

Siemens Mobility Limited

Modern Slavery Act Statement

Financial Year Ended 30th September 2020

Introduction

This statement is made pursuant to s.54 of the Modern Slavery Act 2015 and sets out the steps that Siemens Mobility Limited has taken and is continuing to take, to ensure that modern slavery or human trafficking is not taking place within our business or supply chain. Modern slavery encompasses slavery, servitude, human trafficking and forced labour.

Sustainable value creation is the path we choose to achieve our goal of profit-driven, long-term growth. As a global business, Siemens Mobility with its innovative capability and investment strength, assumes joint responsibility for worldwide sustainable development. We create added value for the societies in which we operate. At the same time, our business activities, both directly and indirectly, impact the lives of many. Siemens Mobility is aware of its responsibility for ensuring the respect of human rights. For us, this responsibility is the fundamental basis of responsible business conduct. Building on our Business Conduct Guidelines, we have defined the respect of human rights in additional guidelines and principles.

Sustainable practices are firmly anchored in our corporate culture, based on our company values of being responsible, innovative and excellent. We apply globally binding principles that require all employees and managers to behave in an ethical, law-abiding manner. We act responsibly to support economic, environmental and social progress.

As part of the worldwide Siemens group of companies, Siemens Mobility Limited has a zero-tolerance approach to any form of modern slavery. We are committed to acting ethically, and dedicated to perform all business dealings with integrity and transparency, together with putting effective systems and controls in place to safeguard against any form of modern slavery taking place within the business or our supply chain.

Our business

Siemens is a global technology powerhouse that brings together the digital and physical worlds to benefit customers and society. The company focuses on intelligent infrastructure for buildings and decentralised energy systems, on automation and digitalization in the process and manufacturing industries, and on smart mobility solutions for rail and road transport. Siemens has been active in the United Kingdom for over 170 years. Siemens Mobility is one of several legal entities trading in the UK and employs over 4,000 staff, situated in various locations including sales offices, manufacturing plants and warehouses. Siemens Mobility is constantly innovating its portfolio in its core areas of rolling stock, rail automation, and electrification, turnkey systems, intelligent traffic systems as well as related services. With digitalization,

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Siemens Mobility is enabling mobility operators worldwide to make infrastructure intelligent, increase value sustainably over the entire lifecycle, enhance passenger experience and guarantee availability.

Our high-risk areas

Compliance risk management is an ongoing focus in all aspects of business activity. Annually, global risks are assessed in a Headquarter workshop, with risk topics subsequently cascaded throughout the organisation to ensure proper management focus. This Headquarter initiative is supplemented by an in-depth examination performed by local business management in the form of a risk workshop every second year (last completed in November 2019). Human Rights risk was incorporated as a focus topic in 2017 and is now firmly embedded in our due diligence process for relevant major projects. In addition, as an output from the Headquarter workshop in 2020 an 'awareness package' was produced to assist businesses in managing environmental, social (human rights including modern slavery) and governance (ESG) risks across the entire value chain. A new company-wide tool (ESG Radar), together with related processes will further support the management of ESG risks commencing fiscal 2021.

Our policies

We have various internal policies to ensure that we are conducting business in an ethical and transparent manner. These include:

1. Code of business conduct:

All employees are required to comply with our Business Conduct Guidelines which commit each of them to respect the personal dignity, and personal rights of every individual, as well as to act with integrity and in accordance with the law.

Our Business Conduct Guidelines require that our employees recognise and apply globally-relevant anti-slavery principles specifically including the International Labour Organisation's Tripartite Declaration of Principles, and its Declaration on Fundamental Principles and Rights at Work, in particular with respect to the elimination of child labour, abolition of forced labour, prohibition of discrimination, and rights to freedom of association and collective bargaining.

Each employee is required to sign a statement that they have read and understood the Business Conduct Guidelines as part of our recruitment process.

Siemens also expects its suppliers and business partners to share Siemens' values and comply with all applicable laws as laid out in the respective code of conduct.

The Business Conduct Guidelines were re-issued in January 2019 and include a dedicated section on Human Rights, which further emphasizes the importance of this area of compliance. A new web-based training course covering the Business Conduct Guidelines was circulated to ALL employees in early 2020 for mandatory completion.

2. Compliance policy:

This policy, in the form of a globally binding, all-encompassing compliance circular, sets out the organisation's stance on Anti-Corruption, Anti-Trust, Anti-Money Laundering, Data Protection, Human Rights and Export Control.

The circular specifically highlights the need to comply with local law and thereby the requirements of the Modern Slavery Act. In particular, it requires its business units and

employees to act always in accordance with the United Nations Global Compact principles, including without limitation:

Principle 1: that businesses should support and respect the protection of internationally proclaimed human rights.

Principle 2: that businesses should make sure that they are not complicit in human rights abuses.

Principles 3 to 6: which define fundamental responsibilities for businesses regarding labour.

The following are incorporated in day to day business practices and operated throughout the financial year:

- relevant projects include a specific set of due diligence questions in relation to Human Rights.
- the subject of Human Rights is a mandatory topic in risk assessment deep dives.
- potential Human Rights violations are subject to investigation as part of the formal compliance case handling process.
- training modules incorporate key aspects of Human Rights compliance.

3. Whistle-blower Policy:

Siemens has a compliance whistle-blower hotline 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. It is managed by a third-party supplier and all data supplied is maintained on secure servers in Germany. All reported content is handled exclusively by Siemens.

Siemens internal whistle-blowers are protected by special regulations that protect whistle-blowers who make reports in good faith and to the best of their knowledge. In addition, the Siemens Ombudsman is available for the reporting of compliance violations.

4. Recruitment Policy:

The company operates a robust recruitment policy, including conducting eligibility to work in the UK checks for all employees, to safeguard against human trafficking or individuals being forced to work against their will.

Our suppliers

According to the UN Global Compact, the "supply chain can make a significant impact in promoting human rights, fair labour practices, environmental progress and anti-corruption policies".

Siemens globally has a substantial and complex supply chain with around 90,000 suppliers across 150 countries. With such a large and geographically dispersed supplier network, Siemens ensures a higher scrutiny is given to those suppliers deemed as high risk and has implemented a system of interconnected processes and tools to stay on top of this complexity under the governance of our Global Services Supply Chain Management (SCM) function. Transparency and awareness of supply chain risks is ensured via a three-step process:

- Definition of sustainability risks and categories.

- Identification of the relevant suppliers.
- Development and implementation of necessary procurement processes to cover these risks for example by conducting on-site audits.

We support all our suppliers through our “Sustainability in the Supply Chain” and “Code of Conduct for Siemens Suppliers and Third-Party Intermediaries” brochures, and the basis of all our supplier relationships is the commitment of our suppliers to observe the principles of the Code. In addition, we explicitly encourage them to extend these values further into their own supply chain in order to create a network of interactions and business relations that are built on trust. As well as reflecting our Business Conduct Guidelines, our supplier code is based on the UN Global Compact and principles of the International Labour Organisation.

The Code specifically prohibits the use of forced labour and child labour by our suppliers, requires our suppliers to respect the employment rights of their workers and requires our suppliers to use reasonable efforts to promote compliance with the Code amongst their own.

Suppliers commit to the Code by signing the Corporate Responsibility contract clause as part of the onboarding & qualification process, and also for all new and extended procurement contracts, via the Corporate Responsibility declaration or by acknowledging the Conditions of Purchase.

Prior to selection, all suppliers undergo various due diligence checks including a Corporate Responsibility Self-Assessment (CRSA). This questionnaire enables suppliers to assess whether they meet the requirements of our Code of Conduct. This process raises awareness of these requirements, identifies potential risks in connection with sustainability at an early stage, and ensures that appropriate steps are taken.

Following selection, suppliers are continually monitored, and risk assessed, particularly those operating in higher risk countries. Suppliers for whom certain potential sustainability risks have been identified or where there are suspicions of non-compliance with the code of conduct are subjected to an in-depth assessment by audit experts on site. To ensure independent reporting, this assessment is carried out by external service providers.

Consequences of non-adherence

If our sustainability self-assessments or audits reveal infringements of our requirements, they must be remedied by the suppliers in question within a reasonable period of time. Besides follow-up audits carried out by our external audit partners, the responsible procurement units and the suppliers involved directly agree on the corrective actions defined during our audits. We reserve the right to end the supplier relationship in the event of serious infringements, such as evidence of slavery, servitude, human trafficking and forced labour.

Employee Training

Siemens has two online training modules entitled “Sustainability in the Supply Chain” and “Supplier Qualification: General Approach”. These trainings are mandatory for all employees with purchasing responsibility and highlight the importance of the Code of Conduct for Siemens Suppliers and Third-Party Intermediaries. Completion forms part of an employee’s annual performance targets and therefore subject to formal monitoring. Siemens continues with the investigation of further training provisions in order to capture additional employees and new requirements.

Know-How Transfer and Building Competence

Our suppliers' commitment to comply with our sustainability principles is most effective when it is based on their own convictions. We are therefore increasingly committed to building their competence and intensifying knowledge transfers related to sustainability. As a supplement to existing programs, Siemens has developed online sustainability training, specifically for supplier's staff cooperating with Siemens, in supporting Siemens with deliveries/services.

Within the previous year Siemens developed a sustainability roadmap, which included a recommendation for Siemens to implement a Corporate Social Responsibility (CSR) related tool to actively manage and assess Suppliers on a regular basis. One of the implemented modules of the tool allows the further development of a Siemens Supplier heat map to assist with the mapping of potentially high-risk Suppliers from both a geographical and industry perspective.

With a view to continuous improvement Siemens previously engaged with the external market to better understand best practices. Following on from a survey of 144 Suppliers, and the further deployment of the CSR tool, Siemens is in the process of implementing a Stakeholder Value Dashboard specifically related to Sustainability, which will include our Tier 2 and 3 Suppliers. SCM is developing a SCM section which will support our Equality, Diversity & Inclusion strategy. Our collaboration with the UK Social Enterprise network acts as a practical example of our commitment.

SCM is now represented on the Siemens UK Sustainability Board with a view to ensuring corporate initiatives and requirements are introduced into the supply base.

In line with a Siemens drive to move to the 'Real Living Wage', two major commodity areas have been approached to ensure their respective supply base implement real living wage.

Other information

Ensuring commitment to human rights at Siemens:

<https://www.siemens.com/global/en/home/company/sustainability/humanrights.html>

Sustainability in the Supply Chain:

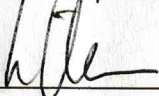
<https://www.siemens.com/global/en/home/company/sustainability/sustainablesupplychain.html>

Our commitment

Siemens Mobility will not tolerate any violations of applicable law – and if it does happen, we will take strong action. We will continue to apply a zero-tolerance approach to forced labour, slavery and human trafficking in any form, in our business and supply chain.

Approval for this statement

This statement was approved by the Board of Directors with respect to the Financial Year ending on 30th September 2020.



William Wilson (Director)

Date 9th February 2021.

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