

Section 172(1) statement

Siemens Mobility Limited: for the year ended 30 September 2020

Under The Companies (Miscellaneous Reporting) Regulations 2018, Siemens Mobility Limited is required to publish a statement explaining how the Directors have given due regard for the matters set out in sections 172 (1) (a) to (f) of the Companies Act 2006 while performing their duty to promote the success of the Company for the benefit of its members as a whole.

The Section 172(1) statement can also be found on pages 2 to 4 of the Company's annual report.

Section 172(1) statement

The Company has a governance structure which provides a framework for the Board of Directors to make decisions for the long-term success of the Company and its stakeholders. That governance structure also enables compliance with the requirements of Section 172 of the Companies Act 2006 through corporate governance practices based on the principles of transparency, equity, accountability and corporate responsibility.

The governance arrangements and board structure are explained in the corporate governance statement in the directors' report.

When decisions are made, the Board of Directors has regard to the matters set

out in section 172(1)(a) to (f) of the Companies Act 2006, when performing its duties under section 172 and considers the following:

Interests of the Company's employees

The reputation of the business is built on quality, timely and reliable delivery of projects and service. This is wholly dependent on a workforce that is engaged, listened to and involved in the purpose and strategy of the business.

There are a number of ways the Board of Directors engage with employees to gain an understanding from their perspective and discuss issues such as:

- employee consultative forums chaired by the CEO and CFO with other senior management attending giving employee representatives the opportunity to raise and discuss topics driven from the employees.
- employee engagement surveys which are run twice during the year where all employees can communicate how they are feeling, allowing for free text commentary on topics that they consider need either maintaining or improving in the business.

- business roadshows are held throughout the organisation engaging with employees within the business units and covering more local topics.

Key decisions taken in the year:

- the COVID-19 pandemic presented additional opportunities and needs for communication. This included the implementation of weekly bulletins and specific surveys to assess health and safety, as well as covering mental health and coping strategies. Most recently the Company polled attitudes towards a different way of working in the future.
- the Company incorporated feedback from employees into creating the approaches for safe working practices during the COVID-19 pandemic.
- in addition, weekly updates were provided to all employees along with health and safety focus days and various virtual well-being workshops open to all. Video live casts were used to enable the CEO and CFO to present business critical updates. Considerable time was devoted in these sessions responding to questions raised by employees.

Maintaining employee feedback is vital and continuing the employee engagement surveys is key to listening to employees.

Relationships with customers

Siemens Mobility Limited focuses on regular customer engagement at all levels. This engagement takes a variety of forms including workshops to both create and share feedback and develop subsequent actions plans for improvement. It can also include working with strategic customers to achieve or to be recertified for ISO 44001.

An annual customer survey provides useful feedback on satisfaction levels and customer advocacy. It also provides a rich source of data to improve customer offerings. The Company's ability to undertake this annual survey was impacted by COVID-19 in 2020, therefore some of the decisions on the feedback were based on previous surveys.

The Company's key priorities during the year included the following:

- to build on customer relationships to form and improve the collaborative working environment to deliver customer expectations.
- listen and work with customers to shape the road and rail solutions of the future.
- maintain open dialogue with customers to work together to maintain road and rail infrastructure throughout the COVID-19 pandemic as well as developing solutions to restore confidence and increase public transport resilience in the wake of the pandemic.

Key decisions taken in the year:

- following the successful restructure of the Rolling Stock customer services team to introduce a more customer-focused approach for Train Operating Companies (TOCs) in FY19, a similar approach has been adopted for the Rolling Stock Leasing Companies (ROSCO) during the year. Relationship leads have been identified for each ROSCO and relationship plans developed.

- in December 2019, the Company's business units were re-structured, resulting in the formation of a new Rail Infrastructure business unit incorporating the existing areas of Rail Automation and Rail Electrification alongside the business units for Rolling Stock and Intelligent Traffic Systems. This has allowed us to maximise value to our customers by offering cross-infrastructure capability.
- in respect of COVID-19, a portfolio of solutions and products were developed across the businesses and shared with customers and key stakeholders. The aim was to assist customers in restoring confidence in public transport. The approach was viewed as proactive and well received.

Relationships with suppliers

Close engagement with suppliers is important to be able to deliver high quality and innovative solutions to customers.

Siemens Mobility Limited operates a continuous process of ongoing discussion and collaboration, facilitated by interaction at all levels. This contributes towards building robust, innovative and successful supplier relationships.

The Company has encouraged supply chain collaboration by supporting events which build business. Focused supplier forum events foster open discussion and ideas for innovation, cost savings, timeliness to market, and opportunities for developing relationships.

The Company's suppliers play an important role in helping the business achieve sustainability objectives. Promoting acceptable working conditions, environmentally responsible management and ethical behaviour are core elements of the Company's values.

The Company's key priorities during the year included the following:

- to promote a transparent and fair environment for potential suppliers to participate in the Company's processes. Together with the ethics and compliance program, the safety and environmental guidelines and local teams, the Company strives to ensure it includes sustainable practices that support the

environment, stakeholders and the communities.

- engagement and collaboration with suppliers through participation in interactive supplier conferences/supplier days where the business shares the vision and areas of strategic focus for the supply chain.

Key decisions taken in the year:

- the inclusion of collaborative sessions in supplier events provides an environment for open discussion helping to forge strong relationships that continue to deliver value to both suppliers and Siemens Mobility Limited.
- creation of launch events and follow up meetings with suppliers to create a seamless and collaborative approach to ongoing development.
- supplier event progress report introduced to monitor level of supplier interest and procurement engagement around event topics.

Community and environment

Siemens Mobility Limited is present in approximately 60 locations across the UK including offices, manufacturing sites and service depots. With the portfolio of road and rail solutions, the communities that the Company impacts are widespread.

Effective community engagement allows the business to align priorities with the needs and aspirations of local people, ensuring that benefits are maximised, and any potential conflicts or risks are mitigated.

This includes a commitment to engage with local community groups. The Company focuses on encouraging and fostering interest in engineering and the transport industry and promote sustainable procurement, utilising local and/or SME suppliers.

The Company supports local and national charities with a designated charity committee reviewing support on a regular basis. There is also a company matching scheme for employee fundraising activities.

The Company's key priorities during the year included the following:

- appointment of a diversity, inclusion & community manager, to actively promote community agenda with a renewed strategy and governance process.
- focus on promoting community across the business to bring employees together to work collectively, share experiences and plan the way forward.
- the Company has a highly dedicated group of STEM Ambassadors who regularly engage with schools and local youth groups to provide awareness of transport industry opportunities, particularly STEM careers. The Company's focus is to encourage under-represented groups into STEM roles, including women, people with disabilities, and those from a low socio-economic background.

COVID-19 has had an adverse impact on the ability to progress with key priorities this year. Local community projects and STEM activities were unable to take place and virtual STEM events were not possible under the safeguarding policy.

Key decisions taken in the year:

- recorded workshops were designed and produced to continue engagement with schools despite the pandemic. Virtual classroom events are now being explored. Face to face community events will be re-instated when risk can be acceptably mitigated.

Government

Siemens Mobility Limited has customers in both the private and public sectors. As a result, the Company is directly impacted by the formation of parliamentary policy, government policy, regulation and legislation.

Dialogue with political decision-makers is of major importance for the Company's success and its commitment to corporate citizenship.

Any political engagement is prioritised in line with business strategy and must meet company-wide, global compliance principles and procedures. Siemens Mobility Limited does not make political donations or contributions (donations to politicians,

political parties or political organisations).

In addition, the Company is politically neutral, therefore all contributions that support political purposes or the representation of political interests are prohibited under our internal guidelines.

The Company's key priorities during the year included the following:

- establishing and maintaining relationships with key UK government officials and advisors.
- maintain dialogue with policy makers and relevant stakeholders through its membership of key trade bodies and associations.
- positioning Siemens Mobility Limited as a valued business partner and thought leader within the transport sector.

Key decisions taken in the year:

The Company made a number of submissions to Government including:

- prospectuses of innovative products and solutions to restore public confidence in transport during the COVID-19 pandemic.
- response to the Department for Transport's consultation on decarbonising the transport network.
- response to the consultation on HM Treasury's Spending Review.

The Company held a number of direct meetings with ministers, advisers and officials as well as attending roundtables and events at which ministers spoke. In July, the Prime Minister visited the site of Siemens Mobility Limited's new Goole factory, meeting leaders of the business as well as several apprentices.

Shareholder

Siemens Mobility Limited is part of the Siemens group of companies, of which the ultimate shareholder is Siemens AG. The Company's intermediate parent company is Siemens Mobility GmbH. Siemens AG is responsible for setting the overall strategy for the group, whereas Siemens Mobility

GmbH is responsible for setting the more detailed strategy for the mobility group of companies. Engagement with shareholders is an ongoing process and the directors have regard to the strategy set by its immediate and ultimate parent companies when setting the strategy for the Company. Key priorities: delivering sustainable, profitable growth over the long term.

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