute to the strategic direction. This statement describes Siemens Mobility's structure, operations and supply chain. It outlines the process Siemens Mobility undertook to better understand its supply chain, the potential risks, as well as the actions it has taken and is taking in support of the objectives of the Act.

2. Structure, Operations and Supply Chains

Siemens Mobility GMBH, Siemens Mobility and the other Siemens mobility entities (the **Siemens Mobility Group**) aim to be the technology partners of choice for passengers. With the Siemens Mobility Group's long-standing transport expertise and IT know-how, it is constantly developing new, intelligent mobility solutions that increase availability of infrastructure, optimise throughput and improve passenger experience.



Siemens AG is the ultimate owner of Siemens Mobility. Siemens Mobility is headquartered in Melbourne, Australia and mainly carries on business in Australia, however it is also registered as an overseas company in New Zealand (6914875). The operations of Siemens Mobility are predominantly office, manufacturing, service centre and project-site based and Siemens Mobility employs around 500 people directly across Australia and New Zealand.

The Supply Chain that Supports Siemens Mobility's Operations

Siemens Mobility sells the Siemens Group portfolio of products, solutions and services, from rail infrastructure, rolling stock and electrification to intelligent traffic solutions. Siemens Mobility possesses a large and diverse vendor base which procures a range of goods and services both domestically and internationally.

Locally Siemens Mobility engaged directly with approximately 18 Siemens affiliated and 671 third-party suppliers from 37 different countries, however, 96% of the Siemens Mobility spend was with suppliers operating within the 7 countries below:

- a) Australia (65%);
- b) Germany (14%);
- c) United Kingdom (5%);
- d) Spain (4%);
- e) New Zealand (4%);
- f) United States (3%); and
- g) Mexico (1%).

The remaining 4% of Siemens Mobility's spend is made up of spend in countries each with a portion of less than 1%.

Due to the nature of Siemens Mobility's operations in Australia and New Zealand with established local manufacturing sites, approximately 69% of the company's spend is sourced locally. Siemens is also a proud holder of the Australian Made licence for its core products.

Depending on the nature of the supply of products and services, Siemens Mobility may have different contractual relationships with suppliers. These may vary from single transactions to multi-year relationships. Contractual arrangements differ depending on the circumstances and include purchase orders, frame agreements (local and global) and sub-contracts. Where there are long term supplier relationships, regular supplier reviews are undertaken in addition to reviews undertaken on initial engagement.

3. Risks of Modern Slavery Practices in the Operations and Supply Chains

Operational risks of modern slavery practices identified by Siemens Mobility include services performed by low skilled workforces, such as cleaning and manual labour, where minimum wages may not be paid or excessive or unreasonable hours are expected of a supplier's employees. As a technology company with a largely professional workforce, Siemens Mobility considers the risk of modern slavery in the workforce of its direct business operations to be low, however, Siemens Mobility recognises that it may be exposed to such risk, either directly or indirectly, particularly through its supply chain.

To identify both geopolitical and sustainability risks across the supply chain, Siemens AG sources insights from Systain Consulting GmbH. Systain Consulting is a leading sustainability consultancy for companies across Germany, especially with regard to sustainability in the supply chain. Systain



produces sustainability risk ratings based on the suppliers' country and covers legal compliance, human rights and labour practices, environmental protection, fair operating practices, responsible minerals sourcing and supply chain.

Through utilising the Sustain data Siemens Mobility was able to identify that approximately 96% of what it spends is with suppliers based in low-risk countries, with 1% based in medium risk and 3% based in high risk countries. Of the 3% spend in high risk countries 1.4% was with Siemens Group companies and 1.5% was with a single major multinational supplier. Each of those entities have implemented stringent supply chain controls. Siemens Mobility had no spend with suppliers operating in extreme risk countries in the last year.

In addition to analysing geographical spend Siemens Mobility also reviews spend categories to identify high risk categories of spend. At the conclusion of its 2020 financial year Siemens Mobility conducted a thorough supplier review of its entire supplier base and of those third-party suppliers categorised as medium to high risk, Siemens Mobility has identified that the highest potential risk of modern slavery practices are with suppliers offering the following goods and services:

- a) Signalling module LEDs (Light Emitting Diodes);
- b) Motors;
- c) Power supplies for railway applications; and
- d) Electrical installation materials.

4. Actions Taken to Address These Risks, Including Due Diligence and Remediation Processes

Governance Framework

To ensure that Siemens Mobility remains committed to its values and to delivering excellence in corporate governance, transparency, and accountability, Siemens Mobility has a governance framework in place which is based on the global Siemens Group framework and underpins the way it engages with suppliers.

The Siemens Mobility Group including Siemens Mobility has largely adopted the policies and procedures of the Siemens Group as they relate to compliance and sustainability including anti-modern slavery practices. This includes the Siemens Mobility Compliance Policy which is a globally binding all-encompassing compliance circular which sets out the Siemens Group's stance on anti-corruption, anti-trust, anti-money laundering, data protection, human rights and export control. These policies and procedures have been reviewed to assess their effectiveness and better strengthen the way in which Siemens Mobility engages with suppliers to address modern slavery risks within its supply chain.

Siemens Mobility's integrated management system houses its policies and procedures, including those related to procurement, supplier management and the Siemens Group Code of Conduct for Suppliers and 3rd Party Intermediaries (***Siemens Group Code of Conduct***).

To do business with Siemens Mobility all suppliers must confirm their acceptance of, and comply with, the Siemens Group Code of Conduct. The Siemens Group Code of Conduct is based on the principles of the UN Global Compact relating to human rights, labour standards, environmental protection, and anticorruption initiatives. These principles are derived from the Universal Declaration of Human Rights, the Declaration on Fundamental Principles and Rights at Work of the International Labour Organization (ILO) and the principles of the Rio Declaration on Environment and Development.



With regards to human rights, the Siemens Group Code of Conduct emphasises respect for the basic human rights of employees, including fair remuneration, freedom of assembly, health and safety standards and prohibition of discrimination, forced labour and child labour. The Siemens Mobility Group has adopted the content of the Siemens AG Supplier Code of Conduct and implemented a business specific Siemens Mobility Supplier Code of Conduct as of October 1, 2020.

Actions Taken to Continually Assess and Address Risks

Update to the Siemens Group Code of Conduct

The Siemens Group Code of Conduct has been recently updated with a particular focus on the areas of human rights, anti-money laundering, terrorism financing, and data privacy to reflect global developments and new legal requirements.

Update to Siemens Mobility's Standard Purchasing Terms

Siemens Mobility has updated its standard purchasing terms for suppliers to include a modern slavery clause setting out obligations regarding compliance with modern slavery related laws and how Siemens Mobility's suppliers are required to support it in managing and monitoring of modern slavery risks in the supply chain. To do business with Siemens Mobility all suppliers must accept these obligations in addition to being bound by the Siemens Code of Conduct.

Adoption of the Siemens Group standardised Corporate Responsibility Self-Assessment (CRSA) questionnaire

Siemens Mobility has adopted the use of the CRSA questionnaire module as part of its existing Ready-for-Business (R4B) supplier qualification process within the online Siemens Procurement tool SCM STAR. The CRSA questionnaire is the Siemens Group global standard for evaluating a suppliers' ability to comply to the requirements outlined within the Siemens Group Code of Conduct and assess the supplier against key criteria including modern slavery and human rights. The CRSA is updated as necessary to reflect new standards and regulations.

<https://new.siemens.com/global/en/company/about/corporate-functions/supply-chain-management/sustainability-in-the-supply-chain/code-of-conduct.html>

All potential new suppliers with a spend of greater than €50,000 p.a. who operate in a high risk country based on the OECD risk categorisation map must undergo a qualification process using the CRSA questionnaire, while existing suppliers in this category are re-evaluated every three years. Depending on the category of goods/services supplied, the supplier may also be required to fill in further questionnaires such as the Substance Commitment and Contractor Safety questionnaire.

Internal Audits

Supplier Quality Management (SQM) and EHS and Quality teams at Siemens Mobility perform site-based audits and desktop audits. Whilst this has to date involved checking of documentation, future audits will also focus in more depth on modern slavery risk mitigation. Criteria for selection of suppliers to audit includes value of annual spend and review of any historical findings in previous audits that have been identified that warrant additional attention. Audits conclude in feedback sessions with our suppliers to ensure that any non-conformances identified are addressed and that follow up actions are documented for future audits. Repeated and/or significant non-conformances may result in contract termination and/or being blocked in Siemens Mobility's ordering system.

External Sustainability Audits (ESA)

ESA's are undertaken in specified circumstances to verify adherence to the requirements of the Siemens Code of Conduct and assess the sustainability performance of the supply chain. Siemens Mobility has appointed internationally recognised auditing companies which conduct on-site ESA's of a specified supplier's compliance. The outcome of the audit is an in-depth assessment and report that enables Siemens Mobility and its suppliers to identify and manage potential sustainability risks.

Suppliers are selected for ESA's following a risk-based approach that identifies the parts of the Siemens Mobility supplier base that presents potential sustainability risks. ESA's can also be triggered if a potential sustainability risk or failure to comply with the Siemens Code of Conduct has been indicated as a result of a CRSA.

<https://cms-sinet1.siemens.com/cms/050/en/about/initiatives/Pages/external-sustainability-audit.aspx>

Blocking of Suppliers Who Do Not Meet the Specified Qualification Requirements

A review of the existing Siemens Mobility supply chain process identified that suppliers who fail to meet all supplier qualification requirements were not automatically blocked in Siemens Mobility's ordering system. A project has been launched to eliminate this system error and is due to go live in April 2021.

The Australian Strategic Policy Institute Report

The Australian Strategic Policy Institute released a report dated 1 March 2020 alleging numerous factories operated by KTK Group in China were using exploited Uyghur labour. The report listed numerous global brands which use products from those factories in their supply chains including Siemens.

Siemens Mobility does not purchase any equipment directly from the KTK Group but the Siemens Group has repeatedly reviewed its compliance with its ethical requirements at the KTK Group including by way of an external audit conducted this year by a prominent international audit entity. The reviews have revealed no indications of forced labour practices or other human rights violations on the part of the supplier.

Onboarding Processes

The risk of modern slavery is also addressed during the employee onboarding process which includes background checks such as right to work in Australia, age verification and qualifications for the relevant tasks prior to undertaking work on behalf of Siemens Mobility. A global external partner is engaged to provide technical advice and support on visas for international personnel entering countries in which we operate. This ensures that they are being treated fairly and safely both by their overseas employers and by Siemens Mobility while working on its projects.

Reporting

Reliable reporting channels for internal and external stakeholders and the protection of internal whistle-blowers from sanctions is vital to enable possible misconduct to be reported, thoroughly investigated and clarified. The Siemens Mobility Group has a compliance whistle-blower hotline "Tell Us" 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. The hotline can be used by employees and management as well as customers, suppliers and other stakeholders. This hotline is managed by a third-party supplier and all data supplied is maintained on secure servers in Germany.

5. How Siemens Mobility Pty. Ltd. Assesses the Effectiveness of Actions Being Taken to Assess and Address Modern Slavery Risks

A Modern Slavery Working Group made up of senior key cross functional stakeholders including Human Resources, Supply Chain Management, Compliance and Legal has been established at Siemens Mobility to assess and identify modern slavery risks, establish mitigation measures, and ensure continuous improvement. This working group will continue to collaborate and review processes and procedures to promote the topic of modern slavery. It will also monitor the implementation of Siemens Mobility's future activities to assess and address modern slavery risks which will include:

- a) undertaking periodic reviews of the Siemens Mobility supplier base using Sustain data to identify where greatest potential exposure for modern slavery is within our supply chain;
- b) using the Sustain data to focus on the supply chain where suppliers operate in identified high risk countries or provide goods and services identified in a high risk category (including those listed in section 3 above) with a particular focus on those suppliers' policies and processes around modern slavery governance and how these suppliers monitor their own supply chains;
- c) providing training to employees where relevant to create awareness and understanding of modern slavery risks;
- d) reviewing Siemens Mobility's major suppliers' modern slavery statements as they are released to monitor improved actions and awareness;
- e) ongoing continuous improvement in the Siemens Mobility supply chain and risk assessment processes; and
- f) desktop audits of identified high risk suppliers.

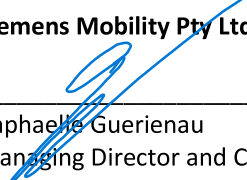
In addition, representatives from the centralised procurement teams across the Siemens entities operating within Australia have set up an ongoing working group whereby ideas and experiences can be shared to better support the Siemens brands to achieve best practise when it comes to assessing and mitigating modern slavery risks across our supply chains.

Siemens Risk and Internal Control framework will further ensure the on-going review of the effectiveness of Siemens Mobility's controls, with its external auditors reviewing the work undertaken, by our senior management/executive leadership team.

This Modern Slavery Statement is made in accordance with the requirements of the *Modern Slavery Act 2018 (Cth)* and covers the financial year ended 30 September 2020.

This Statement was Approved by the Siemens Mobility Board of Directors

Siemens Mobility Pty Ltd (ACN 636 537 409)


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