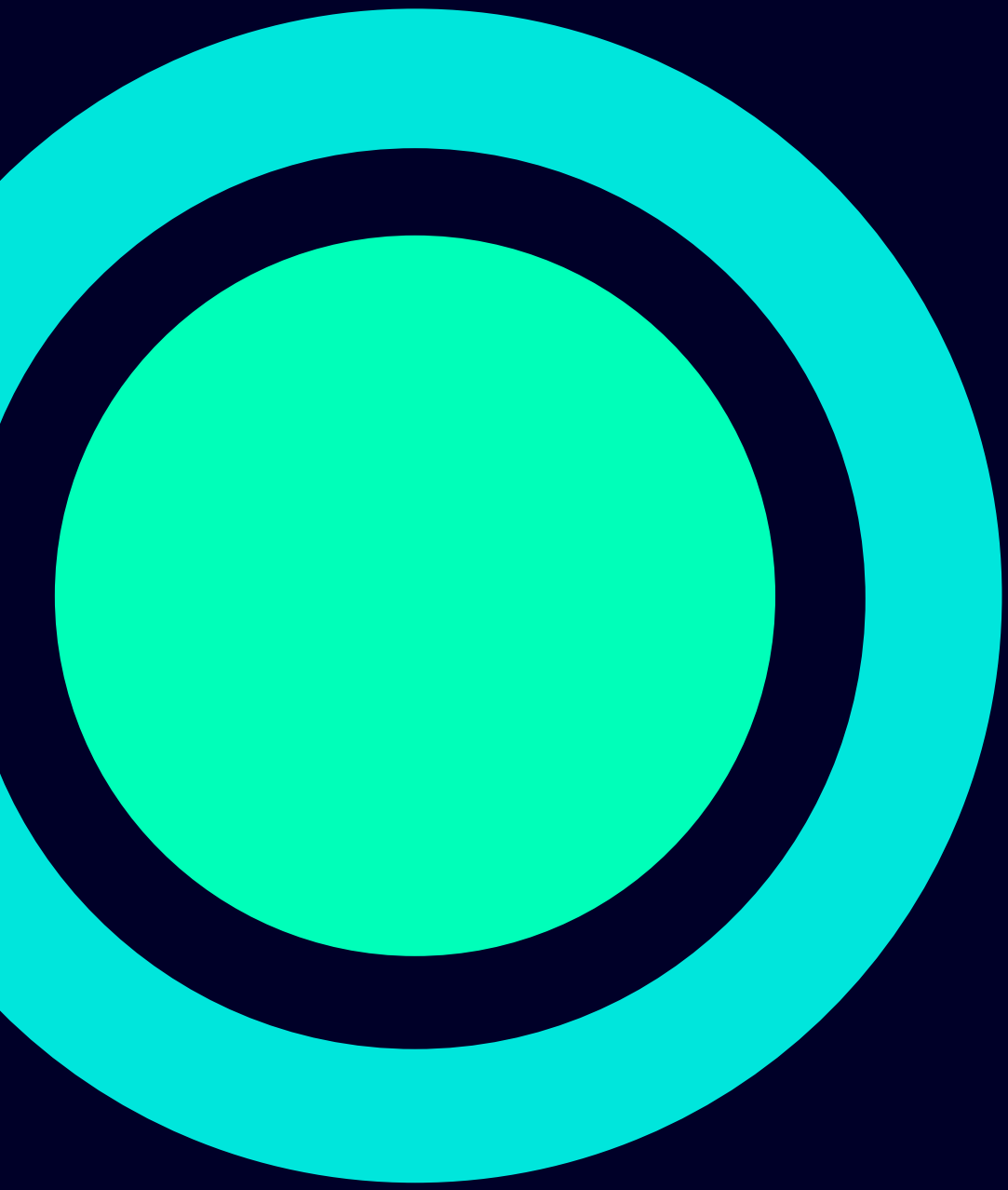
Sustainability report
2022



SIEMENS

Our Purpose

Technology to Transform the Everyday

Key figures

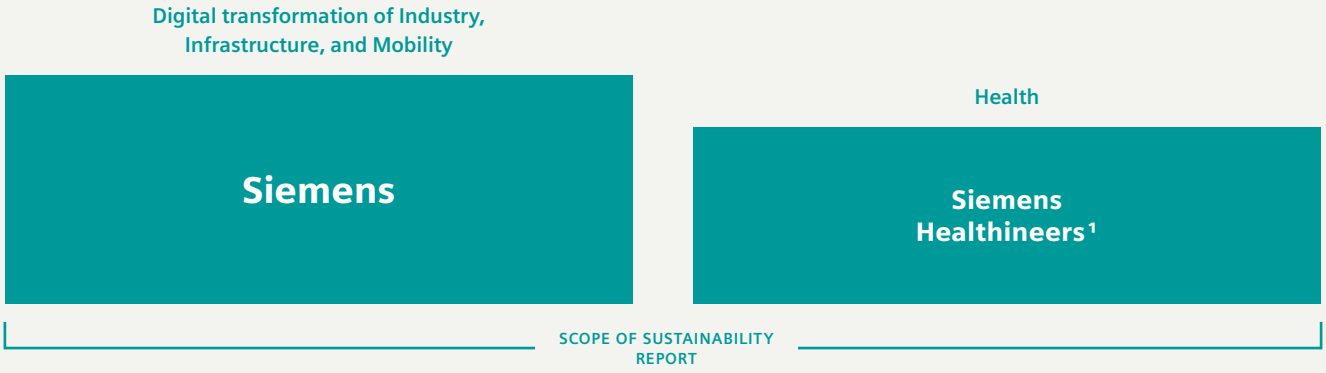
311,000
Employees

€72.0 billion
Revenue

15.1 %
Adjusted EBITA margin for the Industrial Businesses

€4.4 billion
Net income

Joint values unite us under the brand Siemens with Siemens Healthineers (SHS)



All indicators in the report are shown including Siemens Healthineers (SHS), unless otherwise noted. For the sake of readability, the masculine form is used; it is representative of people of any gender.

1 Publicly listed subsidiary of Siemens; Siemens' share in Siemens Healthineers: 75%.

Contents

Foreword

Multiply our impact across the backbone of our economies

Dear Readers,

At Siemens, sustainability has been at the heart of what we do for a long time. We are a technology company with a portfolio designed to drive the digital and sustainable transformation of industry, infrastructure, transportation and healthcare. Through technology with purpose, we enable our customers and partners to maximize their contributions to the health of our planet.

Sustainability is a key part of our strategy. It is deeply embedded in our business activities, investment decision-making and governance. This commitment is reflected in our DEGREE [1] framework, a 360 degree view of Siemens' ESG priorities.

The world is changing rapidly. Megatrends such as climate change, glocalization, digitalization, demographic change and urbanization demand that we rethink established ways of doing things. We firmly believe that technology is the answer to creating a sustainable future. By combining the real and the digital worlds, we can solve the challenges of our times and meet the needs of our customers.

Part of the solution – our sustainability business portfolio

Siemens has been developing technology with purpose for more than 175 years. Our portfolio helps customers achieve their sustainability targets with comprehensive, tailored solutions for factories, buildings and power grids as well as the transportation and healthcare sectors. Our technologies help customers to transform the industries that form the backbone of economies and societies.

For industrial customers, our products, systems, solutions and services enable customers to optimize their entire value chain – all the way from the design and development of sustainable products and processes to production and operations. Our solutions target gains in energy and material efficiency and harness the power of digitalization to build the next level of transparency on CO_2 and other metrics that help steer our business activities toward ever greater sustainability.

To support infrastructure customers, our portfolio ensures the seamless integration of renewable energy into power grids, the deployment of electromobility, increased energy efficiency in buildings, and greater transparency in measuring infrastructure performance with digital tools and data management solutions.

1 DEGREE is an acronym for decarbonization, ethics, governance, resource efficiency, equity, and employability.

Siemens contributes to sustainable transportation with its broad spectrum of products, solutions and services related to rail vehicles, infrastructure, automation, electrification and digitalization.

Our financing solutions foster decarbonization and resource efficiency, such as pay-per-use or leasing solutions linked to energy savings. Smart financing models are helping pave the way for new, clean technologies, novel business models and sustainable innovation.

By constantly bringing breakthrough innovations to market, we help healthcare professionals to deliver high-quality care, leading to the best possible outcome for patients. Based on Siemens Healthineers' unique strengths in patient twinning and precision therapy as well as in digital and data-driven approaches and artificial intelligence, the company is using technology to actively shape the transformation of healthcare.

We are also focused on measuring the impact we can achieve by developing digital solutions to ensure data transparency. Compared to the amount we generate in our own operations and our supply chain, our products will help reduce 13 times more greenhouse gas emissions at our customers: The products and solutions we sold in fiscal 2022 will prevent around 150 million tons of greenhouse gas emissions during their lifetime in our customers' operations, while our own operations and supply chain accounted for around 12 million tons of greenhouse gas emissions.

Our commitments are underpinned by a clear position on responsible business conduct. Ethical behavior and compliance are nonnegotiable and go beyond strict adherence to rules by firmly placing responsible action sustainably at the core of our culture and business conduct.

Ramping up our ambitions

We drive sustainability by investing in our portfolio and by applying our new technologies internally. Our company has always been committed to its responsibility to society, to our communities, and to our employees. Through our DEGREE framework, we are dedicated to creating a better tomorrow by doing more with less. DEGREE is based on six fields of action with clear priorities that drive our unique approach to sustainability. We have raised our targets again this year in several areas, including decarbonization and learning.

We are significantly accelerating the reduction of carbon emissions from our own operations by setting ourselves a pathway goal for a 55% reduction in emissions by 2025, compared to 2019 levels. In addition, and as part of our ongoing 2030 Net Zero operations commitment, we are setting a new and enhanced target of achieving a 90% emission reduction by 2030. We are confident that we will meet this goal by leveraging our own offerings across our portfolio.

We invest in our people by creating an environment where they can thrive based on our company's commitment to lifelong learning, equity and well-being. As part of these efforts, we also ramped up our employability goal for annual digital learning. By the end of fiscal 2025, we want the people at Siemens to be benefiting from at least 25 hours of digital learning per year.

Rather than resting on our achievements, we are continuing to reevaluate our efforts with a view to further accelerating and increasing our impacts.

Advancing together on a long and challenging path

The sustainability challenges of our times are far too big and daunting for any single actor to master them. They call for us to work with partners, customers and organizations across business sectors, countries and continents. We at Siemens believe that working in ecosystems is the best way to jointly create seamless solutions for our customers and their specific sustainability challenges – thereby multiplying the impact of our own sustainable offerings and solutions.

We are confident that technologies that boost efficiency, productivity and transparency can pave the way to a more resilient and sustainable future. We have a decisive decade ahead: This is the time to step up and act.

Dr. Roland Busch

Judith Wiese

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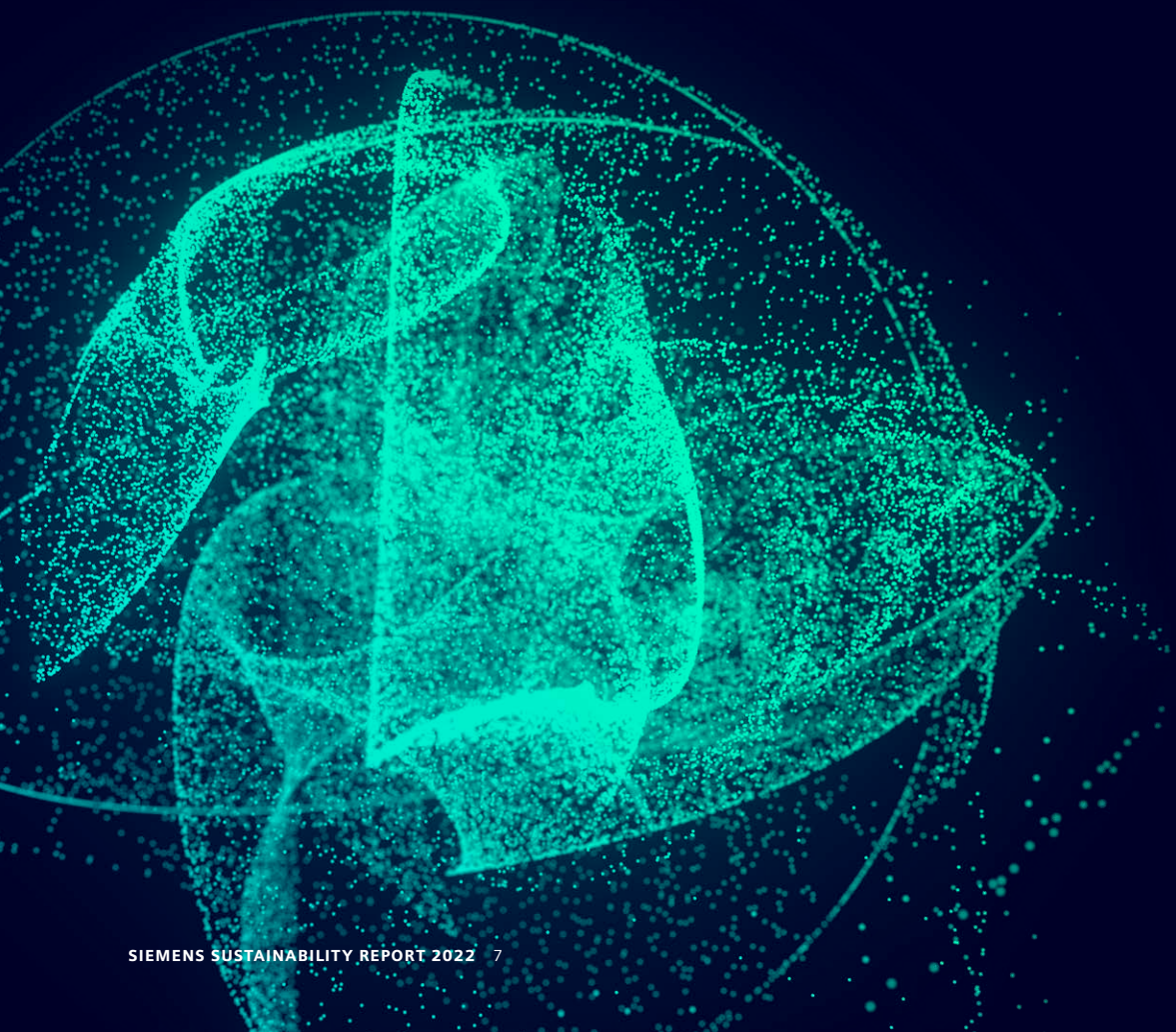
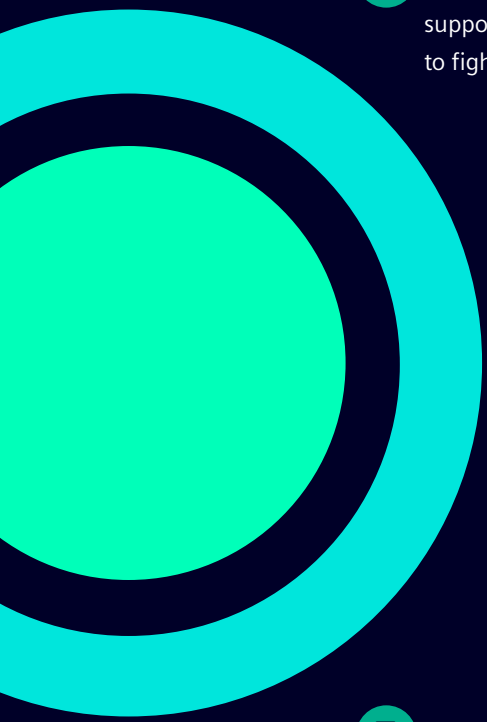
Siemens at a glance



1.1

Our DEGREE framework sets clear and measurable ambitions



Decarbonization
support the 1.5°C target
to fight global warming

Ethics
foster a culture of trust, adhere to ethical standards,
and handle data with care

Governance
apply state-of-the-art systems for effective
and responsible business conduct

Resource efficiency
achieve circularity
and dematerialization

Equity
foster diversity, inclusion, and community development
to create a sense of belonging

Employability
enable our people to stay resilient and relevant
in a permanently changing environment

A clear framework for sustainability

Sustainability is an integral part of our business – it is part of our DNA. We are taking our ESG commitment to the next level with our DEGREE framework. It constitutes a 360-degree approach for all stakeholders– our customers, our suppliers, our investors, our people, the societies we serve, and our planet. In addressing the three aspects of ESG, we are building a better future that helps us stay within the planetary boundaries, helps us foster a culture of trust, empowerment, and growth, supports inclusive economic opportunities, and ensures that our people and businesses remain resilient and relevant for whatever the future holds.

The DEGREE framework is based on six fields of action that drive sustainability and are dynamic and continuously evolving. We have set clear priorities and ambitions for key ESG issues, which we are driving within our own operations and together with our customers and suppliers. The DEGREE framework applies to all Siemens-affiliated companies excluding Siemens Healthineers (SHS). The sustainability concept of SHS follows the same basic principles, which reflects our expectations as majority shareholder.

What are our ESG ambitions and priorities? And what progress did we make until end of fiscal 2022? 14 global ambitions and key figures for Siemens excluding Siemens Healthineers, whereas in fiscal 2022, we increased the ambition of our Net Zero operations and digital learning hours ambition.

		Baseline	Progress until end of FY22	Ambitions
Decarbonization	1. Net Zero operations by 2030, with 55% emissions reduction by 2025 and 90% by 2030	FY 19: 737 kt CO_2e	–46%	–55% by 2025 –90% by 2030
	2. Net Zero supply chain by 2050, 20% emissions reduction by 2030	FY 20: 8,098 kt CO_2e	+2,5%	–20% by 2030 –100% by 2050
Ethics	3. Striving to train 100% of our people on Siemens' Business Conduct Guidelines every three years	From FY 20	99.9%	100% by 2022
Governance	4. ESG-secured supply chain based on supplier commitment to the Supplier Code of Conduct	– –	Suppliers committed	– –
	5. Long-term incentives based on ESG criteria[1]	– –	ESG criteria anchored	– –
Resource efficiency	6. Next-level robust ecodesign for 100% of relevant Siemens product families by 2030	FY 21: 26%	35%	100% by 2030
	7. Natural resource decoupling through increased purchase of secondary materials for metals and resins[2]	– – – –	Metals 34% Resins <1%	– – – –
	8. Circularity through waste-to-landfill reduction of 50% by 2025 and toward zero landfill waste by 2030	FY 21: 0%	–12%	–50% by 2025 ~100% by 2030
Equity	9. 30% female share in top management by 2025	FY 20: 22.7%	27.7%	30% by 2025
	10. Access to employee share plans: maintain high level and expand globally to 100%[3]	FY 21: 98%	99%	100%
	11. Global commitment to the New Normal Working Model[4]	– –	Roll-out continued	– –
Employability	12. Increase digital learning hours to "25 by 25"	FY 20: 7h	21h	25h by 2025
	13. Access to employee assistance program: maintain high level and expand globally to 100% by 2025	FY 20: 82%	87%	100% by 2025
	14. 30% improvement in Siemens' globally aggregated LTIFR[5] by 2025	FY 20: 0.31	–19%	–30% by 2025

1 Assessment based on the Siemens internal ESG / sustainability index, based on customer satisfaction (Net Promoter Score), CO_2 reduction, training hours.
2 Product specifications for the use of secondary plastics are in development.
3 Where legally possible and reasonable.
4 For employees with job profiles that make this possible and reasonable.
5 LTIFR: Lost Time Injury Frequency Rate (Siemens employees and temporary workers).

FURTHER INFORMATION ON OUR AMBITIONS

1.2 Company profile

- **Internationally active, focused technology company**
- **Purpose: Technology to Transform the Everyday**
- **Combining the real and digital worlds to benefit customers and society**

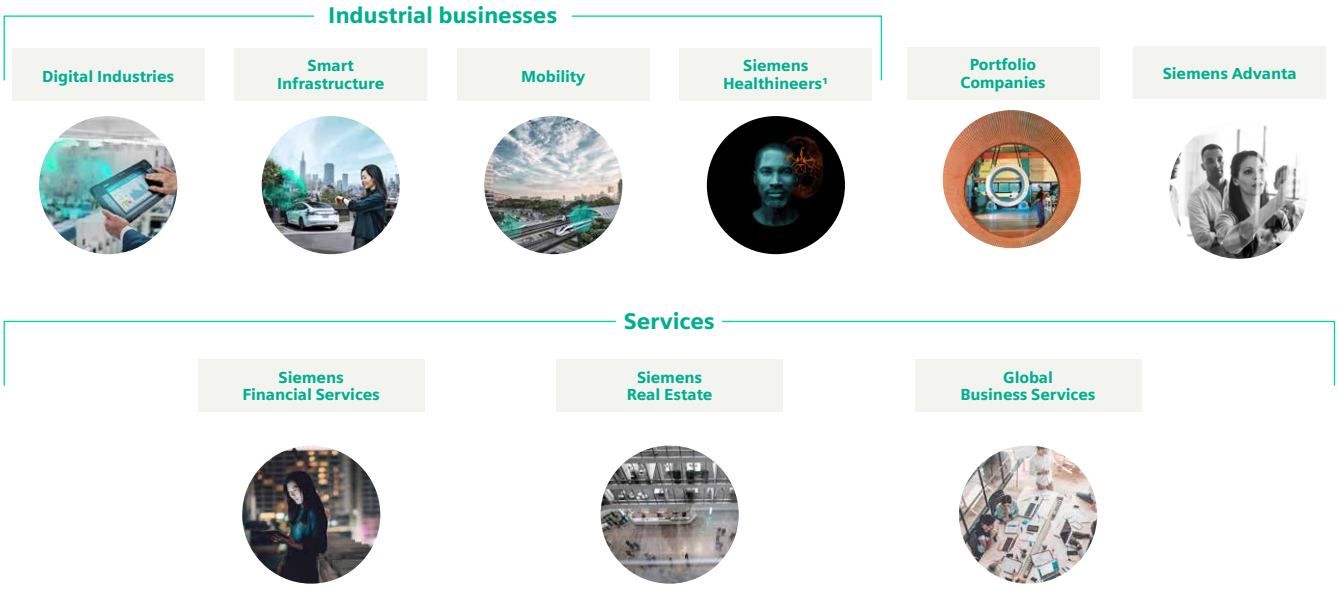
A focused technology company

Siemens AG (Berlin and Munich) is a technology company focused on the fields of industry, infrastructure, mobility, and healthcare.

By combining the real and digital worlds, Siemens helps its customers accelerate their own digital transformation and achieve their sustainability targets.

In addition to its core businesses of Digital Industries, Smart Infrastructure, and Mobility, Siemens is the majority shareholder of the exchange-listed company Siemens Healthineers AG (SHS) – a globally leading provider of medical technology. Siemens also holds a minority interest in the exchange-listed company Siemens Energy AG, which operates in the field of

Businesses and services



1 Publicly listed subsidiary of Siemens; Siemens' share in Siemens Healthineers: 75%.

SIEMENS COMPANY PRESENTATION

energy transmission and generation. Siemens Energy AG is not included in this Sustainability Report. Siemens is a technology company that operates in nearly all countries of the world. Ever since it was founded in 1847, it has stood for technical performance, innovation, quality, reliability, and internationality.

Industrial businesses

Digital Industries

The industrial world is confronted with tremendous challenges. Because our planet's resources are finite, we must achieve more with less. The Siemens Digital Enterprise portfolio helps us master this challenge by combining the real and digital worlds to forge a single, continuous data stream. The comprehensive digital twin plays a key role in this endeavor. It collects data across the entire lifecycle of a product, from the initial concept to production and use. Our technologies of the future make it possible to understand this data and use finite resources more efficiently. This is how we strive to make industry more sustainable.

Smart Infrastructure

Smart infrastructure is sustainable infrastructure. Siemens Smart Infrastructure combines the real and digital worlds across energy systems, buildings, and industries. This is how we seek to improve the way people live and work while also ensuring greater efficiency and sustainability. We work closely with customers and partners to create an ecosystem that addresses people's needs intuitively and also helps customers achieve their goals. It helps our customers be successful, moves communities forward, and supports sustainable development to preserve our planet for the next generation.

Siemens Mobility

With the aid of digitalization, we help mobility providers everywhere in the world make their trains and infrastructure smarter, sustainably enhance the value added in all lifecycle phases, improve passenger comfort, and ensure availability.

Siemens Healthineers

Siemens Healthineers aspires to shape the healthcare of the future. As one of the world's leading medical technology companies, it helps healthcare providers everywhere in the world develop precision medicine, reimagine healthcare, improve the patient experience, and digitalize healthcare industry. Siemens Healthineers is continually upgrading its portfolio of products and services with AI-supported applications and digital offerings that will play an increasingly important role in the next generation of medical technology.

Key figures

In fiscal 2022, which ended on September 30, 2022, Siemens generated revenues of €72 billion and a profit after taxes of €4.4 billion. As of September 30, 2022, the company had around 311,000 employees worldwide.

SIEMENS FINANCIAL REPORT FOR FISCAL 2022, COMBINED MANAGEMENT REPORT, CHAPTER 7, OVERALL ASSESSMENT OF THE ECONOMIC POSITION

1.3 Strategy

- **We advance transformation on the basis of four strategic priorities**
- **Sustainability is an integral part of our business: We apply our technologies and solutions to advance growth toward a sustainable future**
- **Clear action fields and ambitions along our DEGREE framework**

Technology that serves people

Siemens is focusing on technologies that drive the digital transformation of industry, smart infrastructure, and sustainable mobility. We thus make a significant contribution toward achieving the UN's Sustainable Development Goals (SDGs). We maximize customer benefit by combining the real and digital worlds, support customers in handling their challenges, and generate value for them and ourselves.

Siemens' unique ability to combine the real and digital worlds is based on three elements: Using its experts' profound domain knowhow, Siemens develops digital applications for specific industries. In addition, Siemens bundles expertise to drive the core technologies that are used across the company. And thanks to a strong ecosystem including customers, partners, and startups, Siemens brings customer-oriented innovations fast to market.

Digitalization, automation, and sustainability are growth engines for our business. In terms of sustainability, our portfolio makes an especially strong contribution toward decarbonization, resource efficiency, and circular economy. Software and hardware solutions will increasingly reinforce each other in the future, accelerating sustainable value growth. As a focused technology company, we want to strengthen our position in all our markets and enter profitable adjacent markets.

For that purpose, we're rapidly pushing our technology portfolio ahead: software and automation solutions, plus core technologies in areas such as artificial intelligence (AI), digital twins, 5G, industrial edge, and cybersecurity.

Our four strategic priorities:

Value for our customers
We identify the needs of our customers as early as possible – ideally before our customers themselves are aware of them.

Technology with sense and purpose
Innovative technologies have been the beating heart of Siemens for 175 years – and will be in the future as well.

Strengthening and empowering people
We strengthen our customers, partners, and employees so that they can make the most of their abilities.

Growth mindset
We will continue to grow and learn – with curiosity, resilience, experimentation, and adaptability

In June 2022 we launched Siemens Xcelerator, an open digital business platform. It will accelerate the digital transformation and value creation. We thereby make the digital transformation faster, easier, and at scale for customers of all sizes in industry, buildings, power grids, and mobility. Furthermore, digital solutions make companies more flexible, more resilient, more efficient, and more sustainable. This digital business platform has three cornerstones:

1. A curated, modular portfolio of hardware for the Internet of Things (IoT), software, and services – from Siemens and certified partners
2. A continuously evolving ecosystem of partners, and
3. A marketplace, which will grow over time, to facilitates interaction, innovation, and transactions alongside a community of customers, partners, and developers.

The world is continuing to change in multiple dimensions. Megatrends like climate change, glocalization, digitalization, demographic change, and urbanization are challenging us. And they're also changing the needs of our customers and our markets. To meet these, we need to keep evolving constantly. Our focus on four strategic priorities will help us do that.

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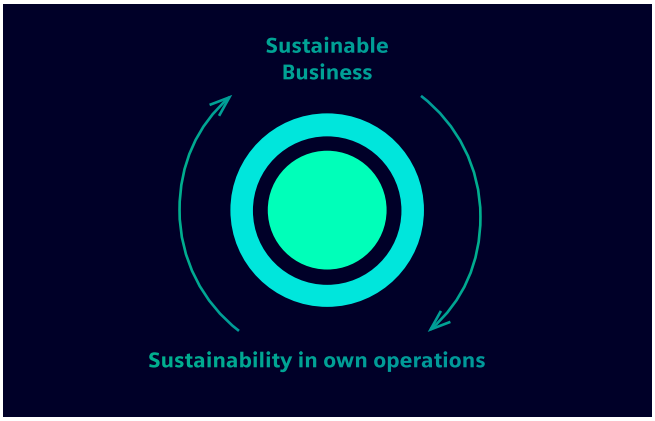
Sustainability is an integral part of our business

The challenges of our times call for clear answers – to ensure quality of life for everyone, today and in coming generations. That's why we've defined a 360-degree approach to sustainability that includes all critical action fields for Siemens. With this approach, we address all our stakeholders – our customers, our suppliers, our investors, our people, society – and our planet as well. Every "degree" counts when we aim to responsibly meet the needs of a constantly evolving society. Our DEGREE framework underlines the necessity to limit global warming to 1.5 degrees Celsius.

Sustainability is integral to both our business and our own operations. Our DEGREE framework outlines the relevant action topics for Siemens.



With our technologies and solutions, we empower our customers to drive sustainable growth and transform industries toward a sustainable future. Whether in resource-efficient factories, resilient supply chains, smart buildings and power grids, low-emission, comfortable trains, or advanced healthcare – we support our customers with technologies that offer them specific benefits and make people's daily lives easier.

For sustainability in our own operations, we've defined 14 ambitions across six action fields. We continually develop these action fields further in order to address central ESG aspects (E for Environment, S for Social, and G for Governance) from the perspective of all our stakeholders.

DEGREE – Clear action fields and ambitions for sustainability

D for decarbonization – With our portfolio, we help our customers lower their emissions and thereby achieve their decarbonization goals. Besides aiming to reduce emissions from Siemens' operations by 55% by 2025 and by 90% by 2030 compared to 2019, we also strive to lower all emissions associated with us – from our supply chain to the entire use phase of our products. Siemens is committed to a 20% reduction in emissions in its supply chain by 2030 compared to 2020, and aims to achieve a CO_2-neutral supply chain by 2050. With its commitment to science-based targets, Siemens supports the goal of the Paris Climate Agreement to limit climate change to 1.5 degrees Celsius.[1]

1 Science Based Target Initiative for Siemens including SHS.

E for Ethics – At Siemens, we're certain that above and beyond complying with the law, acting in accordance with ethical principles is an integral part of doing business responsibly. The way we do business is as important as our business success. Our values and ethical principles are embedded in our Business Conduct Guidelines, which are binding throughout the company and on which we provide regular training to all our people. Our company is marked by a culture of trust. We were co-founders of the "Charter of Trust" initiative to protect data and promote cybersecurity in a trustworthy digital world.

G for Governance – It has been clearly shown that strong governance goes hand in hand with better, more sustainable business. Besides embedding these principles in our own management systems, we extend them to our suppliers, who are required to follow a comprehensive Code of Conduct. On top of that, we have made sustainability criteria an integral part of our long-term variable compensation programs[2] for both the Managing Board and our senior management.

R for Resource Efficiency – We want to accelerate recycling and a circular economy. Using software and simulations, our technology offers sustainable approaches for the design phase of products and solutions, for both our customers and ourselves. We have developed a new standard for the design of environmentally friendly products that incorporates clear product design criteria and is intended to cover 100% of relevant product families. In addition, we promote decoupling consumption of natural resources from economic growth by increasing our purchases of secondary materials.[3] Also, by 2025, we are aiming to reduce our landfill waste by 50% from the 2021 baseline year.

E for Equity – Equal treatment and respect are the core of our corporate values. We aim to be the employer of choice and to foster diversity, inclusion, and community. In that way, we intend to create a sense of belonging and a safe environment where all our people can give their best. By 2025, we plan to have at least 30% female share in our top management. We want to maintain access to employee share plans at a high level and expand it globally to 100%.[4] With our hybrid "New Normal" working model, we are one of the first major players in our industry to offer mobile working options and workplace flexibility (2–3 days of mobile working per week as a standard option for our people globally). In that way we are fostering a culture of trust and empowerment.[5]

E for Employability – In a constantly changing world, it is critically important that we as a company and as individuals remain resilient and relevant. At Siemens, we continuously invest in the development and education of our people. We strongly focus on digital learning, employee assistance programs, and occupational health & safety measures for our people. For example, we are aiming to reduce the injury rate (LTIFR) by 30% until 2025, compared to the baseline year 2020.[6]

ADDITIONAL INFORMATION AND FACTS ABOUT SUSTAINABILITY

The DEGREE framework applies to Siemens AG except Siemens Healthineers (SHS), which is an independently stock-listed company. Under the Siemens brand, we are closely connected to SHS via shared values, including sustainability in all its dimensions. These values incorporate the central aspects of ESG (E for Environment, S for Social, G for Governance) from the perspective of all our stakeholders – the foundation of our DEGREE framework. In its sustainability concept, SHS pursues the same values, which represent our expectations as majority shareholder. SHS's own specific sustainability approach is described in a dedicated report.

2 Assessed on the basis of the internal Siemens ESG / Sustainability Index, based on customer Net Promoter Score, CO_2 reduction, training hours.
3 Product specifications for use of secondary resins are under development.
4 Where legally possible and reasonable.
5 For employees with job profiles that make this feasible and reasonable.
6 LTIFR: Lost Time Injury Frequency Rate (of Siemens employees and temporary workers).

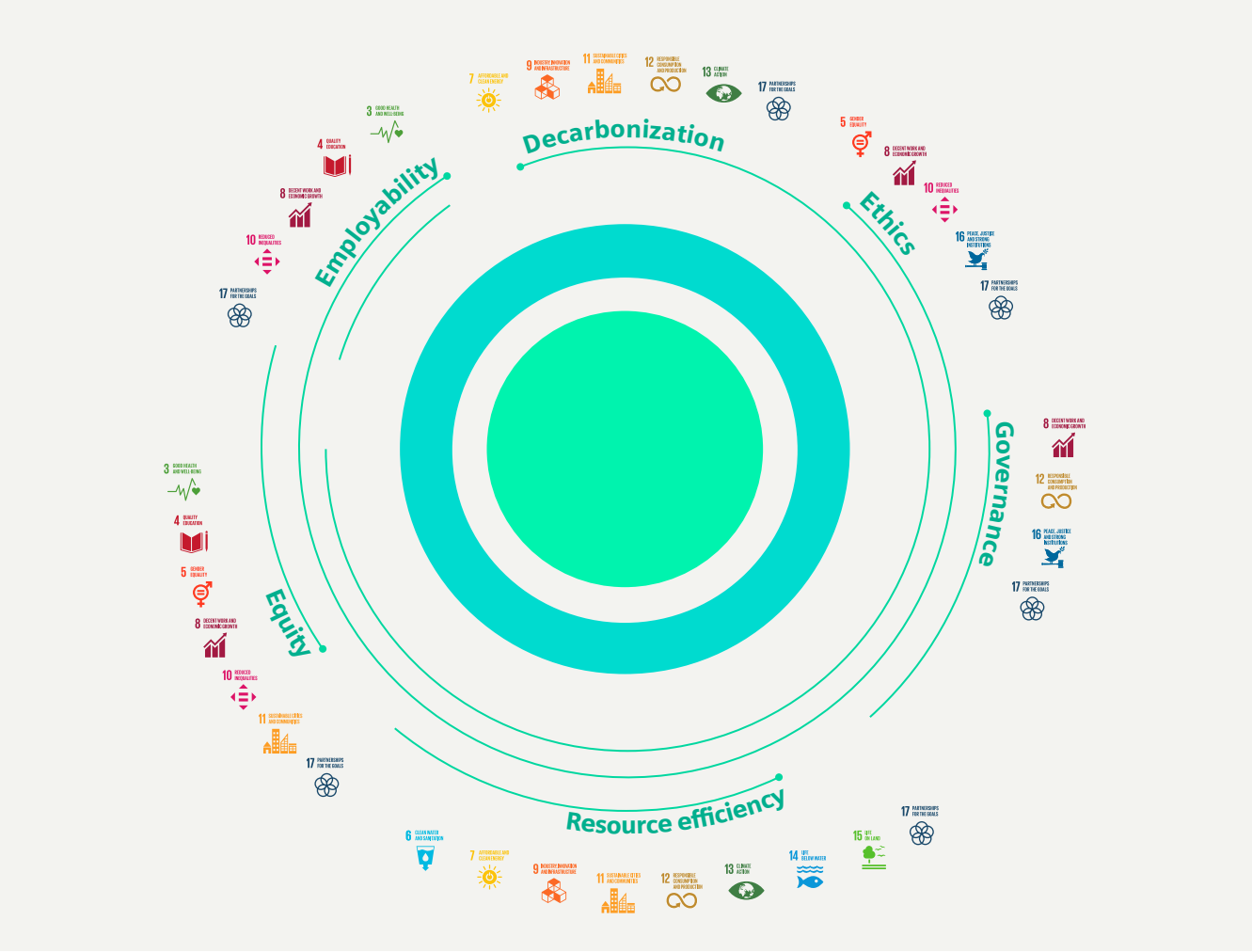
1.4

Our contribution to sustainable development of societies

- **Effective influence in achieving UN's Sustainable Development Goals (SDGs)**
- **Our contribution is measured with Business to Society® (B2S) methodology, using six globally valid areas of impact**
- **SDGs included in our DEGREE sustainability framework**

The United Nations' 17 Sustainable Development Goals (SDGs) and their 169 targets serve as a compass for the joint efforts for change that must be made by governments, businesses, cities, and civil society as a whole if we are to achieve a more sustainable future. The SDGs and their related targets address the most important economic, social, environmental, and governance-

Allocation of the SDG goals to Siemens sustainability framework DEGREE



related challenges of our times, and thus help stimulate transformational change. Adopted as values, the SDGs also influence Siemens as a company. They are firmly associated with our DEGREE sustainability framework, which serves in-house to guide our sustainability management, and also lays down the details of our ambitions for sustainability. The SDGs are reflected as well in our Business to Society® (B2S) methodology, which exemplifies Siemens' global effect on the outside world, and how we generate value for all our stakeholders.

The long-term priorities for Siemens as part of our sustainable development agenda are clear: We want to apply our engineering expertise and our approach to connect the real and digital worlds, improve people's quality of life, and protect the planet. This is especially supported by our corporate purpose of "Technology to Transform the Everyday." The UN's 17 SDGs have thus become fixtures of our everyday business. Siemens deploys its technology portfolio to support the public and private sectors in the digital transformation of industry, building and network infrastructures, mobility, and healthcare, and thus can tap extensive business opportunities for value-enhancing growth. At the same time, we offer cost-effective, innovative solutions for the transition to carbon neutrality. These technologies support customers in achieving their objectives while consuming fewer resources. To varying extents, Siemens helps achieve most of the SDGs in the UN's Agenda 2030 in four important ways:

→ through our products and solutions,
→ by doing business responsibly,
→ through our expertise and thought leadership, and
→ through our corporate citizenship activities and community engagement.

How we contribute to achieving the SDGs

From a global standpoint, these are the SDGs where Siemens has a high or medium impact:

Goal 3 – Ensure healthy lives and promote well-being for all at all ages

We make a significant impact through our business portfolio, especially through SHS and the production technology we provide to pharmaceutical companies. In addition to the impact of our portfolio, we also care about the health and safety of our people and contract workers. Siemens without SHS sets ambitious goals for access to Employee Assistance Programs, and for reducing employee accident rates (Lost Time Injury Frequency Rate – LTIFR). And we participate in health-related community engagement activities, such as cancer awareness campaigns and mobile clinics.

Goal 4 – Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

Lifelong learning is a basic prerequisite if we are to ensure employability for our people and in the job market in general. We offer access to education in multiple ways, including learning and education opportunities for all our people, as well as vocational and more advanced training through partnerships with schools and universities. Education for customers and suppliers is likewise high on our agenda. We also aim to inspire young people to pursue careers in STEM fields (science, technology, engineering, and mathematics) through numerous corporate citizenship activities around the world.

Goal 5 – Achieve gender equality and empower all women and girls

We firmly believe that promoting diversity in the workforce serves the interests of both society and Siemens itself. Diversity reinforces our innovative strength, unleashes employee potential, and directly contributes to our business success. Through our human resources management, we are also supporting a transformation in top management, where there is room for improvement. Here we are recruiting more women for top managerial positions, and including more women in networking activities, trainings, and mentoring programs. Siemens without SHS aims to have globally 30% of its top management positions filled by women by 2025.

Goal 7 – Ensure access to affordable, reliable, sustainable, and modern energy for all

Our business portfolio covers the entire spectrum of applications for modern smart grids and energy distribution systems. The rapid expansion of decentralized energy structures powered by Siemens technology creates a more diverse energy mix and improves the security of energy supplies. The Internet of Energy and data-based technologies foster energy intelligence and lead the way toward a sustainable energy landscape. Our technologies facilitate access to clean, reliable, low-carbon energy.

Goal 8 – Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all

Siemens is committed globally to the New Normal Working Model. Our aim amid this new normal is for all our people around the world to be able to work on a mobile basis two to three days a week, wherever feasible and reasonable. Mobile working has many advantages – for the individual, but also for the company, for instance by ensuring that we are prepared to respond flexibly in future crises. Our worldwide business operations and our position as a thought leader mean that in many countries we contribute toward the growth of gross domestic product (GDP). We are committed to offering attractive jobs and facilitating employment, and we are encouraging the uncoupling of economic growth from energy consumption.

Goal 9 – Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation

As a global technology company and innovation leader in electrification, automation, and digitalization, Siemens supports sustainable industrialization. With our engineering and our knowledge of numerous sectors and digital technology, we help our business partners across the entire value chain, from design to production, and from operations to maintenance. We believe in international partnerships as key to innovations. A large percentage of our customers and suppliers are small and medium-sized enterprises (SMEs). We have officially adopted sustainability as an additional strategic imperative for our investment decisions.

Goal 11 – Make cities and human settlements inclusive, safe, resilient, and sustainable

Siemens is a trusted partner for municipal governments, offering solutions across all infrastructure domains to make cities more efficient, sustainable, and resilient – for instance, with intelligent transportation solutions, efficient and safe buildings, and smart-city initiatives leveraging the power of digitalization.

Goal 12 – Ensure sustainable consumption and production patterns

Siemens is committed to using resources responsibly and recognizes that the circular economy offers highly beneficial opportunities for business, the environment, and society. So by the end of this decade we want to evolve even further toward the circular economy, for example by increasing the percentages of metals and plastics we procure as secondary materials. We also aim to reduce our amount of landfill waste. Siemens has worldwide strategic initiatives for the design phase and end-of-life cycle for its products and operations, and is committed to robust, ecologically friendly design. We apply disruptive technologies and innovative business models to make an active contribution to the circular economy.

Goal 13 – Take urgent action to combat climate change and its impacts

With our portfolio, we help our customers lower their emissions and thereby achieve their decarbonization goals. Siemens was one of the world's first industrial firms to commit to making its own business activities carbon-neutral by 2030. Besides aiming to reduce emissions from Siemens' operations without SHS by 55% by 2025 and by 90% by 2030 compared to 2019, we also strive to lower all emissions associated with us – from our supply chain to the entire use phase of our products. Without SHS, Siemens is committed to a 20% reduction in emissions in its supply chain by 2030 compared to 2020 and aims to achieve a CO_2-neutral supply chain by 2050. With its commitment to science-based targets, Siemens supports the goal of the Paris Climate Agreement to limit climate change to 1.5 degrees Celsius (Science Based Target Initiative incl. SHS).

Goal 16 – Promote peaceful and inclusive societies for sustainable development, provide access to justice for all, and build effective, accountable, and inclusive institutions at all levels

We anchor integrity and compliance throughout our company and advance the Siemens Integrity Initiative with external stakeholders. By these means and through our activities with other players, we support fair competition and ensure our company's long-term success. Siemens is committed to incorporating the requirements of the UN Global Compact, the Human Rights Declaration, and all other relevant regulations into our supply chain and to promoting their principles through our work with external organizations and institutions.

Goal 17 – Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development

As a global company and advocate of free trade, we believe partnerships are key to sustainable development and to our company's success. In addition, we recognize the importance of digitalization, project financing, and public-private partnerships for sustainable development. In all of these areas, we are partnering with international organizations, business organizations, think tanks, non-governmental organizations, and academia, including the UN Global Compact, World Economic Forum (WEF), econsense, Transparency International, or numerous universities.

Business to Society® – Measuring our social impact

We measure our impact on sustainable development with our Business to Society ® (B2S) methodology. This approach is based on the Measuring Impact Framework published by the World Business Council for Sustainable Development (WBCSD) and allows us to measure in quantitative terms the social impact of our activities in six different action zones: advancing the economy, promoting skills and jobs, driving innovation, protecting the environment, improving quality of life, and shaping social change. Not only that, it also gives us an objective assessment of the effects (impacts) of our projects, locations, and business, including activities in different countries and their societies. The B2S approach was launched as a pilot project in fiscal 2015. By the end of fiscal 2022, 36 countries had completed their analyses. The approach has four steps:

1. Analyze the most relevant development priorities in a given context (such as global, national, project);
2. Identify and measure our contribution to these priorities;
3. Define strategic actions to enhance our contribution and help shape further development;
4. Be transparent about our contributions by keeping external and internal stakeholders informed.

Customers and governments thus get useful information, for example in the course of large infrastructure projects. Employee feedback on social media posts indicates that our contribution to societies makes our people proud to work for Siemens. Transparently contributing to society thus provides tangible business value to Siemens. We will continue to apply the methodology within customer projects and bidding procedures. Both in-house and for the general public, we will keep up communicating our impact on sustainable development and the value it brings for all stakeholders.

1.5

175 years of Siemens – a look at history

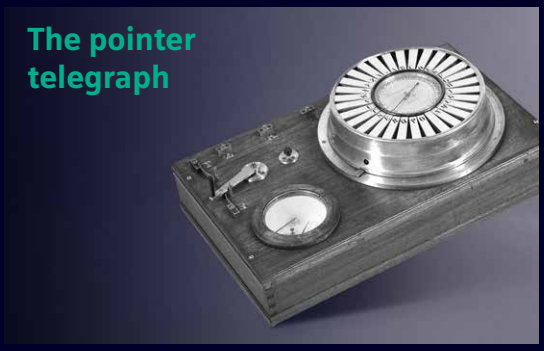
175 years ago, in a rear courtyard workshop on Schöneberger Strasse in Berlin, a company opened that was to change the daily lives of people throughout the world like few others. Starting out as a ten-man operation, the "Telegraphen-Bauanstalt von Siemens & Halske" subsequently evolved into Siemens AG – a focused technology company that continues to reinvent industry, infrastructure, mobility, and healthcare in the 21st century.

As the company celebrates its anniversary in 2022, its history is well worth a look. Let's take a brief look at some important technological achievements with which Siemens has decisively shaped innovations and technologies throughout the history of industrial revolutions.

Siemens has been shaping industrial revolutions ever since it was founded. And the next change – the next industrial revolution – has long since begun. Digitalization is transforming the sectors that are the backbone of our economies: industry, infrastructures, mobility, and healthcare. And Siemens is once again a force for creative disruption – supporting its customers in accelerating their digital transformation and achieving sustainability goals such as decarbonization, energy efficiency, and resource conservation. From its very beginning, the company has always been driven to create technologies that serve people – and find ways to keep reinventing everyday life.

1847

The pointer telegraph



Our journey through time begins in the founding year 1847. In those days, messages could only be transmitted by traditional means, such as optical telegraphs, postal riders, or stagecoaches.

This changed fundamentally with the invention of the electric telegraph. Werner von Siemens made a significant contribution to the development of this new technology by recognizing technical deficiencies in the construction of existing electrical telegraph equipment – and developed his own pointer telegraph.

Thanks to this apparatus, and beginning in 1849, news of events like the election of the German Emperor could be transmitted quickly and reliably over great distances in Germany for the first time. The electric telegraph symbolized the beginning of the compression of space and time. It brought people closer together and heralded the speedy exchange of information across countries and continents.

Electricity couldn't be taken for granted before Werner von Siemens succeeded with his next invention. Buildings, public streets, and squares were illuminated with gaslights and machines were powered by steam. Electric vehicles and electrified industrial production were unknown.

In 1866, Werner von Siemens was the first to recognize the potential of the dynamo-electric principle and built the prototype of a powerful dynamo machine that converted mechanical energy into electrical energy in an efficient way.

The dynamo ushered in the age of electricity that radically changed industry as well as people's everyday lives: Electric motors and electric light increased the productivity of trades and industrial companies, light bulbs provided the desired brightness, and electric trains enabled ever more people and goods to be transported faster, helping fuel the rapid growth of cities like Berlin, Vienna, and Budapest at the end of the 19th century. The capacity of traditional transport means like carriages or horse-drawn trams couldn't handle the increasing numbers of passengers.

The dynamo machine

1866

The X-ray machine

For thousands of years, peering beneath the skin of living people was only possible with a scalpel. With his discovery of X-rays in 1895, Wilhelm Conrad Röntgen changed the world.

Siemens was one of the first companies to recognize the potential of this new form of radiation. Backed by its pioneering work and experience in the field of electromedicine since 1847, the company was able to start developing and manufacturing X-ray systems shortly after the discovery of X-rays. Siemens played a key role in shaping the development of medical technology with numerous innovations.

Many diseases and disorders were now much easier to diagnose. Over time, X-ray machines and X-ray tubes became increasingly powerful, and images of the skeleton and internal organs became even clearer and more informative. This saved countless human lives.

1895

1881

The electric tram

Passenger transport was to become one of the next big themes that moved Siemens in the truest sense of the word. The company distinguished itself as a pioneer in the field of electromobility, focused on the electrification of urban traffic, and inaugurated the first electric tramway in Berlin in 1881. And with great success: The tram transported some 12,000 people in the first three months alone.

Other cities in Germany and abroad soon followed. Electric trams, later joined by elevated and underground railways, transported more and more people at increasing speeds. By 1900, the electric motor had largely established itself as a reliable and safe power source for urban rail transport. Within just a few decades, the use of electric trains changed the lives of millions of people around the world.

1960

SIMATIC

Just as X-ray technology changed the world, the striving for efficiency in industrial production triggered an automation boom after 1945.

With SIMATIC, Siemens made an important contribution to the development of industrial automation beginning in the 1960s. The innovative transistor-operated system for controlling and regulating work processes featured a space-saving, clear, and robust design, a high operating speed, and a virtually unlimited service life.

The automation system has been continually improved and enlarged to this day. For decades, it has been making factories faster, more productive, efficient, and reliable. With it, countless products can be manufactured more cost-efficiently. To this day, Siemens continues to support its customers in becoming more efficient and competitive.

1.6

Customers

- **"Customer impact" guides our actions**
- **Sustainable growth through digital transformation**
- **Top priority: customer satisfaction**

Putting customers first has a long tradition at Siemens.[1] When it comes to technology, sustainability, and innovation, our customers are always at the heart of what we think and do: everything begins with them. That's why we've made "customer benefit" a strategic priority. We listen so we can understand our customers' needs as early as possible – best of all, even before our customers themselves become aware of them.

We provide products, solutions, and services in almost every country in the world. Our portfolio focuses mainly on the fields of automation and digitalization for the discrete manufacturing and processing industries, along with smart infrastructure for buildings and energy systems, mobility solutions for rail and road transportation, and medical technology for the healthcare industry. This broad range helps support achieving the UN's Sustainable Development Goals (SDGs).

To meet our customers' needs and the constantly changing demands of the markets, Siemens draws on a global sales force that takes its guidance from our regional companies. Key success factors are a strong customer focus, the digital transformation, and efficient processes, as well as collaboration with external partners.

Focus on customer impact

As a technology-oriented company, we mean to be a partner for our customers, able to support them as they transform toward sustainable, digital models. The technologies we concentrate on are those that contribute toward transforming our customers' industries. ↗ STRATEGY

And our customers have recognized that they need solutions that are sustainable, able to adapt to change flexibly and fast, and combinable with a diverse range of products, processes, and infrastructures.

Sustainable growth through digital transformation

The pandemic has rapidly accelerated the process of digitalization. New business models are emerging, and the importance of collaborative partnerships within ecosystems is increasing. We have to achieve more – yet do it sustainably, while consuming fewer resources, by increasing our efficiency with the help of new technologies.

The process of combining the real and digital worlds represents a major leap forward – for ourselves and for our customers, as well as for industries, economic sectors, and markets. This will help shape a world in which intelligent manufacturing, smart energy systems, smart buildings, and connected mobility can make our lives easier and more sustainable.

1 We call any current or potential purchaser of Siemens products or services, no matter what the sales channel, a "customer." Some customers who are especially significant for Siemens are called Key Customers

It is the combination of both worlds which makes the difference. One example is digital twins as core components of the industrial metaverse. These make it possible to replicate and test existing procedures digitally in real time, so that the impacts of sustainability measures, for example, can be simulated before they are implemented.

In our partnership with NVIDIA, a pioneer in accelerated graphics systems and artificial intelligence (AI), we aim to enable the industrial metaverse and increase the use of AI-driven digital twin technology. This can leverage productivity and resource efficiency, since we can first simulate projects virtually before carrying them out in reality.

To accelerate our customers' digital transformation and thus increase their value added, we've also created Siemens Xcelerator, an open digital business platform.

Siemens Xcelerator is intended to make the digital transformation easier, faster, and scalable and comprises three fundamental elements:

→ A curated portfolio of selected hardware for the Internet of Things (IoT), software, and digital and professional services from Siemens and certified third-party vendors,
→ A constantly evolving ecosystem of partners, and
→ A growing marketplace to learn, seek solutions, and exchange and acquire ideas and innovations together with customers, partners, and developers.

The platform is constantly growing and provides many market-tested solutions to enable customers to easily get started with their sustainability projects – whether in managing energy efficiency, the integration of renewable energies, or the saving of resources.

Key Account Management – A holistic approach to meeting customer needs

To address these challenges, at Siemens we also rely on a mature and structured Key Account Management approach. Key Account Management is the company-wide program that structures and drives systematic business relationships with Key Customers. While all our customers are served by the general Sales organization, Key Customers are attended to also in our Key Account Management approach.

The main principle for successful Key Account Management is - beyond the basic sales approach – a special understanding of our customers' vertical markets along with the collaboration among all customer-facing parties – across functional, organizational, and regional boundaries ("Go-to-market" approach).

Thanks to harmonized processes, Key Account Management helps us act as ONE company and serve our customers in a global, sustainably coordinated approach.

In fiscal 2022 we expanded our procedures for fulfilling our duty of care for human rights by adding a "customer deep-dive due diligence" function. This gives us a way to review established Siemens business partners annually for possible environmental, social, human-rights, or reputational risks. If irregularities are discovered, we can then take up focused discussions with the partner concerned. This process will have a pilot run in fiscal 2023. ↗ HUMAN RIGHTS

Systematically measuring and improving customer satisfaction

We regularly measure customer satisfaction – and, by extension, the quality of our partnerships – using the Net Promoter Score (NPS). The management compensation includes long-term performance bonuses based on ESG criteria and is anchored in the DEGREE framework under Governance. The assessment is based on the Siemens internal ESG / sustainability index, which comprises the elements of customer satisfaction (Net Promoter Score), CO_2 reduction, and training hours.[2]

↗ SUSTAINABILITY GOVERNANCE AND ORGANIZATION

This systematic evaluation is based on customer satisfaction surveys conducted annually worldwide. The score itself is based on a single question: "How likely is it that you would recommend Siemens to a colleague or business partner?"

The survey pursues a holistic approach to customer relations because it follows up afterward by implementing processes and systems designed to help foster long-term customer loyalty.[3]

Regardless of the score, we initiate a follow-up process after the survey, both internally and externally. When a score is low and considered critical, we take immediate action to identify key issues and determine what measures need to be taken to improve the relationship.

Our customers' satisfaction is our top priority

In response to areas with potential for improvement, the relevant business units and regional entities establish measures for improvement that are reviewed on a regular basis. By making these adjustments, we aim to improve our customer relations and make Siemens the partner of choice for all our customers.

Smooth service, support, and proximity to our customers have always been our top priorities, even amid an environment which is evolving rapidly in the direction of digitalization.

We measure customer satisfaction annually at Siemens. The tense global situation (for instance with supply bottlenecks for materials and goods) is also reflected in this year's Net Promoter Score, which was lower compared to the previous year. This reflects the sharply changing customer needs and expectations in the face of new global challenges. We intend to do justice to our customers' desire for even closer, partnership-based collaboration to meet these challenges efficiently.

We are focusing on areas where we can make a difference: creating sustainable, long-term value for our customers, for the environment, and society – and for the people who work for Siemens.

2 Siemens without SHS.
3 In most cases, the survey questions focus on the business unit (BU) level. However, the overall score can be aggregated up to the business level and to the level of the entire company.

1.7

Research and development

- **Innovations create added value for all people**
- **Focus on core technology and innovation fields**
- **Securing the future through patent protection**

Our purpose is to provide innovations that improve the quality of life and create added value for people all over the world, thus contributing to the attainment of various Sustainable Development Goals (SDGs) and the implementation of the portfolio-related action areas Decarbonization and Resource Efficiency in our DEGREE framework. We also strive to deliver extensive benefits with our products and applications.

Innovation strengthens Siemens and its customers

Our research and development (R&D) activities are geared toward developing innovative and sustainable solutions for our customers and for Siemens businesses and toward simultaneously strengthening our competitiveness. This is also how we make a beneficial contribution to society. Our broad technology portfolio supports both the public sector and the private sector with innovative solutions and business models in the transition to a carbon- neutral future. We focus on core technologies and innovation fields – Company Core Technologies (CCT) (CCTs) – that play an essential role in the success of Siemens and its customers. The joint implementation of our CCTs by the company's operating units and the unit Technology ensures that research activities and business strategies are carefully aligned and that all units can profit equally and quickly from technological developments. On October 1, 2021, the CCT portfolio was realigned after four years to better support the Siemens strategy of combining the real world with the digital world in such a way as to help our customers accelerate their own digital transformation and achieve their sustainability targets, to accommodate the changed market demands, and to continue making a contribution to the success of our company and our customers through "Technology with Purpose." In this context, the following adjustments were made, among others: The CCT "Distributed Energy Systems" was broadened and renamed to "Sustainable Energy & Infrastructure." New R&D activities on the subjects of lifecycle optimization (design tools, digital twin, algorithm optimization) and decarbonization (tools to support the sustainability transformation and the "green factory," carbon footprint transparency and optimization) were added to this new CCT.

We focused on the following CCTs in fiscal 2022:

→ CCT DAI: Industrial facilities and infrastructures are generating ever-growing amounts of data. Using methods of machine-based data analysis and artificial intelligence (AI), we support plant operators to increase availability, improve operational quality, and minimize the stress placed on humans and the environment. AI also provides assistance in clinical processes, since state-of-the-art diagnostic procedures are likewise generating larger and larger volumes of data. Here, AI enables improved decision-making thanks to data analysis, thus increasing our customers' productivity.

→ CCT CED: The Industrial Internet of Things (IIoT) is the result of the increasing networking of field devices. The IIoT enables field devices to be equipped with additional software-based functions during ongoing operations and makes it possible for the data generated by these devices to be evaluated in the field or in the cloud. It facilitates the development of new operating and business models in areas such as predictive remote maintenance and optimized energy use.

→ CCT SDT: Digital twins involve the modeling and simulation of systems and processes, including the development and manufacturing of products. Digital twins make it easier to accelerate the commissioning of manufacturing plants, improve time to market, and optimize the operation of infrastructures throughout their lifecycles.

- → CCT SSP: Complex, distributed industrial software systems that integrate the software of different providers can be developed only by using new methods and processes in software system development.
- → CCT PEL: Power electronics for inverters has always played a major role in industry. As the amount of electricity generated by renewable energy sources grows, the stable operation of power grids will also depend on advances in power electronics.
- → CCT AMM: Additive manufacturing facilitates the flexible production of components that have completely new topologies and are important innovation drivers. Siemens is the developer of a digital tool chain that supports the design and printing of components – "error-free and from one cast." Innovative materials are also needed to boost the efficiency of generators, switchgear, and other equipment and facilitate the lightweight design of railway vehicles.
- → CCT FOA: We are shaping automation with the goal of cutting engineering expenses, increasing flexibility – through the integration of autonomous manufacturing machines, for instance – and improving our customers' productivity, while reducing energy consumption.
- → CCT CYS: Industrial cybersecurity is a key technology for digitalization. The security of industrial facilities and the protection of data and intellectual property are important requirements not only for customers, but also for governments and societies. Confidence-building technologies such as blockchain are needed to document transactions between equal partners in a tamper-proof and transparent manner with no need for an additional authorization entity. Such technologies allow for peer-to-peer energy trading and ensure a transparent CO_2 footprint monitoring in multi-company supply chains.
- → CCT SEI: Energy generation is moving away from the paradigm of large, centralized power plants toward a network of independently acting smaller generators. Sustainable Energy & Infrastructure are needed for this transformation, which is influenced by market deregulation, the increasing generation of energy from renewable sources, and the abandonment of primary energy from fossil fuel sources.
- → CCT ICE: The newly created CCT "Integrated Circuits & Electronics" bundles R&D activities in fields such as optimized circuit design and resource-efficient manufacturing, the testing and operation of industrial electronics, and the recycling of electronics-based products.
- → CCT UX: Users expect intuitive operation in all our products. The purpose of the User Experience CCT is to find out how customers use Siemens products, what functions they need, what they expect, and what is unnecessary.

In the area of medical technology, sensor systems, and robotics are two further research priorities, on the basis of which increasingly complex applications can be automated. These technologies enable complex medical systems to function even in remote areas and less-developed regions, while simultaneously improving the systems' efficiency. Thus, they bring healthcare closer to people, make high-quality healthcare available everywhere, and reduce both the frequency and cost of medical complications.

We are further developing technologies on the basis of our open innovation concept. In 2021, an externally usable platform was added to the initially internally oriented platform of the Siemens Innovation Ecosystem (SIE). This platform enables many internal and external teams to work together with partners, customers, suppliers, universities, and other experts in a global network of knowledge and inspiration. The internal platform's home page and data structure were completely overhauled in 2022 to deliver a better user experience. Content creators can now post new content independently. In the SIE, we also performed the Tech-4Sustainability campaign, in which six different sustainability challenges from the businesses were announced. More than a thousand international participants submitted their ideas and worked them out in a hackathon. In November, the winning ideas were awarded and presented to the businesses. Among other things, one idea has been started for implementation at Siemens Financial Services.

We are also working closely with scientists from leading universities and research institutions, not only under bilateral research cooperation agreements, but also in publicly funded collective research projects. With the Siemens Research and Innovation Ecosystem (RIE) launched on October 1, 2021, Siemens wants to address the challenges of today with technologies of the future in a collaborative manner.

Siemens' global venture unit, Next47, provides capital to help start-ups expand and scale. It nurtures next-generation business for Siemens by developing, acquiring, or partnering with start-ups at any and all stages of their development. Next47 seeks to anticipate the impact that technologies will have on our markets. This knowledge enables Siemens and its customers to grow and thrive in the age of digitalization.

Continued high investment in R&D

In fiscal 2022, we reported research and development expenses of €5.6 billion, compared to €4.9 billion in fiscal 2021. The resulting R&D intensity, defined as the ratio of R&D expenses and revenue, was 7.8%, as in fiscal 2021. Additions to capitalized development expenses amounted to €0.3 billion, as in prior year. As of September 30, 2022, Siemens held approximately 43,600 granted patents worldwide, respectively, in its continuing operations. On average, we had 46,900 R&D employees in fiscal 2022.

€ 5.6 billion

R&D expenditure FY 2022

We use our core technologies in all businesses – for the long-term success of Siemens and its customers

Company Core Technologies

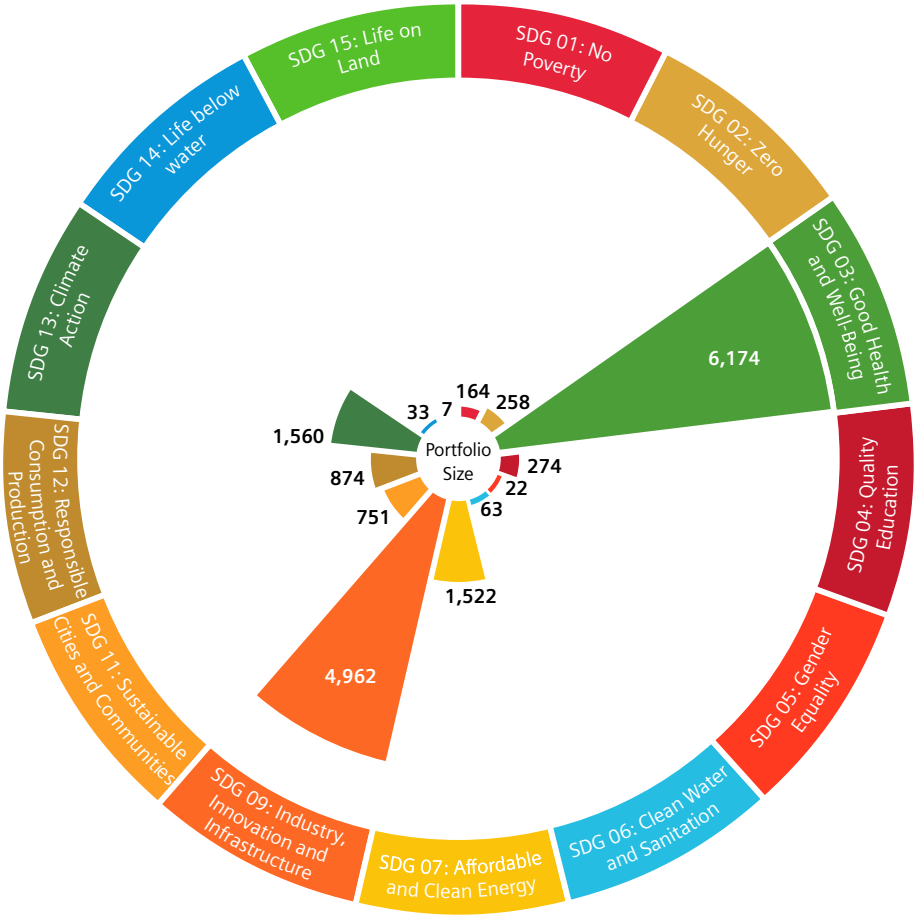
- Data Analytics & AI
- Connectivity & Edge
- Simulation & Digital Twins
- Software Systems & Processes
- Automation
- Cybersecurity & Trust
- Sustainable Energy & Infrastructure
- Additive Manufacturing & Materials
- Power Electronics
- User Experience
- Integrated Circuits & Electronics

Patent portfolio reflects sustainable innovation

Sustainable innovation is reflected in a company's patent portfolio. The 17 defined Sustainable Development Goals (SDGs) of the United Nations and the corresponding 169 targets enable identification of patentable, novel, and innovative technologies in the patent data. The patent information platform LexisNexis® PatentSight® offers the possibility to assess sustainable innovations. In Siemens' patent portfolio already 45% of the active patent families relate to at least one SDG. The main activities are found in the categories of Good Health and Well-Being (SDG 03), Industry, Innovation, and Infrastructure (SDG 09), Climate Action (SDG 13), and Affordable and Clean Energy (SDG 07).

UN SDG-related share in Siemens' patent portfolio

Absolute figures represent patent families.



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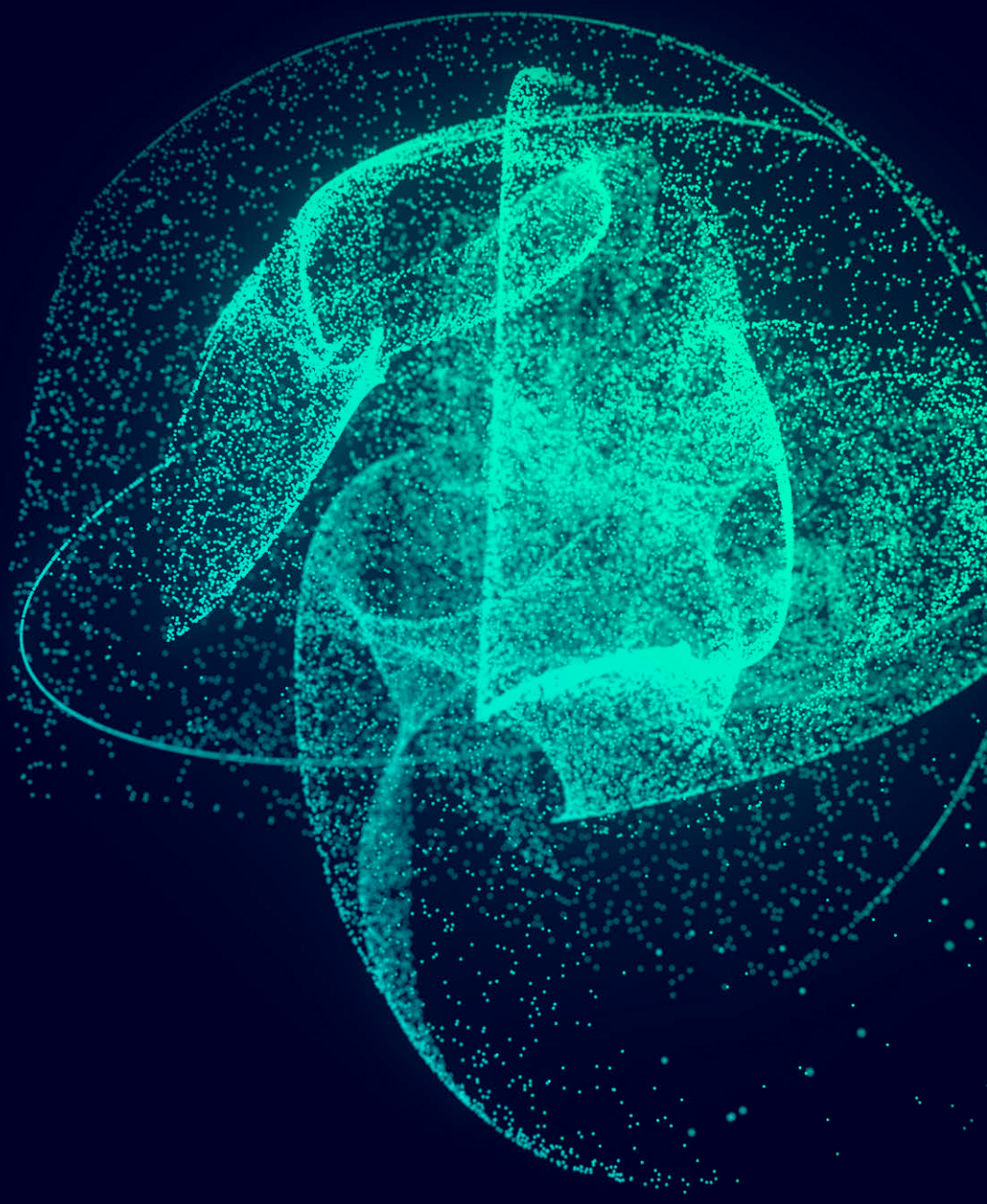
Our sustainability management



2.1

Materiality assessment

- **Materiality assessment based on external frameworks and dialog with stakeholders**
- **Material sustainability topics identified and grouped with an emphasis on shared values and responsibility**
- **Material sustainability topics applied as guiding principles for the DEGREE framework**

Key topics as guiding principles

Our materiality assessment is based on external frameworks such as the UN Global Compact and the Standards of the Global Reporting Initiative (GRI), which form the basis for our reporting. The key topics in our report are structured on the basis of ESG issues (ESG = Environment, Social, Governance). Moreover, the ongoing dialog with external and internal stakeholders plays a key role in the materiality process. These stakeholders particularly include investors, customers, suppliers, our people, communities, policymakers, media, non-governmental organizations, business associations, and academic institutions.

Materiality assessment

We updated our materiality assessment with an emphasis on Digital Industries, Smart Infrastructure, and Mobility in fiscal 2021. The resulting topics largely match the material topics of SHS, which were determined as part of an independent materiality assessment. The goal was to identify the key economic, ecological, and social topics for Siemens in accordance with the GRI Standards. To this end, we consulted relevant stakeholders and viewed the impact from an inside-out perspective. We also considered the outside-in impact (double materiality). With the aid of the materiality assessment, we were able to prioritize the relevant sustainability topics, which were discussed with and confirmed by our Siemens Sustainability Board. The material topics form the framework for the implementation and accelerated advancement of sustainability within the company – at the central corporate level, in our business units, and in the countries where we operate. Our DEGREE framework is the visible outcome of this work. Siemens strives to continuously improve sustainability management and understands the materiality assessment to be a prerequisite for process management in order to identify and manage potential opportunities and risks. The Siemens business units derive their key action areas from the requirements and basic conditions of their local markets.

Identification and prioritization of topics

Material topics have been selected on a step-by-step basis. The list of potentially relevant sustainability topics was based on extensive research of ratings, rankings, and peers. The subsequent short-listing was conducted in workshops. Afterward, three perspectives were evaluated in expert workshops and in interviews with internal and external stakeholders.

→ **Stakeholder perspective:**
This perspective refers to sustainability topics that are deemed to be material by external stakeholders such as customers, investors, suppliers, government officials, and NGOs, as well as internal stakeholders (**stakeholder relevance**). The most material topics from the perspective of our stakeholders are sustainable product design and lifecycle management and climate protection, and therefore also social and ecological standards in the supply chain, as well as corporate governance and sustainability leadership.

→ **Inside-out perspective:**
This perspective refers to sustainability topics that can be positively or negatively influenced by the company's business activities, business relationships, and products and services (**sustainability relevance**). The most material topics in which Siemens can exert the greatest influence on society and the environment are social and ecological standards in the supply chain, climate protection, and sustainable product design and lifecycle management.

→ **Outside-in perspective:**
This perspective refers to sustainability topics that can be associated with opportunities and risks of the company's business activities or financial situation (**business criticality**). The most material sustainability topics from the perspective of the influence on our business activities and the generation of lasting value are climate protection, sustainable product design, and life-cycle management, and social and ecological standards in the supply chain.

As the result of our materiality assessment, we have identified 15 material sustainability topics of greatest relevance to our stakeholder groups and of greatest importance for their sustainability impact and impact on Siemens. We plan to conduct the materiality assessment at least every five years.

Shared-value topics and responsibility approach

The material sustainability topics were then grouped in accordance with the shared-value topics and responsibility approach.

Shared values are associated with social progress and business value. Companies need to make a positive contribution to society in order to maintain their "social license to operate." Shared-value topics are sustainability topics for which we want to create added value through our activities, products, and services; our role as thought leaders; and our corporate citizenship activities; and by meeting key systemic challenges to the benefit of society. At the same time, we strive to seize business opportunities for Siemens.

Responsibility refers to material topics for which we bear the responsibility to prevent material negative impacts on people, society, or the environment in our business activities. Such impacts could also present a potential financial or reputation risk for our business activities.

Our material sustainability topics are clearly linked to the SDGs, our four strategic priorities, and our DEGREE framework. ↗ STRATEGY

The linkage of the material sustainability topics to GRI can be found here: ↗ ANNEX GRI INDEX

Material sustainability topics are clearly linked to the Sustainability Development Goals (SDGs) and our four strategic priorities and served as basis for our DEGREE framework. ↗ STRATEGY

Dimension	Sustainability topics	SDGs	Strategic priorities	DEGREE
Shared value	**Climate protection** [1]	7 9 11 12 13		DECARBONIZATION
	Sustainable product design and life-cycle management [1]	6 7 9 11 12 13 14 15		RESOURCE EFFICIENCY
	Innovation and business model [2]	6 7 9 11 12 13 14 15		DECARBONIZATION RESOURCE EFFICIENCY
	Partner management and collaboration [2]	7 8 9 11 12 13 16 17		DECARBONIZATION GOVERNANCE
	Responsible governance [2]	8 12 16 17		GOVERNANCE
	Future of work [2]	3 4 5 8 10 11		EQUITY EMPLOYABILITY
	Sustainable handling of natural resources and material efficiency [2]	6 7 9 11 12 13 14 15		RESOURCE EFFICIENCY
Responsibility	**Social and ecological standards in the supply chain** [1]	8 12 16 17		GOVERNANCE
	Cybersecurity and data management [2]	5 8 10 16 17		ETHICS
	Employee health and safety [2]	3 4 8 10		EMPLOYABILITY
	Diversity, equity & inclusion [2]	3 4 5 8 10 11		EQUITY
	Customer safety and product quality [2]	8 12 16 17		GOVERNANCE
	Corporate governance and sustainability leadership [2]	8 12 16 17		GOVERNANCE
	ESG risk management [2]	5 8 10 12 16 17		GOVERNANCE ETHICS
	Compliance management [2]	5 8 10 12 16 17		GOVERNANCE ETHICS

1 Top 3 material sustainability topics.
2 12 additional material sustainability topics.

Result of the assessment of organizational impacts (inside-out, i.e., on the environment and society), stakeholder relevance and business criticality (outside-in)

TECHNOLOGY WITH PURPOSE
CUSTOMER VALUE
STRENGTHENING AND EMPOWERING PEOPLE
GROWTH MINDSET

DEFINITION OF THE MATERIAL TOPICS – BUNDLED ACCORDING TO SHARED VALUE AND RESPONSIBILITY

2.2 Sustainability governance and organization

- **The Sustainability Board is the central steering committee for the ongoing strategic development of sustainability**
- **Business and country CEOs are responsible for implementing sustainability policies**
- **ESG criteria are included in the compensation system for members of the Managing Board and senior managers**

Sustainability management is a company-wide effort that derives from our corporate purpose. It is at the heart of everything we do. Sustainability is firmly rooted within our organization and has been an integral component of management compensation since fiscal 2020.

Foundation: corporate governance

The cornerstone for sustainability-based corporate management is compliance with recognized principles of corporate governance. Siemens AG is governed by German corporate law, under which it has a two-tier board structure consisting of a Managing Board and a Supervisory Board. As the top management body, the Managing Board is obligated to serve the company's best interests and achieve sustainable growth in company value. The members of the Managing Board are jointly responsible for the entire management of the company and decide on basic issues of business policy and corporate strategy, as well as single-year and multi-year planning. The Supervisory Board oversees and advises the Managing Board in its management of the company's business. At regular intervals, the Supervisory Board discusses business development, planning, strategy, and the implementation of that strategy.

More detailed information on the structure and responsibilities of the Managing Board and Supervisory Board can be found in the

SIEMENS FINANCIAL REPORT FOR FISCAL 2022, COMBINED MANAGEMENT REPORT, CORPORATE GOVERNANCE STATEMENT

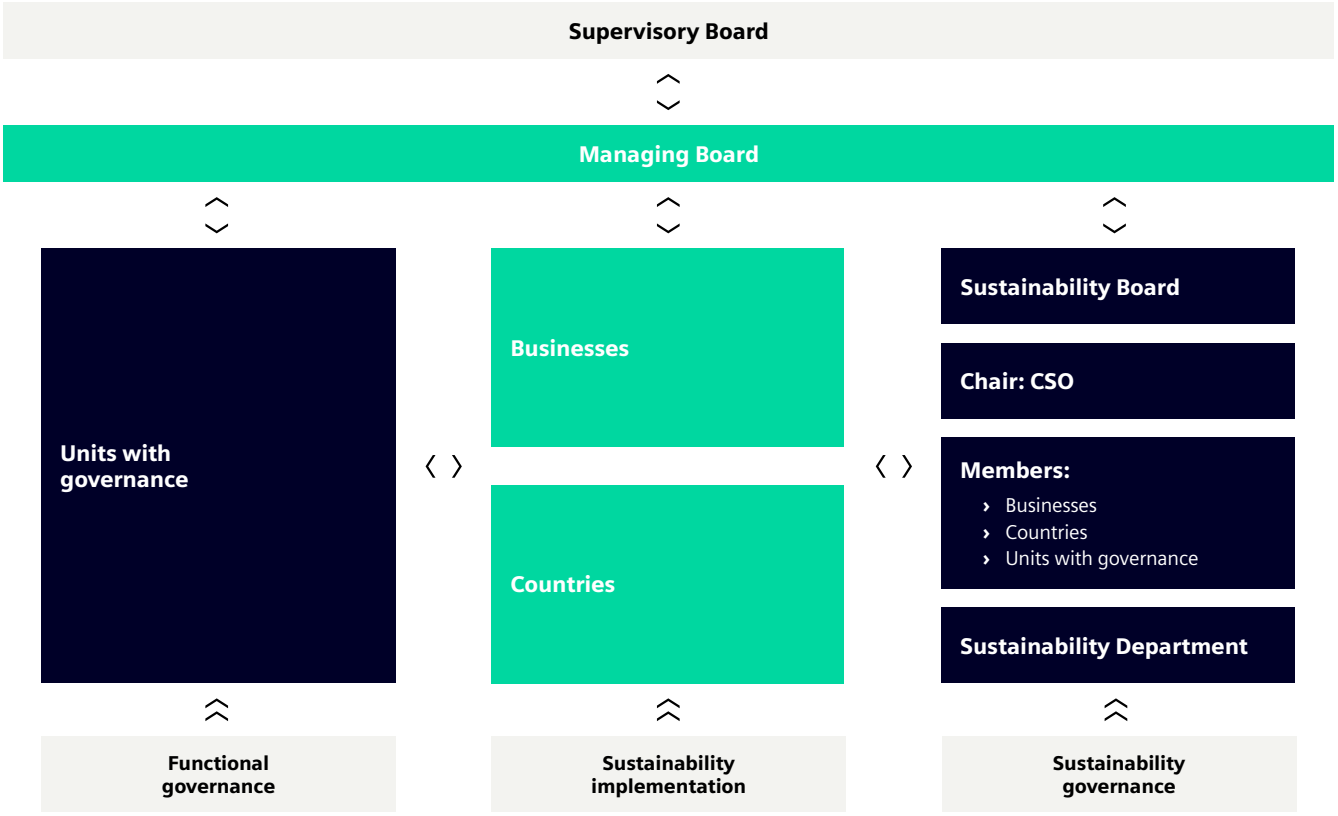
Clear organizational structure and responsibilities

All strategic sustainability activities are overseen by our Chief Sustainability Officer (CSO). The CSO is a member of the Siemens Managing Board and chairs the Siemens Sustainability Board (SSB), which is composed of representatives of the businesses, countries, and units with governance responsibilities (technical and professional functions).

The SSB is the central steering committee for the strategic development of sustainability at Siemens, and makes decisions regarding key sustainability matters. Where necessary, the Managing Board addresses sustainability-related risks and opportunities of strategic and company-wide importance, and adopts appropriate measures. For example, it was the Managing Board that adopted the DEGREE sustainability framework in fiscal 2021. The SSB motivates and supports the consideration of sustainability aspects when making business decisions. At quarterly meetings, the SSB discusses and defines strategic sustainability topics. For example, it assesses the progress of our DEGREE ambition, non-financial reporting, rankings, and ratings. The SSB adopts relevant sustainability measures and initiatives or submits recommendations for action to the Managing Board. In addition, sustainability topics are regularly reported to Siemens Supervisory Board.

CEOs in businesses and lead countries are responsible for anchoring sustainability in their organizations

Overview of roles and responsibilities



In the course of fiscal 2022, the SSB decided, among other things, to replace the environmental portfolio approach with the obligatory EU-Taxonomy reporting, to adjust the methodology used to calculate prevented CO_2 emissions by our customers, and to revise the DEGREE Sustainability Framework.

The Siemens Sustainability Director heads the Sustainability Department and supports the CSO in performing his or her duties. In this capacity, the Sustainability Director reports to the CSO and is a member of the SSB. The Sustainability Department monitors trends in sustainability, analyzes the potential impact on Siemens, prepares decisions for initiatives and pilot projects, provides support with their implementation, and promotes efforts by the SSB to anchor new sustainability topics within the company.

The CEOs of businesses and countries are responsible for implementing sustainability within the Group. This responsibility includes taking sustainability aspects strategically into account all along the value chain within their organizations' business activities. In all their decisions, strategies, portfolios, processes, and systems, they must also take account of business opportunities and business risks that relate to sustainability.

In their implementation work, the CEOs of the various businesses and countries are supported by Sustainability Managers, whom they appoint. These Sustainability Managers maintain close contact with their colleagues and the Sustainability Department. They also organize a network of sustainability experts with the aim of ensuring that all sustainability measures and initiatives are implemented within the units. All units with governance functions are additionally responsible for the company-wide implementation of sustainability aspects within their spheres of responsibility. They analyze new sustainability requirements specific to their markets and customers, and are in charge of implementing guidelines, management systems, and strategic programs, as well as long-term targets and KPIs. They report on their activities in the Siemens Sustainability Report.

Sustainability reflected in management compensation

In fiscal 2019, the compensation system for members of the Managing Board was reviewed in depth and revised further; it was then endorsed by a large majority at the Annual Shareholders' Meeting in February 2020.

G Governance

Progress DEGREE Governance #5: Long-term incentives based on ESG criteria

Among other revisions, the share of long-term variable compensation was increased with the aim of tying management compensation more closely to the company's long-term performance. Long-term variable compensation now represents at least 30% and at most 42% of total target compensation. In addition, a focus was established for sustainability aspects. As part of the long-term variable component of compensation (Siemens Stock Awards), alongside a comparison of total shareholder return (TSR) against an international sector index (the MSCI World Industrials Index), a second performance criterion was introduced, in the form of an internal ESG/Sustainability index, weighted at 20%, with three equally weighted indicators, which is embedded in the Governance section of the DEGREE Framework.

The ESG indicators reflect relevant strategic and sociopolitical topics. For the Stock Awards Tranche 2022, which was awarded in November 2021, these indicators are reduction of CO_2 emissions, digital learning hours per employee, and the Net Promoter Score (NPS) for measuring customer satisfaction. As well as for the members of the Managing Board, these criteria are applicable analogously for all senior managers globally who are eligible for Stock Awards.

Progress

ESG criteria anchored

Siemens without SHS

Additional sustainability matters, including succession planning, sustainability / diversity, and employee satisfaction, are also defined as individual targets for short-term variable compensation (bonuses).

SIEMENS FINANCIAL REPORT FOR FISCAL 2022, COMBINED MANAGEMENT REPORT, COMPENSATION REPORT 2022

2.3

Partnerships and collaborations for sustainability

- **Close networking and cooperation with our stakeholders**
- **Partnerships are key to sustainable development and business success**
- **Siemens is an active member of numerous business associa-tions and organizations**

As a company that operates globally, we partner in a variety of ways with a very diverse set of players. Our efforts here are in line with SDG 17, which calls for a revitalized, strengthened global partnership that brings together governments, civil society, the private sector, the United Nations, and other entities.

Only by collaborating closely with stakeholder groups can we make serious progress on complex and intertwined sustainability challenges such as environmental concerns. We maintain a constant dialog for that purpose with investors, customers, suppliers, our people, communities, policymakers, media, nongovernmental organizations, business organizations, and academia. Our management and the relevant specific units with governance functions are in charge of this task. For example, overall responsibility for dialog with policymakers lies with the Siemens Managing Board. Within the various business units, the unit's CEO is responsible for coordinated dialog. The Managing Board has tasked the Government Affairs Department with performing the necessary coordination duties and has given it the powers it needs for the purpose.

This engagement with our stakeholder groups creates value on all sides of the equation through exchanges of knowledge and information, as well as through creative partnerships. It helps us improve business conditions and reduce both external and internal risks. Our new DEGREE sustainability framework is also founded on dialog with our customers, investors, suppliers, and our people, and with society at large, and on acknowledging the impact our business has on the planet. This new framework thus represents a 360-degree stakeholder approach.

In dialog with politics and society

As a global company, we work with our customers to find innovative solutions to some of the most pressing issues facing the planet. For that reason, dialog with policymakers is intrinsic to our social responsibility and is of tremendous importance to our success as a company. We base the priorities of our political activities on our business strategies and innovation fields.

Our advocacy activities focus on the following topics and policy areas, among others: cybersecurity, digitalization (including Internet of Things / IoT and artificial intelligence / AI), decarbonization and climate change action, energy, R&D, and trade policy, as well as connected and automated mobility for rail and road. We have joined forces with leading companies from around the world to establish the Charter of Trust, which aims to make the digital world safer and more secure.

WWW.CHARTEROFTRUST.COM

Furthermore, we support the goal of achieving a carbon-neutral Europe by 2050 – announced as part of the European Green Deal – through a variety of commitments, including our active memberships in the European Alliance to Save Energy (HTTPS://EUASE.NET) and the EUROPEAN GREEN DIGITAL COALITION.

As part of the European Green Deal, "fit for 55" is an important – and tangible – step toward the goal of reducing carbon emissions by 55% until 2030 and achieving complete climate neutrality by 2050. The proposed measures establish conditions under which companies can now make long-term plans. A fair and reasonable carbon price will accelerate the embrace of low-carbon technologies, and should thus extend to as many sectors as possible so as to encourage the transition to a carbon-neutral economy. Siemens will continue to do its part here – because we have the necessary technologies and knowledge to reduce CO_2 emissions and energy consumption, and to conserve resources.

Our political involvement is guided by firm principles. We are politically neutral and take a zero-tolerance approach to corruption, violations of fair competition principles, and other breaches of applicable law and internal regulations. Siemens does not make political donations and contributions (donations to politicians, political parties, or political organizations). All contributions that support purely political purposes or the representation of political interests, such as election events for political campaigns, are prohibited by our internal guidelines.

Engagement in associations and organizations

In addition, Siemens is a member of numerous business associations and similar organizations, some of which advocate for their members' interests in the political arena. Selected examples of the most important memberships in our three core markets (the European Union, the United States of America, and China) are: the International Chamber of Commerce (ICC), the VDMA (Verband Deutscher Maschinen- und Anlagenbau e.V.), the German Electrical and Electronic Manufacturers' Association (ZVEI), the European Round Table for Industry (ERT), the U.S. Chamber of Commerce, and the European Chamber of Commerce in China (EUCCC). More information on political activities at Siemens can be found here: HTTPS://NEW.SIEMENS.COM/GLOBAL/EN/COMPANY/ABOUT/CORPORATE-FUNCTIONS/GOVERNMENT-AFFAIRS.HTML

We also work closely with the Organization for Economic Cooperation and Development (OECD), the United Nations, the European Union, and the World Economic Forum (WEF). We are involved in various initiatives of the WEF, such as the Partnering Against Corruption Initiative (PACI) and the WEF CEO Climate Leaders Coalition.

We cooperate as well with the United Nations, for instance as part of our commitment to the Ten Principles of the United Nations Global Compact (UNGC). When it comes to environmental issues, we support the United Nations Framework Convention on Climate Change (UNFCCC) and the UN climate conferences and we are actively involved in the CEO Water Mandate. Furthermore, we have joined the World Bank's Carbon Pricing Leadership Coalition (CPLC), and we advocate for the global introduction of carbon pricing. We are additionally committed to the UNGC Women's Empowerment Principles and have signed the Diversity Charter, an initiative by the German government.

For years, we have supported One Young World (OYW), a non-profit organization that champions young business leaders around the globe in order to build a better world with more responsible, more effective leadership. At the 2021 OYW Summit in Munich, we celebrated ten years of our CEO's' involvement with the organization and we supported this event again in 2022, when it was held in Manchester, by sending more than 40 of our colleagues to attend.

2.4

Sustainability ratings reflect our performance

- **Our engagement is recognized in a number of ratings and rankings**
- **This helps continuously improve our sustainability performance**
- **It also strengthens the Siemens brand and enhances the satisfaction of our people**

Our commitment to sustainability is widely recognized in a variety of significant ratings and rankings. This recognition corroborates the wisdom of our sustainability strategy, and at the same time it also provides us with a yardstick for continuous improvement.

We actively involve ourselves with external ratings and rankings as a way of measuring our performance against similar companies and competitors. There are four reasons why this engagement is important to us:

1. Markets and customers increasingly want information about ratings and rankings and they have begun to require these assessments as part of their contract terms.
2. Investors are increasingly developing their own ratings and rankings to assess companies' sustainability performance.
3. We want to be able to measure our performance against that of peers and competitors so that we can initiate the right steps for improvement and detect important trends in sustainability.
4. Good results in relevant, acknowledged ratings strengthen the Siemens brand and enhance the satisfaction of our people.

Siemens' sustainability performance has received recognition in external ratings and rankings

AA
MSCI
Constant leader for six years (AAA/AA)

PRIME
Corporate ESG Performance Prime
ISS ESG
Nr. 1 in our industry group

30.1
points
SUSTAINALYTICS
Strong EHS risk management score; within top 10% in our industry group[1]

A–
CDP
Over 10 years at leadership level (A/A–) in Climate Change

80
points
Member of Dow Jones Sustainability Indices Powered by the S&P Global CSA
2nd in our industry, more than 20 years in the World Index (top 10%)

FTSE4Good
Part of the FTSE4Good Index family

70
points
ecovadis
Within the leading companies in our industry (Top 2%)

59
points
vigeoeiris
Constituent of the VigeoEiris EUROZONE 120 index since 2020

Rating highlights

- Cybersecurity program
- Innovation management
- Customer relationship management
- Green products and service/ecodesign
- Compliance management system
- Environmental management system

1 High risk exposure is in line with the industry average.

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Governance
Responsible Business Practices

Ethics

Foster a culture of trust, adhere to ethical standards, and handle data with care

Our key ambitions:[1]

→ Striving to train 100% of our people on Siemens' Business Conduct Guidelines every three years

Additional topics:

→ Zero-tolerance approach to breaches of applicable laws and our own internal guidelines
→ A global, risk-based compliance system
→ Aiming for a leading role in cybersecurity

Governance

Apply state-of-the-art systems for effective and responsible business conduct

Our key ambitions:[1]

→ ESG-secured supply chain based on supplier commitment to the Supplier Code of Conduct
→ Long-term incentives based on ESG criteria[2]

Additional topics:

→ Focus on human rights within supply chain: climate protection, occupational safety, and responsible sourcing of minerals
→ comprehensive environmental and social due diligence in customer business (ESG radar)

1 Siemens without SHS.
2 Assessment based on Siemens-internal ESG-/sustainability Index, based on customer satisfaction (Net Promoter Score), CO_2 reduction, training hours.

3.1

Compliance and Ethics

- **Zero-tolerance approach to breaches of applicable laws and our own internal guidelines**
- **A global, risk-based compliance system**
- **Ethics and integrity form the basis for sustainable business practices**

"We help our customers and partners around the world drive their digital and sustainable transformation. Without excuses or exceptions, we always act ethically, legally, and with the highest integrity."
CEO Roland Busch

At Siemens, we take a zero-tolerance approach to corruption and other breaches of applicable laws and of our Business Conduct Guidelines (BCGs). We operate on the premise that only clean business is Siemens business. If violations do occur, we respond consistently and vigorously following defined procedures, everywhere in the world and on all organizational levels.

We are also convinced that responsible business practices, in addition to compliance with laws and regulations, require that we act on the basis of ethical principles. Siemens has enshrined its ethical principles in its BCGs, which all employees are bound to follow. Our aspiration is to support the sustainable development of Siemens and the societies in which we operate by adhering to responsible business practices. We have also enshrined this approach in our DEGREE Framework under the letter "E" for Ethics. ↗ STRATEGY ↗ SIEMENS AT A GLANCE

Our compliance organization contributes in particular to the achievement of the UN's Sustainable Development Goal (SDG) 16, "Peace, Justice and Strong Institutions." That goal includes a call for companies to dramatically reduce corruption and bribery in all their forms.

Worldwide commitment to fighting corruption

Beyond our company's borders and in collaboration with other international and national organizations we are committed to fighting corruption and promoting fair competition in our markets. This is also reflected in our Collective Action activities. Part of that engagement is our commitment to the United Nations Global Compact (UNGC) and our involvement in the World Economic Forum and its Partnering Against Corruption Initiative (PACI). In addition, we actively support the United Nations Convention against Corruption and the Anti-Bribery Convention of the Organization for Economic Cooperation and Development (OECD). For years, we have been supporting the implementation of these Conventions as part of Business 20 (B20).

The Ten Principles of the UN Global Compact, the OECD Guidelines for Multinational Enterprises, and other guidelines are a foundation for our companywide work in this domain and are also enshrined in our code of conduct, the Siemens BCGs, that provide direction for all our activities. BUSINESS CONDUCT GUIDELINES

Siemens and its roughly 311,000 employees operate in many different countries throughout the world with customers in both the private and public sectors that serve a vast array of industrial sectors. Our global business operations are governed by numerous national legal systems and a variety of political, social, and cultural settings, which are constantly changing. Accordingly, the environment where Siemens conducts its business, and thereby carries out its compliance activities, is correspondingly complex.

The Siemens compliance system

Our BCGs contain the fundamental principles and rules for our conduct, both within Siemens and in our relationships with our customers, external partners, and the general public. They also serve as an expression of our values and lay the basis for detailed internal regulations. The BCGs are binding for all Siemens employees around the world.

The goal of compliance at Siemens is to ensure that our business practices worldwide comply with the BCGs and follow applicable laws. The areas of activity of our compliance organization include:

→ Anti-corruption,
→ Anti-money laundering,
→ Antitrust,
→ Data privacy,
→ Export control,
→ Collective Action,
→ Human rights.

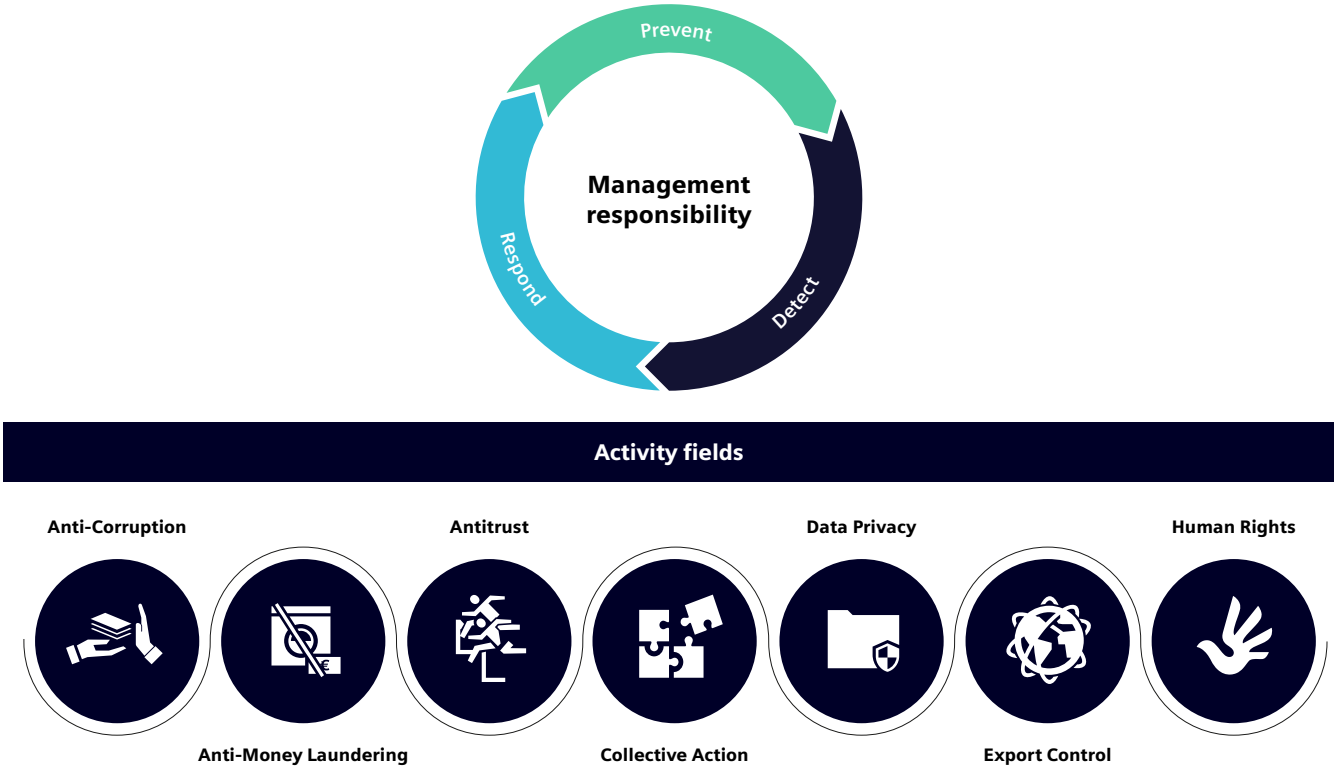
↗ HUMAN RIGHTS ↗ CYBERSECURITY AND DATA PRIVACY

Siemens maintains a comprehensive compliance system based on the three pillars of prevention, detection, and response to ensure compliance within the company.

Preventive measures include compliance risk management, the preparation of topic-specific guidelines and procedures, the incorporation of compliance requirements into our business processes, and the provision of comprehensive training and advice to our people. Channels for reporting compliance violations – such as the "Tell Us" whistleblower system and the Ombudsperson as well as professional and fair investigations – are indispensable for recognizing and completely resolving matters of misconduct. Unambiguous responses and clear consequences serve to punish misconduct and eliminate weaknesses. To ensure that our compliance system is put into action and meets our requirements everywhere in the world, our internal audit department continuously performs compliance controls and audits.

One of the key components of this compliance system is the responsibility of our management. That is why the global Legal and Compliance department is directly assigned to the Chairman

Siemens compliance system



of the Managing Board as a governance function. Our Chief Compliance Officer delivers quarterly reports directly to the Managing Board and Supervisory Board of Siemens AG.

The global structure of the compliance organization combines strong Group-level governance with the work of qualified compliance officers who ensure that the compliance system is implemented worldwide. They work closely with employees and managers, who assume personal responsibility for compliance within their respective business units.

The entire management team has to act on our commitment to compliance and ensure that all business decisions and transactions that fall within their area of responsibility comply with both the relevant legal requirements and our own values and company guidelines. Siemens managers demonstrate a strong commitment to compliance and ethical conduct.

Compliance-related questions are included in the annual Siemens Global Employee Survey in order to evaluate the effectiveness of the compliance system within the company. We also use the survey to gain a better understanding of the degree to which ethical conduct is embedded in our corporate culture. The results of last year's survey show high approval rates relative to the perception and awareness of integrity, ethics, and responsible business conduct throughout the organization. The next survey is scheduled for fiscal 2023.

Ethics management at Siemens

Siemens is committed to responsible and ethical business conduct. To this end, the Management Board mandated the compliance organization to further strengthen ethics management at Siemens this year.

Based on the values enshrined in the BCGs, with ethics management, we have created a framework to anchor ethics in our corporate culture on a long-term basis. The compliance organization empowers and helps all employees to understand the ethical principles of Siemens and to incorporate ethical considerations into their daily decisions and actions.

The compliance organization develops and implements ethics management in cross-functional networks.

Compliance risk management

To be effective, the Siemens compliance system needs to be continuously adjusted in order to meet business-specific risks and multiple local legal requirements. The findings from compliance risk assessments, as well as compliance controls and audits, serve as a basis for deriving measures to further develop the compliance system.

The goal of compliance risk management is to detect compliance risks at an early stage and take appropriate steps to prevent or mitigate risks. Risk assessments are also integrated into individual business processes and tools that evaluate risks in any given business decisions and take appropriate risk mitigation steps. Thus, compliance can make a decisive contribution to achieving our corporate goals.

Compliance risk management is an integral part of the company-wide Siemens Enterprise Risk Management (ERM) program SIEMENS FINANCIAL REPORT FOR FISCAL 2022, COMBINED MANAGEMENT-REPORT, 8.3.1 STRATEGIC RISKS, which creates a holistic view of all identified risks throughout the Group. Each entity and each region assess its business risks in relation to compliance risks. Current developments are also systematically evaluated.

In close collaboration with the relevant business units, the early identification and assessment of the compliance risks involved in new digital business models are a core part of our risk management process.

Additional information from internal data sources is included in order to provide a holistic overview of compliance risks. Cross-functional exchange at regular meetings and an annual Corporate Compliance Risk Workshop also make it possible to identify and monitor emerging or changing risks. The results of the risk assessment are therefore a key starting point for the ongoing development of our compliance system.

Compliance priorities in fiscal 2022

Our compliance priorities are the foundation for the continuous development and improvement of our system. We keep a close watch on the ever-evolving requirements in the compliance environment and strive to fulfill them. Among the challenges in this regard are changes in market conditions and in the compliance risks of our business activities.

Our long-term compliance priorities are constantly evolving, so we can work from a reliable perspective when pursuing our compliance activities. These priorities are supplemented by focus areas and specific activities for each fiscal year, and they continued to guide our work in fiscal 2022. All compliance employees are actively encouraged and committed to the fulfillment of our priorities.

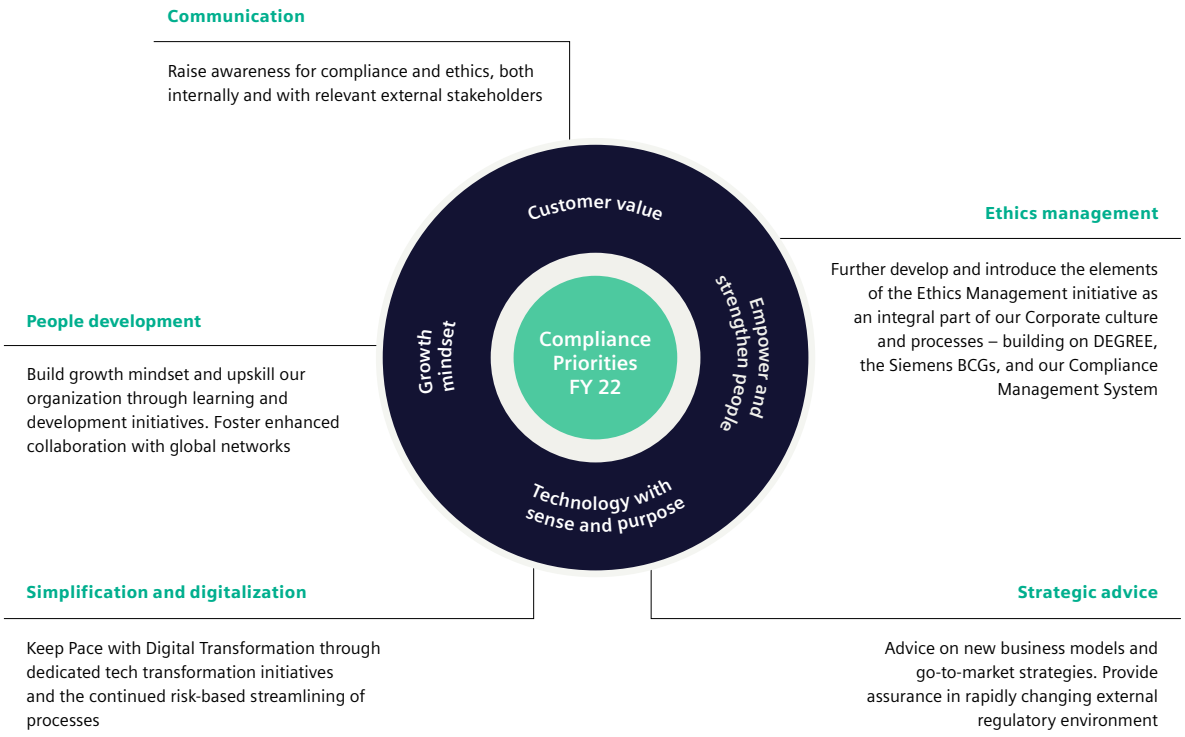
Compliance training

To ensure that compliance and integrity are deeply anchored in the organization, both Siemens employees and the Compliance Department receive targeted, group-oriented, risk-based training on compliance topics.

Compliance training for the Siemens organization emphasizes three core aims:

1. To impart values and raise awareness of fundamental compliance issues among all employees.
2. To convey in-depth specialized knowledge to managers and specific target groups.
3. To provide additional materials on all relevant compliance topics for all employees.

Compliance priorities



Employees learn about the compliance activity fields through programs such as mandatory web-based training courses on the contents of our BCGs. In addition, there are also additional training materials that can be used for specific target groups; these are available on the global learning platform.

The BCG training was rolled out to around 106,000 employees worldwide, and 102,000 of them (approximately 96%) successfully completed the training by the end of fiscal 2022.[1]

102,000

employees were trained on the contents of our Business Conduct Guidelines in fiscal 2022

In addition, Siemens employees around the world completed about 409,000 training programs for specific target groups in fiscal 2022.[1]

Training on Siemens Business Conduct Guidelines

E Ethics

Progress DEGREE Ethics #3: Striving to train 100% of our people on Siemens' Business Conduct Guidelines every three years

As part of the DEGREE Framework, Siemens has set itself the goal of training all employees on the subject of the BCGs in a three-year cycle. The first cycle, in which 99.9% of employees worldwide were trained on the BCGs, covered the years 2020 to 2022. Thus, the DEGREE target for Ethics was nearly achieved.

Progress

From FY 20 | 99.9% | 100% by 2022

Siemens without SHS

Employees who previously could not be included in Siemens internal IT system for training received in-person training in 2022. Face-to-face training sessions were held at every production site worldwide. By these means, we ensure that every employee receives training within the recurring three-year cycle, in keeping with the DEGREE target. The new three-year cycle will begin in fiscal 2023 with a new BCG web-based training course for all employees.

In addition, materials are regularly made available for the so-called Integrity Dialogs. In this initiative, managers have an opportunity to discuss current compliance issues with their teams as well as to specifically communicate and provide information about selected compliance topics.

Additional learning measures are planned and initiated according to regional conditions. A learning management system helps track mandatory training courses. The completion of training requirements is regularly reported to the management of the respective unit.

Collaboration with business partners

Under certain circumstances, Siemens can be held liable for the illegal activities of certain third parties (such as business partners acting as intermediaries, resellers, and consortium partners), whom we refer to as business partners. That is because transactions with Siemens could be misused to gain undue advantages for the business partner, or for Siemens.

Each Siemens unit is responsible for its own business partners. They must be carefully selected by the responsible operational unit and must undergo a risk-based compliance due diligence process. Business partners need to be adequately monitored for the duration of the business relationship; in other words, the need for the relationship and performance, taking into account remuneration and other accompanying circumstances, is regularly reassessed. We have established mandatory processes and related tools for this purpose that are continuously refined to cover risks that arise.

1 This figure includes Siemens Healthineers employees.

Decisions about engaging a business partner are transparent and risk-oriented, and are based on the most recent compliance due diligence procedures. Appropriate remediation measures are initiated depending on the risk classification of the business relationship and the risks identified.

Both business partners and suppliers are required to sign a code of conduct. In addition, depending on the risk classification, audits can be carried out at the business partners' premises by the Siemens audit function or external service providers.
↗ SUSTAINABLE SUPPLY CHAIN PRACTICES

To support the compliance experts regarding business partner topics, Siemens established the Business Partners Network two years ago. This network operates in different workstreams, some of which related to specific projects and others related to specific questions on the subject of collaboration with business partners.

Early detection of warning signs of money laundering

Siemens has a declared goal of doing business only with reliable customers, business partners, and other third parties. That's why we perform risk-based checks of our business counterparts' identity and financial backgrounds as well as the origin of their payments in order to ensure that payments come from legitimate sources. Where necessary, Siemens reports suspicious matters to the responsible authorities.

A new anti-money laundering training course is planned for the coming fiscal year. Certain groups of employees who typically encounter issues related to anti-money laundering laws will receive intensive training on the subject of potential anti-money laundering red flags.

The goal is to ensure that employees can identify signs of money laundering or terrorist financing at the earliest possible stage and when necessary initiate mitigation measures, in cooperation with the Compliance Department, to reduce the risk to the company.

Handling of compliance cases

At Siemens, compliance cases are handled in accordance with a clearly structured process comprising all steps from reporting channels to internal investigations and responses to identified violations (see the diagram below).

Siemens makes different reporting channels available to all employees and outside third parties to ensure that the company is made aware of any compliance violations. For example, complaints can be reported by way of the protected whistleblower system "Tell Us" or to the independent Siemens ombudsperson. Reports received by way of these channels are forwarded to our compliance organization. Complaints can also be reported directly to the Compliance Officers in our business units or to the senior management.

Every complaint is taken seriously. If the allegations prove to be sufficiently plausible, the Compliance organization determines whether there is sufficient information to justify an internal investigation. Indications of other matters are forwarded to the affected Siemens department or business unit for further action.

Company-wide process for the handling of compliance cases (simplified presentation)

Throughout the company, internal investigations are conducted on the basis of binding, clearly defined standards to ensure the fair and respectful treatment of employees. These standards prohibit unlawful or disproportionate actions. If an internal investigation leads to the finding that employees have demonstrably violated any laws or internal regulations, they can expect appropriate disciplinary consequences.

All circumstances of a given case, including the locally applicable legal environment, and any participation rights of the competent employee representative bodies are duly considered in the course of the proceedings.

The affected Siemens entities are obligated to implement the additional recommendations included in the investigation reports, including measures to rectify any deficiencies, in order to effectively remedy the situation.

Whistleblowers at Siemens are protected by internal regulations that prohibit the punishment or other detrimental treatment of whistleblowers who report suspicious activity in good faith.

Compliance indicators and whistleblowers

Our employees make regular use of our reporting channels. In total, 363 compliance cases requiring additional inquiry or investigations were reported in fiscal 2022. We believe that the decrease in compliance cases from the previous year falls within the range of normal fluctuation. The total number of disciplinary measures imposed for compliance violations was 212 in fiscal 2022.

The number of disciplinary measures in a fiscal year does not necessarily reflect the number of compliance cases reported in the same period. Frequently, disciplinary action is not taken in the year in which the underlying cases were reported or the investigation – which follows a careful procedure – was completed. A compliance case may also result in multiple disciplinary actions or none at all.

Compliance indicators [1]

	Fiscal year 2022	2021
Compliance cases reported	**363**	394
Disciplinary sanctions	**212**	121
therein warnings	**90**	62
therein dismissals	**74**	49
therein other [2]	**48**	10

1 Continuing and discontinued operations
2 Includes loss of variable and voluntary compensation components, transfer, and suspension

We believe that the evidence demonstrates that our compliance system is well designed and effectively implemented. Due to the nature of our business operations, the environments where we work, and geographic breadth, we do not regard the number of incidents as unusual.

More information on significant ongoing and future charges of corruption, antitrust violations, and other violations of the law can be found in SIEMENS FINANCIAL REPORT FOR FISCAL 2022, COMBINED MANAGEMENT REPORT, CHAPTER 8.3.4 COMPLIANCE RISK AND NOTES 22 LITIGATIONS

Collective Action and the Siemens Integrity Initiative

If substantial progress is to be made in combating corruption and fostering fair competition, large numbers of stakeholders must act collectively. The global Siemens Integrity Initiative earmarks more than US$100 million to support organizations and projects that combat corruption and fraud through Collective Action, education, and training. The Siemens Integrity Initiative focuses on supporting projects that have a clear impact on the business environment, can demonstrate objective and measurable results, and have the potential to be scaled up and replicated.

Building upon the Third Funding Round, we invited short-listed partners to submit applications for additional support, adhering to the published criteria for application and selection. A team of experts from various disciplines and regions carefully reviewed the projects, presented them to the Siemens Steering Committee for approval, and then introduced them to the World Bank for what is known as the "non-veto" process and to the European Investment Bank for information.

In July 2021, we announced a total of up to US$20.5 million in funding for eight new projects with activities over three years in more than 27 countries.

So far we have allocated approximately US$120 million for 85 projects in more than 50 countries across all funding rounds. Detailed information on this subject is provided in the annual reports of the Siemens Integrity Initiative.

WWW.SIEMENS.COM/INTEGRITY-INITIATIVE

US$120 million support for 85 projects in 50 countries

The Siemens Integrity Initiative constitutes one element of a 2009 settlement between Siemens and the World Bank and another 2013 settlement between Siemens and the European Investment Bank (EIB).

Results and progress in fiscal 2022

In fiscal 2022, we again made significant progress with our Siemens compliance system, including:

- → The new compliance pact for our Mobility high-speed rail project was presented as a prime example of the practical implementation of Collective Action at the Conference of States Parties to the UN Convention Against Corruption, which was held in Egypt. The compliance pact is designed to prevent conflicts of interest and ensure compliance with anti-corruption, anti-money laundering, and antitrust laws.
- → As part of our continuous improvement measures at Compliance, we have enhanced our integrated risk management approach to include a continuous monitoring and update concept that enables us to more quickly adapt to factors such as emerging risks, business transformation, and changing regulatory and geopolitical conditions.

Outlook for fiscal 2023

Our paramount goal is to provide Siemens with the highest level of certainty in matters of compliance and to promote a market environment of integrity.

We will continue our development of a compliance system tailored to the individual risks and opportunities of our businesses and our organizational structure at Siemens.

To keep pace with the digital transformation of our company, we are transforming and modernizing the technology that supports our compliance management system. With the new cloud-based solutions, we will further streamline and automate our risk-based compliance processes and leverage for data-driven holistic risk management and continuous control activities.

We will also continue to implement the projects of the Siemens Integrity Initiative and monitor their progress.

WWW.SIEMENS.COM/INTEGRITY-INITIATIVE

Finally, we will communicate our ethical principles more intensively and embed them in training courses and internal processes in the current fiscal year.

"Ethical corporate governance and compliance are non-negotiable. Our approach goes beyond strict compliance with laws and regulations by placing integrity at the center of our corporate culture and business processes."

CEO Roland Busch

In the Siemens Global Employee Survey to be conducted in fiscal 2023, we will again elicit feedback from our employees on the subject of integrity and ethics at Siemens and formulate appropriate measures on the basis of their responses.

3.2 Human rights

- **Respect for human rights remains in focus at all times**
- **Commitment to compliance with international standards**
- **Inclusion of all key partners**

As a global company, we are well aware of our responsibility to society. We are unreservedly committed to safeguarding and respecting human rights in every stage of the value chain. We understand this to be a key element of acting with integrity and responsible corporate governance. Our holistic approach to respecting human rights is not limited to our own business locations: We also consider our supply chain and the business activities of our customers. Our goal and aspiration is to identify any human rights violations occurring anywhere in our value chain as early as possible and to mitigate identified risks responsibly.

Our DEGREE framework consists of different components to address the multifaceted issue of human rights in the areas of G (Governance), E (Ethics), and E (Equity). In the following, the human rights-related topics in the DEGREE framework are outlined.

Commitment to human rights and international standards

The principle of respect for human rights is firmly grounded in the United Nations 2030 Agenda for Sustainable Development. Siemens believes that the corresponding Sustainability Development Goals (SDGs) can only be fully achieved if any potentially negative impacts within the value chains are examined in greater detail and effective action is taken to counter them. In these efforts, we are guided by international standards that help companies define their approaches to human rights and continuously optimize them. These standards include the United Nations Guiding Principles on Business and Human Rights and the Guidelines for Multinational Enterprises published by the Organization for Economic Cooperation and Development (OECD). They highlight the importance of a due diligence process that is able to proactively identify, assess, and prevent any human rights violations to protect those affected or at least mitigate their impacts as much as possible.

The Business Conduct Guidelines

Our pledge to safeguard human rights is anchored in our Siemens Business Conduct Guidelines (BCGs) ↗ COMPLIANCE AND ETHICS. They set out the fundamental principles and rules that apply to our actions within our company and in relation to our customers, external partners, and the public. The BCGs are binding on all employees worldwide. In addition, the Siemens Group Code of Conduct, which is mainly focused on rules of conduct in relation to human rights, applies to the company's suppliers, third-party intermediaries, and business partners.

Beyond that, Siemens AG reaffirmed its commitment to workers' fundamental rights in an International Framework Agreement signed with trade unions and employee representatives in 2012.

Management and responsibilities

Our actions in support of respect for human rights and our commitment to implementing the UN Guiding Principles on Business and Human Rights are monitored by the Siemens Managing Board and the Siemens Sustainability Board (SSB). These bodies discuss both progress and challenges and identify improvement measures. Furthermore, the Chief Compliance Officer reports to the Supervisory Board and Managing Board at a regular and also on an ad hoc basis on topics relating to human rights.

The SSB has assigned overall responsibility for human rights to the Sustainability and Compliance departments, which are charged with the task of proactively and systematically ensuring that respect for human rights is more deeply embedded in the company's worldwide processes and business decisions. To this end, the two departments continually identify and address improvement potential on the basis of the major principles of business conduct and human rights set out in the UN Global Compact. The departments Supply Chain, People and Organiza-

tion, Environment, Health and Safety, Corporate Security, and Siemens Real Estate are responsible for embedding and maintaining human rights-related due diligence obligations within their business processes. This responsibility also includes functionally relevant training and continuing education.

↗ HUMAN RIGHTS FRAMEWORK AT SIEMENS

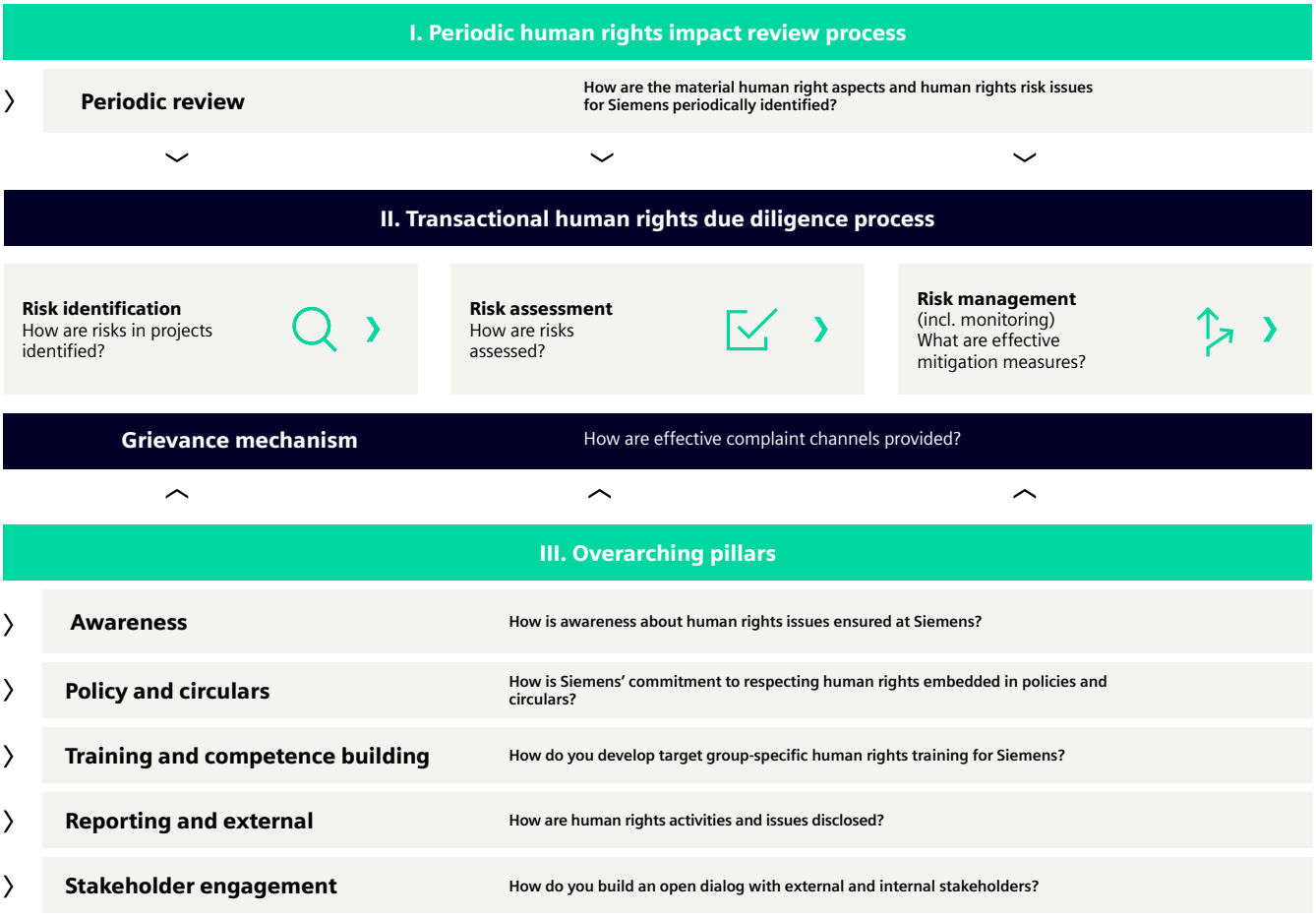
Continuous improvement measures

We view living up to our responsibility for human rights as a continuous improvement process. Siemens employs risk management programs and procedures across its value chain to systematically identify and assess risks of human rights violations at an early stage and mitigate these risks to the extent that they can be influenced by the company. After the rollout of our new due diligence approach in the area of human rights, we focused on target group-appropriate competence development and the incorporation of this approach into the risk management processes of the individual business units in fiscal 2022.

Human rights in the supply chain

Maintaining sustainable supply chains is one of our guiding principles. Siemens suppliers commit to uphold the Siemens Group Code of Conduct for Suppliers and Third-Party Intermediaries and Business Partners, which affirms the fundamental human rights of our suppliers' employees.

Siemens' human rights framework



This Code encompasses, but is not limited to, the following points:

→ Fair working conditions (pay, working hours, vacation),
→ Right to freedom of association,
→ Responsibility for health and safety standards,
→ Prohibition of discrimination,
→ Prohibition of forced labor and child labor,
→ Provision of anonymous grievance mechanisms.

Siemens takes a risk-based approach to identifying potential risks in its supply chain. This includes Corporate Responsibility Self-Assessments (CRSAs) by suppliers, internal quality audits with sustainability questions, and external sustainability audits. Whenever deviations are identified from the principles of the Code of Conduct for Siemens Suppliers, and therefore also violations of the human rights principles defined in this document, we work with the supplier to clarify how lasting corrective action can be taken within a reasonable time frame.

↗ SUSTAINABLE SUPPLY CHAIN PRACTICES

In case of severe violations, we reserve the right to terminate the supplier relationship. ↗ MATERIAL HUMAN RIGHTS RISK ISSUES WITHIN OUR VALUE CHAIN

With regard to the new German Supply Chain Due Diligence Act (LkSG), which is applicable to Siemens as of January 1, 2023, we have established a cross-functional working group to evaluate the effects of the new law on Siemens and meet any new requirements in a timely manner.

Human rights in the workplace

The BCGs BUSINESS CONDUCT GUIDELINES are an integral element of all employment contracts. Every employee is responsible for respecting human rights. Siemens does not tolerate discrimination, sexual harassment, or any other form of personal attack on individuals or groups. In addition, the principles of equal opportunity and equal treatment apply without restriction. We promote diversity in line with our strategic DEGREE Framework aspirations of Equity and Ethics. We have set ourselves the goal of having 30% of the company's senior management positions held by women by the year 2025. Another goal is for 100% of our employees to receive training on the subject of our BCGs. We champion diversity, equal opportunity, and inclusion in the interest of creating an open and appreciative work environment for our people. We acknowledge that we must ourselves effect the transformation we want and remain committed to creating a more equitable, more sustainable future.

Siemens launched the internal initiative "Together We Rise" in January 2022 to promote diversity and women's rights in the workplace. The goal is for women to work on issues of common interest and support each other through networking, coaching, and mentoring. Around 250 female employees from Middle Eastern countries like Egypt, Qatar, Kuwait, Oman, Pakistan, Saudi Arabia, and the United Arab Emirates are taking part in this initiative.

In fiscal 2022, moreover, Siemens India conducted an impact assessment of human rights-related risk categories at roughly 20 Siemens locations in India, with a particular emphasis on risk areas such as discrimination and working conditions. The findings will be evaluated in the first quarter of fiscal 2023 and will serve both as the basis for the development of targeted measures to mitigate or preferably prevent the identified risks in the future and to fulfill the reporting requirements following the Business Responsibility and Sustainability Report (BRSR)

Fair pay, right to collective bargaining, and freedom of association

The principles of fair pay, right to collective bargaining, and freedom of association are embedded in the Siemens BCGs and in the International Framework Agreement ↗ COMPLIANCE AND ETHICS. Fair pay is an integral aspect of appreciative and respectful relations with employees. In line with national laws and regulations, Siemens is guided by the principle of "equal pay for equal work". In Germany, for example, the pay system according to the collective bargaining agreements is determined in the course of collective bargaining negotiations. 78% of employees in Germany are covered by collective agreements.

Additional information can be found in the Chapters ↗ WORKING AT SIEMENS and ↗ DIVERSITY, EQUITY & INCLUSION

Human rights in customer related business decision

Siemens is committed to operationalize systematic human rights due diligence along its value chain. This is also applicable for customer related business decision.

We operate in nearly 200 countries, including countries with a challenging social and political context.

Our stakeholders are increasingly asking what responsibility companies bear for the business activities of their customers.

The early detection of environmental and social risks plays a key role in human rights due diligence.

We recognize this and take action to ensure that our risk due diligence procedures continue to evolve and that we work to assess possible environmental and social risks in our operational business on an even more comprehensive basis and at an earlier stage. Material human rights risks that we have identified within our value chain, are summarized in the ↗ TABLE below.

Material human rights risk issues within our value chain

Human rights risk issues in the supply chain
- Fair working conditions
- Freedom of assembly
- Discrimination
- Forced labor
- Child labor
- Health and safety

Human rights risk issues in the workplace
- Health and safety
- Fair working conditions
- Discrimination

Human rights risk issues in the case of business decisions by customers
- Business-specific environmental and social risks[1]
- Country-specific risks
- Impacts on local communities (e.g., Indigenous population, ethnic, or religious minorities)
- Fair working conditions
- Modern slavery
- Discrimination
- Occupied territories

1 Including in the areas of coal, oil, and gas and mining, for example.

As a key element of the DEGREE framework, we have integrated the digital Risk Due Diligence Tool (ESG Radar) into our processes to a greater degree and enhanced its functionalities on the basis of the above-mentioned material risk areas. This helps Siemens identify and assess possible environmental and social risks, as well as the associated human rights and reputational risks, early and comprehensively in case of decisions in customer related business. The ESG Radar can be used to check 84 different risk indicators for individual business activities, including 13 overarching risk indicators and 71 sub-indicators. In collaboration with external human rights experts, targeted mitigation measures are defined depending on how pronounced the risk profile is and what kind of influence Siemens has. The Risk Due Diligence Tool will be continually refined and expanded to cover critical human rights issues. Our entrepreneurial responsibility requires not only the due diligence assessment of our own business activities, but also the assessment and mitigation of business partner risks. It must be assured that the environmental, social, and related human rights and reputational risks of our involved business partners are reviewed on a regular basis. In fiscal year 2022 the functionality has been enhanced to allow a comprehensive "deep dive Due Diligence" for established business partners. This enhancement will entail a new process which will be piloted in fiscal 2023.

Training and skill building

We firmly believe that the principles of sustainability can be fully and effectively practiced only if they constitute a voluntary pledge based on core beliefs. Continuous skill building is a key factor in this regard. Our activities in this area are geared toward specific target groups. Siemens provides training for suppliers, interactive training formats for employees, and targeted skill-building activities for global and regional salespeople, as well as specific functions such as Compliance and Environment, Health, and Safety (EHS).

Our brochures "Sustainability in the Supply Chain" and "Siemens Group Code of Conduct for Suppliers and Third Party Intermediaries and Business Partners" ↗ SUSTAINABLE SUPPLY CHAIN PRACTICES support and sensitize our suppliers to the importance of embedding these values, as well as the sustainability requirements they entail, more deeply in their own supply chains. Siemens also offers web-based training on sustainability and human rights in the supply chain for all its suppliers.

The global web-based training program for environmental, social, and human rights due diligence was continued in fiscal 2022. Although the training program is available to all employees, participation is obligatory for a defined target group consisting of senior managers, salespeople, and risk management professionals. Additionally to the 31,000 employees who have performed the training in fiscal year 2021, another 6,546 employees completed the training in fiscal year 2022.

A survey of required training fields was conducted in fiscal 2022 with the aim of promoting competence development. The target group participating in the survey was composed of the Sustainability Managers and ESG Managers at business level as well as Sustainability Managers in key functions. The majority of respondents stated that additional support is needed in the fields of "entrepreneurial responsibility in conflict regions" and "high-risk sectors." Target group-appropriate training courses will be given on these subjects in the course of fiscal 2023 to ensure competence development.

Siemens also plans to hold moderated external and internal expert dialogs and regular knowledge sharing with internal experts in the area of environmental and social risks.

Grievance mechanism and channels

Siemens offers all our people and outside third parties protected channels for reporting violations of external and internal rules. The reports generated by these channels are forwarded to our Compliance organization and followed up. The same channels can also be used to report human rights violations to the company.

↗ COMPLIANCE AND ETHICS

In September 2022, Siemens India issued a comprehensive guideline defining the grievance mechanism for permanent employees and temporary workers, after which the framework was developed in conjunction with a local benchmarking project. The framework defines employee grievances and assigns responsibilities in accordance with the reporting requirements of the Business Responsibility and Sustainability Report (BRSR).

WWW.SIEMENS.COM/HUMANRIGHTS

Networks and coalitions

A regular dialog with peer group companies creates a platform founded on mutual trust for a more in-depth discussion of human rights. This also helps us come up with fresh ideas and harness past experiences for continuous improvement measures within our company. This kind of mutual dialog focuses on discussing challenges and solutions, addressing conflicts of goals, and identifying possible areas of shared action. After all, we firmly believe that we can achieve faster progress by concerted action than by acting alone.

Siemens is a member of the Global Business Initiative on Human Rights (GBI). This initiative is one of the leading international network initiatives in the area of human rights, consisting of more than 23 companies from all over the world. Siemens is also represented in the European Business and Human Rights Peer Learning Group of the UN Global Compact Network. In Germany, Siemens is involved in the working groups of econsense [1] in the areas of business and human rights and human rights in the supply chain.

Besides regular dialog with peer groups and think tanks, we also interact continually with external human rights advisors on the subject of training, sensitization, and due diligence. In addition, we communicate continually with investors, shareholders, rating agencies, and NGOs.

1 econsense is a Forum for the Sustainable Development of German Business.

3.3

Sustainable supply chain practices

- **Assumption of responsibility on the basis of the holistic approach summarized as "Prevent – Detect – Respond"**
- **Evaluation of suppliers on the basis of self-assessments and on-site audits**
- **Focus on human rights: climate protection, occupational safety, and responsible sourcing of minerals**

The procurement activities of Siemens are wide-ranging: The company purchased goods and services valued at just under €35 billion in fiscal 2022, equivalent to around half of our total revenue. We are aware that our worldwide purchasing activities have a major impact on local communities and the environment in our procurement markets. Sustainable business practices are therefore an integral part of the purchasing policy at Siemens.

G Governance

DEGREE Goveranance #4: ESG-secured supply chain based on supplier commitment to the Supplier Code of Conduct

We expect our suppliers not only to contribute to the economic success of our company, but also to ensure strict compliance with our sustainability requirements, which are summarized in the Siemens Group Code of Conduct for Suppliers and Third Party Intermediaries (Code of Conduct). The obligation of suppliers to observe our Code of Conduct is an essential basis for fulfilling our governance ambitions bundled under "G" in our DEGREE framework.

Progress

Suppliers committed

Siemens excluding SHS

Our supplier network is broadly diversified. We work with about 66,000 suppliers in around 150 countries. Since there is great variation in the overall conditions that apply across these countries, strict compliance with the global sustainability requirements that apply to our suppliers is a major challenge for our day-to-day purchasing activities.

Siemens purchased goods and services worth €35 billion from around 150 countries

Responsibility for the worldwide supplier network

At Siemens, sustainability in the supply chain is based on a holistic "Prevent – Detect – Respond" approach and is designed to minimize risks.

We expect all suppliers to make a firm commitment to our Code of Conduct: The related requirements must be accepted by all suppliers. The Code of Conduct is based on the principles outlined in the United Nations Global Compact and on the Siemens Business Conduct Guidelines (BCGs), which set out the basic principles of sustainability for the entire company.

Among other things, suppliers declare their willingness to respect the fundamental rights of employees, establish high standards for health, safety, and environmental protection, and pursue a zero-tolerance-strategy in relation to corruption and bribery. The Code of Conduct also contains a section on preventing purchases of conflict minerals, meaning minerals produced in certain countries that yield profits for armed groups in particular.

The Code of Conduct also includes provisions on preventing money laundering and terrorist financing, export control and

customs, and ensuring data protection. In addition, suppliers are also obligated to institute a protected grievance mechanism for their employees. An accompanying Code of Conduct brochure and a web-based training module are provided to aid in supportive communication.

Supplier management follows clear criteria

The supplier management process at Siemens includes strict criteria for supplier selection and qualification. On its basis, we can quickly identify and counteract any sustainability risks also when admitting new suppliers. This may apply to suppliers with the following risk characteristics:

- → Locations in high-risk countries
- → Products subject to the requirements for the responsible sourcing of minerals
- → Products and services with large carbon footprints
- → Products that fall under laws like REACh (regulation concerning the Registration, Evaluation, Authorization and Restriction of Chemicals) or RoHS (Restriction of the use of certain Hazardous Substances in electrical and electronic Equipment)
- → General aspects of supplier quality management (including sustainability-related topics)
- → Plant engineering (risks associated with construction contractors)

To identify these risk characteristics, we categorize our suppliers according to several factors:

- → Purchased material and service fields are divided among the abovementioned risk groups as part of our processes. This makes it possible to assign measures to individual suppliers (e.g., specific contract clauses, obtaining proof, possibly flagging the supplier for an on-site audit).
- → Risk levels for individual countries are assigned to suppliers. The risk levels are based on sustainability indicators for key areas such as legal compliance, corruption and bribery, human rights in the workplace, child labor, and more. We base these assessments on information from internationally recognized organizations.
- → Suppliers may be assigned to other strategic categories based on factors such as specific preparations for projects with high local purchasing volumes, for example.

In fiscal 2022, we also began to consolidate sustainability-related information about our suppliers on a sustainability platform (SCM Sustainability Platform). We compile this information – for example, the status of carbon reduction measures, Corporate Responsibility Self-Assessments, the results of on-site audits and risks regarding "conflict minerals" – from various internal and external data sources and enter it into an integrated tool to which all employees in Siemens purchasing departments have access. In this tool, information is assessed by means of a point system and visually displayed. As a result, sustainability is a uniform Siemens-wide assessment factor that can effectively support and supplement future local purchasing decisions with globally available information on the status of sustainability factors at suppliers.

Number of audits

1 Conducted by Siemens auditors with integrated sustainability questions.
2 Conducted by external auditors.

Self-assessments and site audits as control mechanisms

We perform suitable reviews according to the risk assessment for suppliers based on the categories outlined above. These reviews range from supplier self-assessments of their own sustainability practices to sustainability audits conducted on-site by external auditors.

Corporate Responsibility Self-Assessments

Corporate Responsibility Self-Assessments (CRSA) are part of the supplier qualification process, which is reviewed regularly and updated as needed to take new standards and regulations into account. Accordingly, new potential suppliers undergo a binding qualification process, while existing suppliers are reassessed every three years.

The number of completed CRSAs increased by around 15% from 4,267 self-assessments in fiscal 2021 to 4,912 in fiscal 2022. In contrast, the number of agreed-upon improvement measures decreased in fiscal 2022.

Corporate Responsibility Self-Assessments (CRSA)[1]

	Fiscal year	
(Number)	**2022**	2021
Europe, C.I.S.,[2] Africa, Middle East	**1,147**	1,505
Americas	**654**	555
Asia, Australia	**3,111**	2,207
Total	**4,912**	4,267

	Fiscal year	
Agreed-upon improvement measures[3]	**2022**	2021
Legal Compliance/prohibition of corruption and bribery	**915**	1,152
Respect for the basic human rights of employees	**564**	773
Prohibition of child labor	**80**	149
Health and safety of employees	**879**	705
Environmental Protection	**546**	680
Supply Chain	**125**	145
Total	**3,109**	3,604

1 Self-assessments completed mainly by suppliers from non-OECD countries with a purchasing volume of >€50,000 per year. Questionnaires that were initiatied, completed, and concluded in the reporting period.
2 Commonwealth of Independent States.
3 Improvement measures agreed upon with suppliers relate either to actual deviations from the Code of Conduct or to structural improvements in management systems and the lack of specific processes and guidelines implemented by the supplier.

Quality audits with sustainability questions

The quality audits of suppliers conducted by Siemens auditors include questions on the subject of sustainability that cover all aspects and requirements of the Code of Conduct. We conducted 321 on-site audits worldwide in fiscal 2022. This equals the amount of the previous year almost exactly.

Supplier quality audits with integrated sustainability questions

	Fiscal year	
(Number)	**2022**	2021
Europe, C.I.S.,[1] Africa, Middle East	**142**	116
Americas	**76**	89
Asia, Australia	**103**	114
Total	**321**	319

1 Commonwealth of Independent States.

External sustainability audits

From our point of view, external sustainability audits are the most effective method of assessing the sustainability performance of our suppliers. They are conducted by our external audit service provider and serve as a control mechanism for suppliers with a high risk assessment.

External sustainability audits (ESA)

	Fiscal year	
(Number)	**2022**	2021
Europe, C.I.S.,[1] Africa, Middle East	**113**	123
Americas	**50**	44
Asia, Australia	**263**	227
Total[2]	**426**	394

	Fiscal year	
(Agreed upon improvement measures)[3]	**2022**	2021
Legal Compliance/prohibition of corruption and bribery	**1,101**	1,141
Respect for the basic human rights of employees	**2,717**	2,446
Prohibition of child labor	**82**	89
Health and safety of employees	**2,802**	2,430
Environmental Protection	**271**	227
Supply Chain	**302**	284
Total[2]	**7,275**	6,617

1 Commonwealth of Independent States.
2 Includes audits conducted virtually as well as audits carried out by third parties at our suppliers based on the same standards and are accepted by Siemens.
3 Improvement measures agreed upon with suppliers relate either to actual deviations from the Code of Conduct or to structural improvements in management systems and the lack of specific processes and guidelines implemented by the supplier.

We slightly increased the number of external sustainability audits compared to fiscal 2021: in 2022, the figure rose by about 8% to 426 audits. This figure includes 37 audits that we conducted virtually due to the COVID-19 pandemic, where the auditor inspected the supplier's facility by a remote video link. It also includes 12 audits verified by our auditor that were conducted on behalf of third parties at companies that are also in a supplier relationship with Siemens. These audit reports fully comply with Siemens requirements and were provided to us with the approval of the audited companies.

For monitoring purposes, audits can be repeated or follow-up audits can be conducted by our external audit service provider. It is also possible for the responsible purchasing departments at Siemens to agree on a series of optimization measures with the supplier. During this process, we remain committed to our partnerships with our suppliers and help them to improve. However, if problems continue or a supplier does not show a willingness to take necessary remedial action, we remove that supplier from our list.

In addition, our central warning message process is intended to ensure even faster, more efficient responses to violations of the requirements set out in the Code of Conduct. In this process, suppliers can be blocked in local systems around the world through central messaging.

Sustainability topics with a specific need for action

Three focus topics play an important role in responsible supply chain practices due to their strong connection with other Siemens sustainability activities. These include safeguarding human rights, including responsible sourcing of minerals, lowering CO_2 emissions in our supply chain, and ensuring health and safety, especially on project construction sites.

Responsible sourcing of minerals

Siemens is working hard to prevent the use of minerals from areas of conflict and high-risk areas in the supply chain that are covered by the risk definition set out in Annex 2 to the OECD's Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.

To this end, we have developed principles for the responsible sourcing of minerals (Responsible Minerals Sourcing Policy) and integrated them into our purchasing process. These principles offer a uniform, company-wide standard for Supply Chain Management in this area. Our approach to these topics is geared toward the risk-based requirements of the OECD's Due Diligence Guidance. To determine the use, sources, and origins of these minerals within our supply chains, we investigate the smelting plants involved. Siemens is a member of the Responsible Minerals Initiative (RMI), an organization of more than 400 industrial companies that provides auditing programs for smelting.

We use the Conflict Minerals Reporting Template (CMRT) published by the RMI to survey our more than 2,400 relevant suppliers and elicit the information we need about smelters in our supply chain that are associated with the production of tin, tantalum, tungsten, and gold (3TG). We share our findings regarding identified smelters with our RMI partners. The initiative then reviews whether the smelters are certified. Siemens is an active member of the Responsible Minerals Assurance Process and urges the decision-makers of smelters that are not yet certified to participate in audit programs.

In this process, Siemens supports the smelters as they move toward the final audit and certification. Individual results are communicated on the RMI website: WWW.RESPONSIBLEMINERALSINITIATIVE.ORG. Based on the European Commission's risk definitions relating to "armed conflict," "regions with weak or no governance," and "regions where human and people's rights are systematically violated," Siemens also applies its established risk assessment system to evaluate further minerals beyond the 3TG grouping. Cobalt and mica are two of the minerals or metals that have been incorporated into the Siemens due diligence process following RMI's development of an auditing standard and reporting specifications (EMRT) for cobalt and mica in addition to its 3TG due diligence process specifications. Siemens now also conducts supplier audits for cobalt and mica, focusing on battery manufacturers.

Further information and the text of our Responsible Minerals Sourcing Policy can be found at
WWW.SIEMENS.COM/RESPONSIBLEMINERALS.

Program to reduce CO_2 in the supply chain

As part of the Siemens Carbon Neutral Program and our reporting to the CDP, we publish the upstream greenhouse gas emissions caused by our suppliers. In our Carbon Reduction@Suppliers approach, which is implemented with an external partner, we prepare analyses based on economic data to model the carbon footprint for each one of our suppliers.

In this connection, we attempt to use the most up-to-date factors for our CO_2-modeling and -calculation available. This also means that we sometimes have to adjust our models and tools in order to continuously increase the effectiveness and precision of our calculations.

For this reason, we have decided to use our external partner's further developed version of the tool for for the comparable calculation of fiscal years 2021 and 2022. According to the Greenhouse Gas (GHG) protocol framework, the DEGREE baseline had not been changed.

D Decarbonization

DEGREE Decarbonization #2: Net Zero-Emissions in the Supply Chain by 2050, 20% emissions reduction by 2030:

Compared to the baseline year 2020, the supply chain emissions for the implementation of our DEGREE ambitions have been increased in fiscal 2022 by 2.5% to 8,301 kt CO_2e whereby the carbon reduction measures that suppliers have already implemented are taken into account. If the increase in purchasing volume of around 16% is included, CO_2 emissions were however reduced in relation to the purchasing volume.

Progress

FY 20: 8,098 kt CO_2e | +2.5% | –20% to 2030 | –100% to 2050

Siemens without SHS.

Description of the "Carbon Reduction@Suppliers" program

We use a web-based tool known as the "Carbon Web Assessment (CWA)" that shows our suppliers the most important CO_2 emitters and explains how their carbon footprint can be sustainably reduced. After the learning stage has been completed, we retrieve the supplier's so-called primary data in the CWA.

The CWA is based on the following methodology:

- → The basis is the model calculation of our external partner, which divides our suppliers into product and service categories and country of origin and assigns an industry average for CO_2.
- → We ask our suppliers to provide information via the CWA about their implemented CO_2 reduction measures and their general CO_2 management. Based on their answers, we calculate the resulting emission reduction and the supplier's remaining carbon footprint.

Detailed information on this development and the CWA is provided at WWW.SIEMENS.COM/CARBON-SUPPLIERS.

Since the start of the program in fiscal 2021, we invited more than 8,000 suppliers to the CWA and have received almost 3,000 replies, thereof, around 1,200 in fiscal 2022. On the basis of answers received and calculated in fiscal 2022, the CO_2 emissions previously calculated for the suppliers declined on average by 9.3% or, in absolute terms, by 359,000 t CO_2e. In comparison to the 104,000 t CO_2e of the previous year, it is visible that our suppliers supported us more on our efforts to reduce our supply chain CO_2 footprint. This shows us that our CWA integrated in our "Carbon Reduction@Suppliers" program accelerated already in its second year of the rollout. Unfortunately, these efforts were not enough to compensate the negative CO_2 effects caused by the strong increase of the procurement volume and its consequential increase of CO_2-emissions we faced in 2022. But we know that only an absolute reduction of CO_2 – independent from variation of our purchasing volume – can have a positive effect on climate change. Therefore, our focus will remain on the reduction of absolute amounts of CO_2e in our supply chain.

Enforcing occupational safety at construction sites

Our supply chain management and EHS experts have jointly established a selection process for suppliers that primarily perform construction services for Siemens. Before these contractors can be added to our supplier pool and used, EHS experts review and confirm the responses given by potential contractors to occupational health and safety questions. We also regularly review the risk potential associated with the relevant service categories and update our review methodology. More information is available in the chapter ↗ OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT.

3.4

Cybersecurity and data privacy

- **Leading role in cybersecurity**
- **Global expertise and governance structures**
- **Data protection is part of the compliance system**

Cybersecurity is rapidly gaining in importance

Digitalization is involved in so many aspects of our lives. Digital systems have become indispensable in many sectors of the economy, including hospitals, factories, power plants, smart buildings, e-mobility and connected mobility. Wherever large volumes of data are stored, potential security threats are never far away. That makes cybersecurity one of today's most relevant issues – not just for companies but for society as a whole. And its relevance is expected to increase over the coming years. It will be a crucial instrument for helping businesses safeguard critical infrastructures, protect sensitive information, and ensure their business continuity.

It's easy to see why secure digital systems are so necessary: The Internet of Things (IoT) is one of the driving technologies behind the digitalization of industry, just as it also drives nearly all Siemens business fields. And as one of Siemens' strategic goals, this digital transformation will only succeed if Siemens can be certain that connected systems and the data contained within them will remain secure. That is why Siemens places the highest priority on cybersecurity.

An approach that simultaneously covers all levels at our customers and at Siemens is absolutely essential to comprehensively protecting the entirety of solutions for industry and society against internal and external cyberattacks. Having recognized early on that cybersecurity is an integral part of the digital revolution, Siemens built up a cybersecurity organization both at headquarters and in the business units and countries. The company has developed a holistic approach to cybersecurity to provide the best possible protection for its products, solutions, and services, as well as the underlying IT and OT infrastructures.

Our DEGREE framework addresses the topic of cybersecurity under "E" for Ethics. That commitment is further reinforced by Siemens' participation in founding the "Charter of Trust" initiative to protect data and promote cybersecurity within a trustworthy digital world. During the reporting period, 17 industrial partners and 11 associated partners worked together to implement 10 principles to ensure the security of digital technologies. Another point of emphasis is cybersecurity in the use of trustworthy artificial intelligence.

We're a recognized industry leader in cybersecurity. Our cybersecurity performance is highly regarded, as evidenced by sustainability ratings and rankings. For example, Dow Jones Sustainability Index (DJSI) has ranked us as a leading company relative to our peers.

Around 1,300 cybersecurity experts are employed at Siemens

Our Corporate Cybersecurity Department and the Cybersecurity Departments of our business units work to be trusted partners in the digital world for our society, our customers, and Siemens business units themselves. Siemens can draw on decades of expertise: The company's small IT security team back in 1986 has grown to a staff of about 1,300 cybersecurity experts at corporate headquarters and in the business units. They develop and adopt leading technologies, leverage our internal network, and maintain a dialog with other companies. We want to continuously improve resilience through clear, holistic accountability and ownership. We rely on a culture of ownership for all aspects of cybersecurity. All of which gives Siemens a very broad foundation for protecting itself, its customers, and society at large.

Siemens products, solutions, and services are equipped with high levels of cybersecurity

Siemens products, solutions, and services contain a significant amount of software and IT-related components, which in many cases are used in the context of critical infrastructures and could become more exposed to cyberthreats. Regulatory and customer-specific security requirements are increasing and need to be addressed by Siemens. Siemens is implementing a company-wide Product and Solution Security (PSS) initiative to formulate recommendations and binding requirements for PSS and to drive and continuously improve them within the business units.

This is managed, among other things, by means of the so-called PSS Maturity. PSS Maturity stands for a proprietary, standards-based maturity model, which shows the extent to which the established business and design processes are being expanded and constantly improved with respect to security activities and requirements. The maturity model covers several subject areas, which are measured at various levels and is adaptable to respective business. Evaluation is performed annually at the organizational level, the results are discussed with the unit management, and corresponding improvement programs are initiated.

Continuous improvement and continuous learning are fundamental prerequisites for the proactive implementation of security-by-design and security-by-default.

To further strengthen the cybersecurity business for Siemens, the Corporate Cybersecurity Department offers highly mature security services selected with and by the business units to external customers. Resulting from the go-to-market strategy ("sell-through approach"), these cybersecurity services have been used internally for many years already and are offered to the external market exclusively by our business units.

Thanks to this approach, Siemens achieved its first sales successes in fiscal 2022. We plan to further expand the external portfolio with additional attractive cybersecurity services.[1]

Clearly defined responsibilities

The Cybersecurity Board (CSB) is responsible for the implementation and coordination of cybersecurity throughout the Siemens organization. It is chaired by the Global Chief Cybersecurity Officer. The goal is to effectively manage the company's overall cybersecurity approach. The business units are represented on the CSB by their Chief Cybersecurity Officers. The Board provides a collaborative platform for advancing strategic initiatives throughout Siemens and its affiliated companies in order to address security issues and establish cybersecurity requirements and recommendations. Collaboration agreements have also enabled the Chief Cybersecurity Officers at Siemens Healthineers and our minority holding Siemens Energy to participate in the CSB.

Given the importance of cybersecurity for the senior management, the Global Chief Cybersecurity Officer reports directly to the responsible member of the Managing Board, quarterly to the entire Managing Board, and annually to the Supervisory Board.

The Corporate Cybersecurity Department and the cybersecurity organizations in the business units are addressing the following topics or performing the following activities:

- → Development and implementation of proactive cybersecurity strategies adapted to the business,
- → Proactive and reactive measures for product and solution security, as well as information technology and operational technology,
- → Risk management,
- → Monitoring and reporting on the status and progress of cybersecurity measures and checks,
- → Cyber readiness and second line of defense assessments,[2]
- → Mandatory global cybersecurity awareness measures and annual IT cybersecurity global awareness trainings, specific cybersecurity expertise,
- → Coordination of joint committees, tasks, and topics of the centralized and decentralized cybersecurity organizations in the business units and countries,
- → Strengthening cybersecurity at a global level in different industries beyond company boundaries through the activities of the Charter of Trust[3], for example through its Board of Directors, management forum, and various task forces. The Corporate Cybersecurity Department is also a service provider for the entire Siemens cybersecurity ecosystem.

1 https://new.siemens.com/global/en/products/services/cybersecurity.html.

2 https://new.siemens.com/global/en/products/services/cybersecurity/assessments-for-operational-technology.html

3 https://www.charteroftrust.com/

The cybersecurity organization was developed:

→ To protect Siemens products, solutions, and services, as well as IT infrastructure, against cyberattacks, both proactively and reactively,
→ To monitor the threat landscape and initiate the necessary measures to ensure cyber resilience,
→ To identify, assess, and call attention to cybersecurity risks and actively manage them,
→ To apply country-specific laws and regulations that affect our products, solutions, and infrastructure and act accordingly,
→ To reduce the risk of harm to customers,
→ To reduce the risk of business interruptions,
→ To prevent a loss of reputation and market shares, and
→ To minimize risk of penalties.

Ensuring cybersecurity calls for an effort from all of our people, both to protect the products, solutions, and services we offer and to safeguard our own IT/ OT infrastructure. This lays the groundwork for our customers to be able to buy products and solutions that meet their security requirements, and with which they can run their own systems reliably and securely.

Continuing education and young talent development

We train all Siemens employees on the subject of cybersecurity on an annual basis: 83% of employees underwent online cybersecurity training to protect the company in 2021. The training courses have been offered without barriers since fiscal 2021. The online training program for fiscal 2022 began in June 2022 and will run until the end of December. The participation rate reached 90% already at September 30, 2022.

In addition to this mandatory online training course for all Siemens employees, another training course, titled "Driver's License," has been offered already since 2020. The target group comprising approximately 8,000 employees are trained to apply all Siemens IT/OT security guidelines. Upon successfully completing this course, participants receive a certificate that remains valid for two years.

In addition, continually updated training courses and learning opportunities on the subject of product and solution security are made available to all Siemens employees.

In view of the growing demand for cybersecurity experts, a program to develop young talents into cybersecurity specialists, the CyberMinds Academy, was launched in 2022 to meet our own hiring needs. This is a global, one-year program combining learning modules with professional experience designed to impart advanced cybersecurity knowledge to participants who had previously lacked cyber experience.

Cybersecurity insurance and risk analysis

To protect the company even more and reduce the potential financial impact of cyber incidents, options for risk transfer have been explored in detail. After an international call for bids for insurance, the currently insurable cyber risks were transferred in fiscal 2021 to a consortium of insurers. The coverage emphasizes losses caused by incidents such as breaches of information security and data privacy within Siemens or by third parties. Cyber insurance also supports Siemens' businesses, because our customers often require confirmation of cybersecurity risk coverage. The scope and limits of the risk transfer to the insurance market are reviewed annually.

The Siemens Cybersecurity organization has also taken steps to further mitigate risk. These initiatives heighten our cyber resilience by helping us better prepare for possible cyberattacks, respond to them more effectively, and recover from them more rapidly.

Here are some of the activities that aim to reduce these risks' probability and impact:

→ As industrial environments become increasingly digitalized, the share of software and with that the number of vulnerabilities are growing significantly. Therefore, Siemens is working to guarantee end-to-end security for customers by automating information about vulnerabilities, including through its collaboration in the CSAF 2.0 (Common Security Advisory Framework) of the OASIS Consortium.
→ Since 2022, Siemens has been working intensively on the effective encryption of the most important data in the post-quantum era. As part of this work, the previous crypto algorithms must be completely replaced with new methods. It is our expectation that crypto algorithms will need to be updated much more frequently in the future because algorithms will become ineffective within considerably shorter periods of time. For this reason, the project also addresses

the encryption life cycle in the form of an expiration date for the classification of documents.

→ Two years ago, Siemens launched a two-year Zero Trust initiative, which has been extended by an additional fiscal year, in the spirit of the motto "never trust, always verify." The objective is to check every connection in real time and only permit trustworthy communications. The Siemens rollout is also being monitored and reported as part of this program.

→ The threat landscape is ever-changing and ever-expanding, so it's important to keep a constant eye on it and set up new initiatives and programs to ensure that we keep adapting and improving.

Proactive approach to dealing with threats and vulnerabilities, reactive approach to incidents

Siemens CERT[4] and Siemens ProductCERT are dedicated teams of experienced security experts who can provide an immediate response to security threats and incidents affecting Siemens products, solutions, services, or infrastructure.

Siemens CERT secures our internal infrastructure, continuously monitors cyberthreats, and evaluates the potential impact on the company. When security incidents occur, our experts analyze the causes and initiate countermeasures to minimize harmful impact. Appropriate interest groups (and the authorities, if required) are also informed. The insights into the security status of assets (accounts, systems, cloud instances, etc.) gained in this process are conveyed to the Zero Trust infrastructure, where they are applied to broaden the knowledge required to make decisions about access rights (permit or forbid). Under the Special Vulnerability Handling program, CERT also takes proactive steps, depending on the threat situation in every case, to guarantee a consistently high level of protection by addressing potential vulnerabilities before any damage occurs. In this endeavor, the team reacts to recently announced vulnerabilities for which patches may not yet be available. Taking the gravity log4Shell vulnerability[5] as an example, the team took proactive steps to identify the affected systems, provide information and instructions to the operators of these systems, and remedy the vulnerability on a prioritized basis in the first few hours after it was made known in order to avert any damage for Siemens. By this means, most of the vulnerable systems were protected against breaches and greater losses for Siemens were averted.

The ProductCERT team addresses security issues affecting Siemens products and solutions. It is the central point of contact for reports of security gaps in Siemens products. As the partner of the Siemens business units, the ProductCERT team supports the process from identification to resolution of vulnerabilities and provides crucial information to customers, as in the case of Log4Shell. New security bulletins are published on a monthly basis to ensure the desired level of transparency, instill confidence among customers, and make it possible to plan with certainty. Among industrial enterprises, our CSAF format is the leading standard for the automated distribution of information about vulnerabilities.

In addition, the Security Vulnerability Monitoring service continually searches for information about vulnerabilities using the software and hardware components in Siemens products and infrastructures. This information forms the basis for subsequent training measures. This service also provides the basis for external services offered to a larger group of customers under the brand name "Vilocify."[6] Moreover, product security must be finally guaranteed by means of verification tests. To this end, we have developed the Siemens Extensible Security Testing Application (SiESTA[7]), which allows for the dedicated identification of vulnerabilities in infrastructures, products, and solutions.

Siemens CERT and ProductCERT together are also available to advise Siemens customers on security incidents, helping them correct and adjust complex installations during operation. This service is known as CustomerCERT.

Protection of personal data

For Siemens, protecting the personal data of our customers, our people, and partners is an expression of responsible interaction. As digitalization advances, handling personal data is also becoming an increasingly important success factor. That's why processing personal data in compliance with applicable data protection laws, including the General Data Protection Regulation (GDPR), is of utmost importance to Siemens. Our DEGREE framework prioritizes handling data carefully – under "E" for "Ethics."

4 Computer Emergency Response Team
5 https://www.bsi.bund.de/DE/Service-Navi/Presse/Pressemitteilungen/Presse2021/211211_log4Shell_WarnstufeRot.html
6 https://vilocify.com
7 https://new.siemens.com/global/en/products/services/cybersecurity/siesta.html

Implementation of data privacy requirements within the Group: the data privacy management system

To put data privacy into action throughout the Group, Siemens has made it an integral part of the Siemens compliance system. The company has put a data privacy management system into place to ensure that all our business activities comply with data privacy requirements, and that personal data is processed transparently for all concerned in compliance with the applicable law.

The data privacy management system is composed of the following components that will effectively protect the personal data of our customers, business partners, and our people.

Transparency and rights of data subjects

We believe transparency about processing is a key component of effective data protection. Our websites and digital products and solutions include data privacy policy statements that inform users about processing steps and data subject rights. The applicable data protection law focuses on protecting the people whose data is processed and grants them comprehensive data protection rights (including the right of access to processed personal data). To comply, Siemens has introduced a global process that provides a centralized hub where data subjects can assert their rights and get answers.

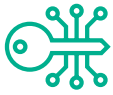
Our people are committed to data protection and regular training

Continuously keeping up with data protection requirements isn't just a task for IT – it also involves our people and processes. That's why internal regulations such as our Business Conduct Guidelines require every employee to comply with data protection requirements.

Siemens employees also receive regular trainings on how to handle personal data that are tailored to specific functions and target groups. For this purpose, Siemens developed a new web-based data protection training program composed of an "Essentials" level that's mandatory for all employees who process personal data as part of their job, and specialized "Nuggets" designed for specific fields and target groups.

Data transfers

Transfers of personal data within the Group are covered by binding internal data protection regulations: the Siemens Binding Corporate Rules on Data Protection (BCR). With the BCR, Siemens Group companies around the world have an obligation to process personal data from data subjects in the European Union in accordance with European data protection standards.



Data privacy management system to ensure compliance with data protection requirements in all business processes

Data protection at our suppliers and partners

A holistic approach to data protection only works if data protection requirements are consistently observed and implemented within the Group and also by our external suppliers and partners. Our suppliers and partners undergo a preliminary data protection audit and are required by contract to adhere to data protection standards.

Data protection in our products and solutions (privacy by design)

Siemens wants to ensure that its products and solutions can be used in compliance with all relevant data protection rules. So for Siemens, privacy by design means that compliance with the law, transparency, informational self-determination, data minimization, and data security are already applied when functions and services are developed, and that they're incorporated into the design. This approach means that privacy by design is securely integrated into our product development processes.

We are well aware that using our products and services may lead customers to entrust Siemens with processing one of their most precious assets: their data. If Siemens processes personal data for a customer, it does so under contractual terms that govern how the data is handled, including transfers to third parties.

Documentation

Siemens documents the purpose, risk, and security standards applied to all of the Group's processing activities in a central database: the Register of Processing Activities. This register serves as a place to evaluate whether data protection law permits a given processing activity and to document compliance with the applicable laws.

Controls

All data protection requirements and measures at Siemens are subject to regular controls. To this end, Siemens conducts risk-based data protection audits of its processing activities, products, and services. Auditing data protection agreements with the goal of ensuring that all products and services are covered by adequate data protection clauses was a point of emphasis in fiscal 2022. Another goal was to identify international transfers occasioned by data processing and to assess the adequacy of the current data protection concept.

Treatment of data protection violations

A fast response is essential in the event of a data protection violation. This is the only way to ensure that these violations are terminated swiftly and that all involved parties both in-house and external (such as the data subjects and the regulatory authorities) are informed immediately. To facilitate this, Siemens has established a global Data Privacy Incident Process that uses central reporting channels and includes the relevant stakeholders.

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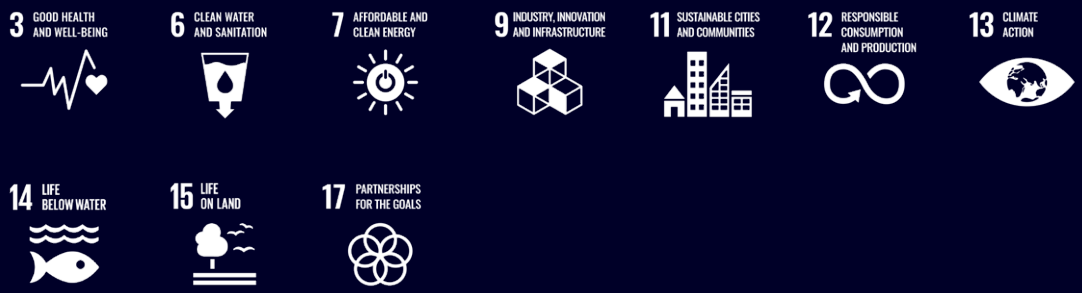
Environment
Conservation of nature and resources



Decarbonization

support the 1.5°C target to fight global warming

Our key ambitions:[1]

- → Net Zero operations by 2030, with 55% reduction by 2025 and 90% by 2030
- → Net Zero supply chain by 2050, 20% emissions reduction by 2030

Additional topics:

- → Joining the EP100, EV100, and RE100 initiative[2]
- → Portfolio to support customers in climate protection
- → Disclosure of taxonomy-eligible revenues, capital expenditures, and operating expenses for the first time

Resource efficiency

achieve circularity and dematerialization

Our key ambitions:[1]

- → Next-level Robust Eco Design for 100% of relevant Siemens product families by 2030
- → Natural resource decoupling through increased purchase of secondary materials for metals and resins
- → Circularity through waste-to-landfill reduction of 50% by 2025 and toward zero landfill waste by 2030

Additional topics:

- → Improving energy efficiency by 10% by 2030
- → Continuous increase in share of material recycling of total waste
- → Phasing out single-use plastics at our sites worldwide

1 Siemens without SHS.
2 Improving energy productivity (EP), use of electric vehicles (EV), and use of renewable energy (RE).

Holistic environmental protection

Siemens is a corporation that operates internationally, with locations all over the world. We are active in a wide range of markets. At the same time, we are aware that our actions have an impact on our environment, whether in the production of raw materials for our products, in our supply chain and our own production operations, or in the use, recycling, or disposal of those products.

In managing the environmental impact of our business activities throughout the value chain, we strive to go beyond what is required by law. We are working on making what we do more compatible with economic, ecological, and social requirements. We thus increase our customers' competitiveness and lay the groundwork for our own business future in harmony with our environment. In collaboration with our business partners, we aim to steadily reduce the environmental impact of using our products by creating options for repair, reuse, recycling and refurbishment, as well as minimizing our own use or consumption of energy, materials, and supplies, while likewise minimizing emissions.

All ecological aspects that are relevant for Siemens are governed by our environmental policies, which we published in fiscal 2022 on our redesigned WEBSITE on environmental protection. These policies guide and improve our environmental management at our own locations, and also include our suppliers, service providers, and contracting partners by way of our Siemens Group Code of Conduct for Suppliers and Third Party Intermediaries. In this way we extend environmental protection beyond our own business operations. Our environmental policies also include a commitment to increasingly mitigate the environmental impact of our products, solutions, systems, and services. Evaluating sustainability aspects is an integral part of our due diligence guidance. That means that we take environmental protection into account when making decisions on corporate mergers and acquisitions. Our environmental policies require our locations to avoid activities with an adverse impact on local biodiversity, to perform water risk analyses, and to take steps to protect water bodies. That is especially the case in particularly vulnerable areas. The policies furthermore include mandatory rules for handling and reducing CO_2 emissions and waste, with special attention to landfill waste.

A member of the Managing Board has been appointed to ensure that we operate in compliance with our environmental guidelines. This is governed by the EHS Principles, an internal Managing Board guideline.

Siemens has established a number of panels of experts to ensure that environmental aspects are always an integral part of our business decisions. The Global Board EHS, composed of experts in their fields, develops environmental protection measures and programs, and advises the Managing Board member responsible for environmental protection, with additional consultation of the Siemens Sustainability Board. Managers in charge of operations oversee the implementation of environmental guidelines and programs, drawing on the advice of EHS experts and the various business segments' sustainability officers.

The Environmental Council is composed of the environmental experts from our businesses and countries, along with experts in corporate governance, environmental protection, supply chains, sustainability, finance, technology, real estate, and insurance. It assesses the company's environmental risks and opportunities according to uniform criteria, and reports to the Siemens Enterprise Risk Management system.

Operational environmental management is based on the ISO 14001 and 50001 standards for energy-intensive units and on the IEC 62430 norm for the environmentally compatible design of products, systems, solutions, and services. These norms are implemented by way of our own binding standard.

DEGREE, Eco Efficiency @ Siemens, and our environmental initiatives give Siemens a broad range of instruments to guide its objectives in environmental protection

Our environmental objectives and ambitions are embedded in our Eco Efficiency @ Siemens environmental program, the DEGREE sustainability framework, and individual environmental initiatives.

Our Eco Efficiency @ Siemens program addresses environmental aspects specific to our products and production. It also defines objectives for improving our environmental management, for instance by encouraging a circular economy and generally dematerializing our business processes.

The program has three components. At the center of the "Responsible Product Development" program item is our Robust Eco Design approach. Its main objective is the introduction of methods and rules for dematerialization along the entire value chain. Our ambition is to apply Robust Eco Design in all relevant product families by 2030, while taking all stakeholder needs duly into account. The second component of the program, a Clean Supply Chain, aims to increase the percentage of secondary materials we use, and to reduce regulated substances by 2030. The third component, Efficient Own Operations, aims to reduce the environmental impact of our own sites. Even before the supply situation in the energy market became so acute, we had adopted the objective of increasing our energy efficiency 10% by 2030. We also aim to improve our waste management by cutting our landfill waste in half by 2025. By 2030 we want to push our waste management in the direction of preventing landfill waste entirely, and to increase the percentage of material recycling.

Several points of the Eco Efficiency @ Siemens program – Robust Eco Design, increasing the percentage of secondary materials, and reducing landfill waste – are incorporated into Siemens' DEGREE sustainability framework, under R for Resource Efficiency. Additionally, the framework pools our ambitions for reducing greenhouse gas emissions under D for Decarbonization.

Eco Efficiency @ Siemens

Responsible Product Development

Products and solutions are at the core of business. Evaluating our portfolio and applying an eco-design approach to relevant product families supports us in selling eco-efficient products and solutions.

Clean Supply Chain

A clean supply chain is central on the path to decoupling natural resource use. Which is why we will be sourcing more secondary materials and take continuous action to initiate the replacement of regulated substances according to IEC 62474.

Efficient Own Operations

Efficiently managing our own production sites and offices continues to be key in our environmental approach, particularly by enhancing waste management practices and using clean energy effectively.

As part of the same effort, our commitment to the Science Based Target Initiative (SBTi) supports achieving the Paris Climate Accords' 1.5°C target to limit global warming.

By joining the SBTi, Siemens has pledged to further reduce all greenhosuse gas emissions generated along the entire value chain. Our goal is to reduce the CO_2 emissions from our business operations to the point that under the terms of the recognized climate models, our business segments' output is compatible with the 1.5°C target. Measures within our own business processes – like electrifying our vehicle fleet, converting to green electricity, and optimizing our buildings – as well as in the supply chain and the expanded value chain will play an important role in achieving our targets.

In addition to our long-term Eco Efficiency @ Siemens environmental program and the DEGREE framework, Siemens has other environmental initiatives that give it flexibly timed, focused tools for managing and improving its environmental impact. At present, our initiatives have set targets for water and biodiversity.

Development of environmental protection

In a rapidly expanding global economy characterized by ongoing urbanization and world population growth, environmental protection is becoming more and more important.

In this connection, Siemens is an advocate of the global Green Deal initiatives, such as the European Green Deal, which has adopted the objective of transitioning to a circular economy, restoring biodiversity, reducing the release of pollutants into the environment, and achieving climate neutrality by 2050. As part of the New Circular Economy Action Plan, in March 2022 the European Commission proposed an Ecodesign Regulation for sustainable products. It aims to address the most harmful impacts on the environment and to transition away from a linear approach to a circular way of doing business.

To evaluate the European Union's Green Deal policy and similar developments around the world, and to implement the associated requirements, the Green Deals @ Siemens project has been pursued further. Specialized project groups are working to ensure that the legal requirements are implemented smoothly.

We are constantly at work to expand and improve our employees' knowledge and awareness of environmental protection. For instance, we have developed an internal white paper and the two-part Circular Design learning program that explains the requirements Siemens must currently meet for our products' sustainability, and links those requirements with our Robust Eco Design approach. This program has been available online to all Siemens employees[1] since fiscal 2022. Informational campaigns for World Environment Day and Earth Overshoot Day raise awareness of environmental protection in a global context. And in our "Thank You" campaign, we honor employees' special achievements in environmental protection, and publish these achievers' portraits and success stories on our in-house information platform "Siemens World."

1 Siemens without SHS

4.1

Climate action

- **Our pledge: We are making a contribution to limiting global warming to 1.5 degrees Celsius**
- **Our targets: To reduce emissions from business operations of Siemens without SHS by 55% by 2025 and 90% by 2030**
- **Net Zero operations by 2030 and supply chain by 2050**
- **Our path: Continuous reduction of emissions from business operations, collaboration with suppliers, and a portfolio that helps our customers protect the environment**

We have pledged to make an important contribution to the decarbonization of the global economy, which scientists say must be achieved well before the end of the 21st century. We will reach this goal with the aid of an appropriate governance structure, including strategy and risk management, and by acting in accordance with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD). In addition, our products and solutions are making an important contribution to decarbonization at our customers – something that also creates additional business opportunities for Siemens.

We have further strengthened our climate protection strategy with our validated 1.5 degree Celsius Science Based Target. Joining the initiatives RE100 (COMPLETE CONVERSION TO GREEN ELECTRICITY), EV100 (CONVERSION OF THE VEHICLE FLEET TO ELECTRIC VEHICLES), and EP100 (NET-ZERO EMISSION BUILDINGS) contributes to achieving our decarbonization targets. As key elements of our management approach, the reduction of CO_2 emissions in the company's own operations is embedded in the Long-term Incentive (LTI) compensation component of the senior management of Siemens (excluding SHS), and our business units are charged with the responsibility of reducing their respective emissions.

↗ SUSTAINABILITY REFLECTED IN MANAGEMENT COMPENSATION

Our approaches to reducing emissions target the entire value chain. During the use phase of our products, the main source of CO_2 emissions is the use of electrical energy. Consequently, the key levers for lowering emissions during the product use phase aim to boost energy efficiency and promote digitalization. We report CO_2 avoidance through the use of Siemens products and solutions in the section "Our contribution to climate protection at customers."

Our binding climate protection targets and measures are grouped within the "D" (Decarbonization) category of our DEGREE framework for sustainability at Siemens.

Transparency on greenhouse gas emissions

We report our greenhouse gas emissions on the basis of the Greenhouse Gas (GHG) Protocol corporate standard published by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD). Direct greenhouse gas emissions (Scope 1) arise from sources that are in the company's possession or under its control. Indirect greenhouse gas emissions (Scope 2) arise from the use of purchased electricity and district heating. Since fiscal 2016, we have also reported upstream Scope 3 emissions arising within our supply chain, from sources such as business travel, capital goods, fuels and energy-relevant activities, and shipments. Scope 3 emissions from our supply chain have been calculated using a cross-regional, macroeconomic input-output model based on our volume of purchased goods and services. We also report downstream Scope 3 emissions, including those arising from the use of our products, our investments, employee commuting, and work-from-home activities.

Greenhouse gas emissions

(Siemens incl. SHS, in 1,000 metric tons of CO_2 equivalents)	Fiscal year 2022	2021
Scope 1	**393**	386
Scope 2[1]	**189**	208
Sum Scope 1 and 2	**582**	**595**
Scope 3		
Purchased goods & services[4]	**9,557**	8,530
Capital goods[4]	**458**	423
Fuel and energy-related activities[4]	**137**	127
Waste in operations[4]	**25**	24
Transportation upstream[4]	**1,118**	830
Business travel	**122**	63
Employee commuting[2]	**98**	94
Sum Scope 3 upstream	**11,515**	10,091
Use of sold products[5]	**442,175**	467,424
Investments[3]	**3,915**	4,198
Sum Scope 3 downstream	**446,090**	471,622
Total Scope 3	**457,606**	**481,713**

1 We calculate our emissions from electricity consumption on the basis of the CO_2 emission factors of local sites according to the market-based approach.
2 Not part of supply chain emissions reduction.
3 Calculation method further developed in fiscal year 2022 to take account of equity capital of entire project financing according to GHG Protocol
4 Amendment of last year's figures due to updated calculation methodology
5 Amendment of last year's figure due to updated calculation methodology

Climate protection targets within the value chain

By joining the Science Based Targets Initiative, Siemens has pledged to reduce emissions from its own operations (Scope 1 and 2) by 50% by 2030 and its Scope 3 emissions (upstream and downstream) by 15% compared to 2019. These targets underscore our commitment to making a contribution to limiting global warming to 1.5 degrees Celsius and to containing climate change.

By extending the Carbon-Neutral-2030 program that was first launched in 2015, we are applying our Science Based Target to the entire value chain and driving the physical reduction of greenhouse gas emissions in our business operations.

Our pledge to reduce greenhouse gas emissions is a key part of our DEGREE sustainability framework and is supported by the framework's KPI "Net Zero operations by 2030" valid for Siemens without SHS. We have accelerated our reduction target for our business operations (Scopes 1 and 2) for Siemens without SHS by introducing an interim target of 55% reduction by 2025 (from 2030) compared to 2019. Our target for 2025 creates additional transparency along the reduction pathway towards 2030. By 2030, we aim to reduce emissions from our business operations for Siemens without SHS by 90% instead of 50% compared to 2019. We will then offset the remaining greenhouse gas emissions with CO_2 certificates that meet established standards in order to keep our Net Zero 2030 pledge. We have also issued an internal guideline defining parameters for the subsequently necessary procurement of CO_2 certificates, with an emphasis on high-quality CO_2 certificates that meet established standards and make a positive contribution to the achievement of our Sustainable Development Goals, including those that are not related to climate protection.

By joining the RE100 initiative in 2021, we underscored our pledge to obtain all our electricity from renewable sources by 2030 at the latest. As part of our commitment to EV100, we are striving to convert our motor vehicle fleet completely to electric vehicles by 2030. Our EP100 pledge bolsters our commitment to owning or leasing only buildings with no net CO_2 emissions by 2030.

With regard to Scope 3 emissions, we are particularly focused on reducing emissions within our supply chain. Therefore, our ambition is to reduce our supply chain emissions for Siemens without SHS 20% by 2030 and eliminate them completely by 2050. This ambition is also part of our DEGREE sustainability framework.

Net Zero 2030: Moving toward CO_2 neutrality

D Decarbonization

Progress DEGREE Decarbonization #1: Net Zero operations for Siemens with 55% reduction by 2025 and 90% by 2030.

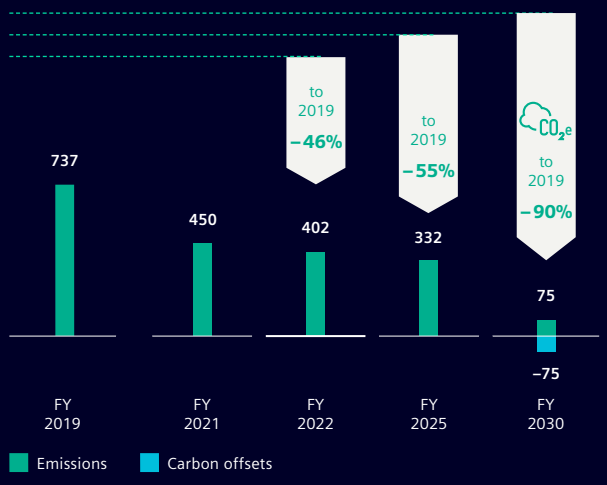
Compared to fiscal 2021, we reduced our Scope 1 and Scope 2 emissions in 2022 by 48 thousand metric tons of CO_2 or 11%. We have reduced our Scope 1 and Scope 2 emissions by a total of 46% since fiscal 2019. This reduction is due primarily to the rigorous implementation of our energy procurement policies as well as to a number of other measures and initiatives, which are briefly described below.

RE100: 76% green electricity for Siemens without SHS
EV100: 4% electric vehicles for Siemens without SHS
EP100: Currently 37 Siemens sites with no net emissions during regular operations without SHS

Progress

Siemens without SHS

Emission reduction as part of the Net Zero 2030 program
(in 1,000 metric tons of CO_2e for Siemens without SHS)



Use of renewable energy

Even before we joined the RE100 Initiative, we worked continuously to increase the share of electricity we obtain from renewable sources. Our goal is to use 100% green electricity by 2030 at the latest. In fiscal 2022, more than 77% of our purchased electricity consisted of electricity from renewable sources. As a result, we reduced emissions by a total of 465 thousand metric tons of CO_2 per year compared to the average electricity mix.

Due to regulatory restrictions in some countries, the complete conversion to green electricity is not yet possible at this time. Through our membership in RE100, we are attempting to have these regulations amended to make this conversion possible.

In purchasing green electricity, we follow the purchasing guidelines of the WWF's Next Generation Green Electricity initiative.

Enovos Energie Deutschland and Siemens have concluded a power purchasing agreement (PPA). A total of 11 photovoltaic systems with a total capacity of about 200 GWh a year will be constructed in Germany's South Eifel region over the next few months. Südeifel GmbH & Co KG will be responsible for the planning, construction, and operation of the systems and for marketing the green electricity. Siemens will purchase 39.1 GWh of electricity a year.

The use of biogas is another component of our decarbonization strategy, with which we have reduced our annual emissions by 19.6 thousand metric tons of CO_2 compared to the use of conventional natural gas.

Reduction of motor fleet emissions

We are working to reduce the emissions from our motor vehicle fleet, which comprises around 42,000 vehicles, and are striving to electrify it completely by 2030 as part of our EV100 commitment. In fiscal 2022, these emissions totaled around 213 thousand metric tons of CO_2.

We have increased the number of electric vehicles to around 1,360, and charging points to around 2,200. About 3% of our vehicles are exclusively electric vehicles.

In the UK, we have already made a great deal of progress in creating an exclusively electric motor fleet. As a result, 10% of the company fleet is now exclusively electric, and electric vehicles account for 37% of all new vehicle orders.

We have also been successful in Germany, where the more than 1,000 electric vehicles that we have recently ordered comprise about 30% of our new vehicle orders.

Reduction of building emissions

With regard to building emissions, we want to own or lease only buildings with no net CO_2 emissions by the year 2030 as part of our EP100 pledge. We intend to achieve this goal by means of various measures such as building new CO_2-neutral buildings, modernizing existing buildings, and leasing office space with the lowest possible emissions. When all other measures have been exhausted, we will purchase high-quality CO_2 certificates to offset the remaining emissions. Currently, 41 locations have no net CO_2 emissions during regular operations.

We have issued a guideline defining the criteria for the CO_2-neutral operation of new buildings and setting maximum permissible emissions in the supply chain and in construction activities.

Our New Normal Working Model is enabling us to reduce emissions from the use of our buildings and from daily commutes, while increasing the emissions generated by people working from home. According to our calculations, the emissions generated in Category 3.7 "Employee Commuting" total 98 thousand metric tons of CO_2, while the emissions created by working from home come to 24 thousand metric tons of CO_2 (use of IT equipment). For more details, see the chapter ↗ WORKING AT SIEMENS.

Use of an internal CO_2 price

In the UK and Brazil, we are currently using an internal CO_2 price to manage our decarbonization activities. In the UK, we raised the price per ton of CO_2e to GBP40 from GBP31 in fiscal 2022 in order to follow a clear path towards increasing CO_2 costs. A major part of the proceeds is used to expand the charging infrastructure for electric vehicles as, for example, at our new office location in Farnborough. In Brazil, a so-called shadow price of US$240 per ton of CO_2e has been established in order to encourage investments in lower carbon alternatives and, for example, to drive the electrification of the motor vehicle fleet.

Upstream emissions

Our upstream emissions total roughly 11.5 million metric tons of CO_2 equivalents (million metric tons CO_2e) and are therefore considerably higher than the emissions in our own business operations. This is due to the fact that the operations in our supply chain are usually more energy-intensive than our own, primarily because they process raw materials. In our supply chain, as part of our upstream emissions, we have set the target for Siemens excluding SHS of reducing the CO_2 emissions generated in our supply chain 20% by 2030 compared to 2020 and, in the long term, of achieving CO_2-neutrality in the supply chain by 2050.

A detailed description of our efforts to reduce CO_2 emissions in our supply chain is available in the chapter ↗ SUSTAINABLE SUPPLY CHAIN PRACTICES.

CO_2 emissions produced in the use phase of our products

Due to our strategic focus on electrification, automation, and digitalization, we offer our customers highly efficient and long-lived products that fulfill their function over a long period of time and are especially dependent on electricity for their operation. Our electric motors, which are efficient and long-lived, are an important factor in use phase emissions.

Emissions produced in the use phase of our products will continuously decrease over time due to new product generations and to the ongoing conversion to renewable energies in users' markets.

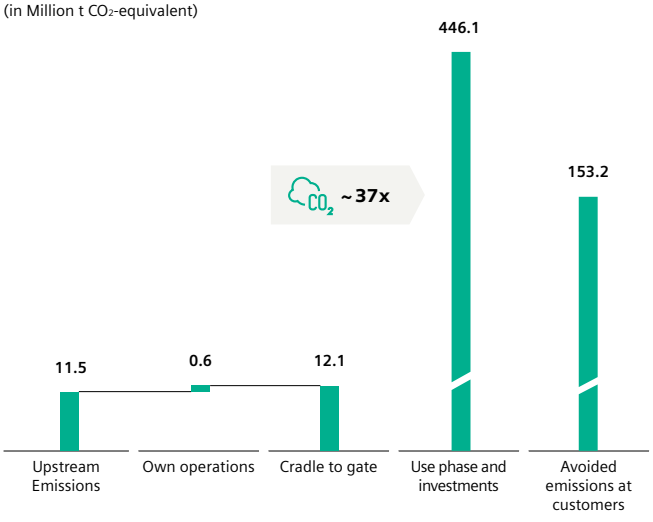
Through the use of our products sold in fiscal 2022, 442.2 million metric tons of CO_2e are generated. This is largely due to the use of electricity and their long lifetime. We have reported these emissions in fiscal 2022, since, in accordance with the Greenhouse Gas (GHG) Protocol, emissions generated over a product's entire assumed lifetime must be reported in the year of its sale. For calculating such emissions, we apply the global power mix emissions factor defined by the International Energy Agency (IEA). For calculations in the case of end products and key components of end products (intermediate products), we apply the

so-called “final product approach” set out in the GHG Protocol. This means that in the case of motors, for example, we take into account their power loss as well as their effective power. If we applied the “intermediate product approach” to all intermediate products – an approach that in the case of motors, for instance, takes into account only their power loss – the reported emissions would be lower. As part of our Science Based Targets, we have pledged to reduce the Scope 3 emissions (upstream and downstream) generated during the use phase of our products by 15% by 2030 compared to 2019. These Scope 3 emissions also include the use phase of our products (Scope 3.11 “Use Phase Emissions”).

Our Blue "Blue GIS"-Portfolio is a prime example of our efforts to reduce emissions. The portfolio combines the advantages of gas-insulated switchgear with climate-friendly technology. The use of the fluorine-gas-free, non-toxic insulating gas reduces the CO_2 emissions of medium-voltage switchgear throughout their entire service lives.

Emissions from the value chain and avoided CO_2 emissions at customers

(in Million t CO_2-equivalent)



Our contribution to climate protection at customers

Focused on automation and digitalization, smart infrastructure for buildings and decentralized energy systems, and intelligent transportation solutions, the Siemens portfolio is making a key contribution to the transition to a low-carbon economy.

For 15 years, we reported the revenue from the elements of our Environmental Portfolio and also calculated the volume of the emissions our products and solutions avoided at customers. In 2022, the EU Taxonomy introduced a classification system for sustainable business activities. Therefore, we have decided to terminate the current Environmental Portfolio of Siemens AG. From now on, we will report our revenue in connection with sustainable business activities in accordance with the EU Taxonomy reporting categories. ↗ EU TAXONOMY

In order to make our portfolio’s contribution to limiting climate change transparent, we report how much greenhouse gas (called CO_2 emissions in what follows) our products and solutions avoid compared to reference solutions and thus help our customers drive their decarbonization activities.

Many companies already report the reductions in CO_2 emissions in the use phase at customers. But there is still no generally accepted standard for calculating these reductions – a standard that can supplement, for example, the GHG Protocol Corporate Accounting and Reporting Standard. As a result, each company defines for itself how it will measure emission avoidance at its customers. Due to the difference in definitions and product portfolios, these approaches and results are generally not comparable. In order to contribute to the standardization of the calculation and reporting of customer-related CO_2 emissions, we are participating in a variety of working groups and associations.

To collect data on the avoided CO_2 emissions at our customers, we have defined our own method, one that meets our requirement for high-quality, comprehensible KPIs. From now on, we will calculate the avoided emissions for all products and services sold in a fiscal year over the course of their entire use phase at customers. In this connection, we will apply the same logic for calculating Scope 3 emissions (Scope 3.11 “Use Phase Emissions”) that we use to calculate and report in accordance with the GHG Protocol.

In fiscal 2022, we helped our customers avoid 153 million metric tons of CO_2e emissions. Due to the adjustment of our method of calculation, this figure is not comparable with the prior-year figures from the former Environmental Portfolio. The Siemens technologies that make the largest contribution to the avoidance of CO_2 emissions at our customers are frequency converters, railbound passenger and freight transport, and building systems.

Avoided CO_2-emissions at our customers

	Fiscal year	
(in million t CO_2-equivalent)	**2022**	2021
Siemens	**153**	138

The avoidance of customer-related CO_2 emissions in the use phase is a KPI for our contribution to decarbonization. On its own, however, this KPI does not reflect all of our portfolio's positive effects at partners and customers. For example, there are still no robust calculation methods for quantifying the decarbonization effect of all solutions and products such as software and automation. Direct emission avoidance cannot currently be attributed to some of the products in the area of electrification and digitalization, which, as enabling technologies, are relevant forerunners of a sustainability economy. Nonetheless, these products play a role in achieving global environmental targets because they provide systems for the conversion to a climate-neutral economy. They include, for example, smart products for integrating renewable energies, charging infrastructure for electric transport, and digital simulation environments.

Further details on our reporting principles are available in the ↗ ANNEX.

Investment-related emissions

The financing solutions provided by Siemens Financial Services (SFS) enable infrastructure projects and technologies that make a significant contribution to decarbonization. Specifically, SFS provides equity and debt financing solutions to support projects with a total installed capacity of more than 22,400 MW of wind energy, 12,000 MW of solar energy, and 1,500 MW of other renewable energy production (including battery storage) worldwide.

Where SFS agreed to finance fossil power generation projects in fiscal 2022, its financial contributions corresponded to about 3.9 million metric tons of CO_2e over the duration of the projects (Scope 3.15 "Investments").

Shaping climate policy frameworks

Beyond its own measures and activities, Siemens participates in committees and associations where it advocates further changes in climate policy frameworks to support the following aspects:

- → Accelerating decarbonation in all sectors through efficient energy use and electrification and increasing the share of energy from renewable sources
- → Redesigning energy markets to ensure that adequate investments are made in sustainable, secure, and efficient energy systems
- → Driving the development of local energy production from renewable sources, local energy markets, and sector coupling
- → Accelerating the digitalization of the energy system in order to enable the integration of renewable energies, continuous grid optimization, and the integration of prosumers while guaranteeing grid stability
- → Implementing a CO_2 price that enables actual emissions-related costs to be integrated into business decision-making. The price should be high enough to trigger a shift to low-carbon technologies in line with the pledges made in the Paris Agreement (COP 21).

4.2 Conserving resources

- **Progress toward DEGREE ambition to reduce the volume of landfill waste**
- **Improvement of energy efficiency as part of our Eco Efficiency @ Siemens target**
- **New water categories introduced**

The environmentally sensitive and responsible use of limited resources is an integral part of environmental protection at Siemens. The "R" in our DEGREE sustainability framework stands for resource efficiency. In the Eco Efficiency @ Siemens environmental program, dematerialization and the circular economy in our own operations are combined in the category Efficient Own Operations. Here we focus in particular on reducing the environmental impact of the waste we produce and on improving our energy efficiency.

While many types of waste can be recycled or reprocessed in a functioning circular economy, the production of landfill waste has a particularly negative impact on the environment. Landfill waste takes up space, generates greenhouse gas emissions, influences local biodiversity, and causes health problems for people and ecosystems. That's why we want our landfill waste, which has already been reduced through numerous reduction initiatives, to be reduced by 50% by 2025 compared to fiscal 2021 and progress towards zero landfill by 2030. We also want to continuously increase the percentage of material recycling by 2030.[1]

Where the environmentally sensitive use of energy is concerned, we deliberately go beyond the avoidance of emissions from power generation. Because even the generation of green electricity – for example, through the use of wind turbines or photovoltaics – has a negative impact on the environment since these systems have first to be manufactured, they change the local landscape when in operation, and they have to be disposed of at the end of their lifecycles. For this reason, we aim to improve our entire energy efficiency by 10% by 2030 compared to 2021[1].

In addition to the goals of the Eco Efficiency @ Siemens program, we are actively pursuing resource conservation in other areas as well: For example, it is also vital for Siemens to identify and mitigate water risks, to reduce emissions of volatile organic compounds (VOCs), and to foster biodiversity.

Efficiently managing global protection of the environment and resources

The global goals of the Eco Efficiency @ Siemens program are converted into local targets and measures with the use of our locations' environmental and energy management systems. All our sites have an environmental management system in place. At least 184 of our locations, of which 181 have been audited by external auditors, now have environmental management systems that comply with the ISO 14001 norm. Such compliance requires, among other things, the training of all the employees at these locations in personnel- and location-specific environmental protection topics. Another 38 Siemens locations have implemented energy management systems compliant with ISO 50001.

In collecting data on waste, we not only account for our own activities, we also analyze our entire supply chain.

We take a holistic approach to air pollution by analyzing our emissions locally at our office and production facilities. We also pay close attention to emissions of volatile organic compounds (VOCs), pollutants from combustion processes, and where still present, ozone-depleting substances (ODSs) at our environmentally relevant locations. In our internal environmental standard, these principles and procedures are now implemented on a binding basis.

1 Siemens without SHS.

Primary energy
(1,000 gigajoules)

Natural gas / liquid petroleum gas
3,118 FY 2021 › 2,927 FY 2022

Fuel oil, gasoline / diesel
62 FY 2021 ‹ 63 FY 2022

Total 3,198 FY 2021 › 3,010 FY 2022

Secondary energy
(1,000 gigajoules)

Electricity
5,329 FY 2021 ‹ 5,629 FY 2022

District heating
1,337 FY 2021 › 1,163 FY 2022

Total 6,665 FY 2021 ‹ 6,792 FY 2022

Water is one of humanity's most important resources. For this reason, our company has been analyzing water scarcity, water pollution, and climate change as well as the development of flooding and precipitation patterns at our locations for several years. We consider these analyses in our business decisions – when, for example, we select the site for a location or implement precautionary measures.

Energy efficiency enhanced

By 2030, we want to improve our energy efficiency compared to the basis year 2021 by 10%. To calculate energy efficiency, we compare our sales development in relation to energy consumption. Due to reduced energy usage and a growth in sales, we enhanced our energy efficiency by 13% within the first year of the implementation of our Eco Efficiency @ Siemens program[1]. With the aid of global workshops, we are fostering, among other things, the exchange of best practices and knowledge transfers in this area at Siemens.

Looking at the individual categories of energy consumption, our use of primary energy declined 6% in fiscal 2022. Our consumption of natural gas and liquid petroleum gas – which was a particular focus in fiscal 2022 due to gas shortages – declined 6% year-over-year. Our electricity consumption now stands at 5.6 million gigajoules (GJ). Overall, the consumption of secondary energy rose by 2% in comparison to previous year.

13%[1]
improvement of efficiency in primary energy use compared to 2021

To determine energy consumption by our company vehicles, we calculated the consumption of all cars used by employees and for services as well as our trucks. In fiscal 2022, the company fleet consumed about 2.92 million GJ of fuel. The figure from the previous year was 2.66 million GJ. The increase of 10% can be traced back to the resumption of business travel after the first wave of the COVID-19 pandemic.

1 Siemens without SHS.

Emissions of air pollutants

In addition to greenhouse gas emissions, Siemens also gathers data on volatile organic compounds, which are used as solvents in paints and adhesives and for impregnation and surface cleaning processes. These compounds are precursors of ground-level ozone and therefore contribute to what is known as "summer smog."

Atmospheric pollutant emissions

(in metric tons)	Fiscal year 2022	2021
Volatile organic compounds[1]	**274**	276
Ozone-depleting substances in metric tons of R11 equivalent[2]	**0.036**	0.030

1 Change in last year's data caused by subsequent adjustment
2 The R11 equivalent is a measure of ozone depletion potential

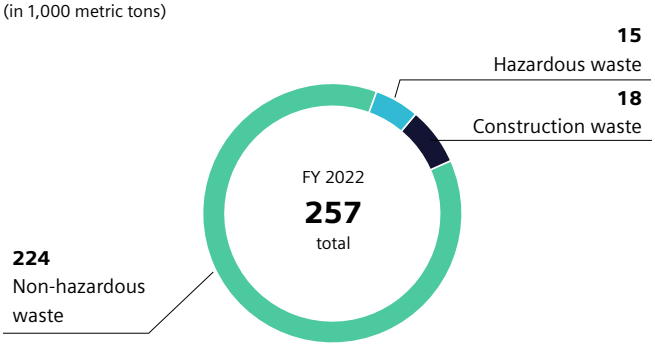
We reduced our emissions of volatile organic compounds by another 1% from the previous year to 274 metric tons. Total emission of ozone-depleting substances increased slightly and now amounts to 0.036 t.

We determined the quantity of nitrogen oxides in our relevant thermal processes with the aid of computational procedures, assuming typical combustion conditions. For fiscal 2022, this yielded a figure of 58 metric tons for our environmentally relevant locations, compared to 69 metric tons[2] the year before. This figure includes nitrogen oxides that are released in burning the fuels listed under primary energy.

Efficient waste management

The environmental relevance of waste depends on the type of waste and the method used for its disposal. We distinguish between hazardous and non-hazardous waste, and between construction and demolition waste. The treatment of hazardous and non-hazardous waste is further subdivided into material recycling, thermal recovery, thermal disposal, and landfill. Waste flows from construction or demolition work are reported separately because these types of waste are created independent of production.

Waste
(in 1,000 metric tons)

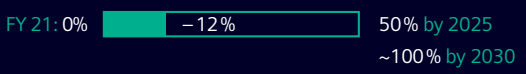


R Resource efficiency

Progress DEGREE Resource efficiency # 8: Reduction of waste-to-landfill of 50% by 2025

Landfill waste is the type of waste with the greatest environmental impact. That's why we want to reduce both our hazardous and our non-hazardous landfill waste by 50% by fiscal 2025 compared to fiscal 2021 and have included these ambitions in our DEGREE framework as well as the Eco Efficiency @ Siemens program. With the aid of worldwide workshops, we have developed and implemented measures to improve our waste management. Compared to the base year 2021, we reduced our landfill waste by 12.4%.

Progress



Siemens without SHS.

The volume of non-hazardous waste declined 5% compared to the previous year whereas the volume of hazardous waste increased. Construction waste decreased 37% in the same period. Compared to fiscal 2021, the total waste volume was reduced by 7%.

2 Adjustment of the previous year's value due to changed emission factors

Recycling and recovery
(in %)

FY 2021	FY 2022
92	93
Total	Total

Share of recycling and recovery in total waste[1]

1 Excluding construction waste, including thermal recovery.

Excluding construction waste, the amount of recycling and recovery from waste as a percentage of total waste came to 93%, which includes material recycling. At Siemens without SHS, we want to increase the amount of material recycling in the years ahead as part of the Eco Efficiency @ Siemens program. In fiscal 2022, the amount totalled 84%.

Water risk analysis

The aim of our water strategy is to minimize the adverse local effects of our water consumption and use. Here we take account of such factors as water scarcity, water pollution, flooding, local fire risks, and the consequences of climate change. In 2021, we transferred our water strategy to our standard regulatory framework, the Environmental Protection Standard, after it had been successfully implemented worldwide by 2020 via our last environmental program, Serve the Environment. The necessary analytic process begins with an assessment of our environmentally relevant locations using the Aqueduct Water Risk Atlas from the World Resources Institute (WRI). With the aid of an additional, specially developed internal analytical tool, Siemens assesses the risks that result on the local level from our locations' activities and sets them in relation to regional water risks. Locations with a high-risk assessment must define targets to reduce it. In fiscal 2022, 93% of our locations implemented this water strategy.

Due to the increasing political importance of water and the impact of climate change, we expanded the analysis of our water-related risks in 2022 to include our supply chain. On the basis of this analysis, we want to derive further measures for sustainable water use in the future.

93%

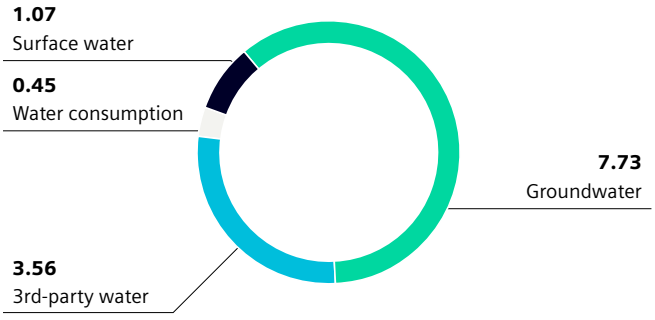
of our locations have implemented a water strategy

In fiscal 2022, we also updated the categories we use for water reporting in order to monitor the impact of our water use more efficiently and shape our water use more sustainably. The new categories enable us to contrast water withdrawal and water discharge.

Our total water use decreased 14% from the previous year and is now 12.9 million m³. The largest share of our water use is for cooling processes. These processes leave the water's chemical quality largely unchanged, so that the water can be returned directly to the receiving water body or groundwater.

Water consumption is a water substream with a major environmental impact since it withdraws water from the catchment area – in our case, mostly by evaporation. At 0.45 million m³, the share is relatively small. Of this amount, 0.07 million m³ is accounted for by water consumption in water stress areas.

Water discharge / -consumption
(in million m³)



Initiatives for greater biodiversity

The aim of Siemens' environmental management system is to foster the preservation of a diverse natural environment. Biodiversity and conservation are defined in our environmental policies as environmental aspects at the company level that must be assessed locally. The aim here is to ensure that the business activities in our factories and offices do not reduce species diversity beyond an unavoidable minimum. This approach is part of our location planning, includes concepts for nurturing both plants and animals, and has already generated a large number of projects – ranging from the planting of flowering meadows and the installation of nesting places for animals and birds to the creation of a 45 km^2 nature reserve (complete with a learning trail) in the Atlantic rainforest at our location in Anhangüera, Brazil.

To further develop our approach to biodiversity, we have entered a strategic partnership with a consulting firm specializing in biodiversity – experts who will help us scientifically assess our biodiversity footprint and expand our commitment to sustainability.

Incidents relevant to the environment and fines

Siemens uses a worldwide reporting system to document environmental incidents. In fiscal 2022 we recorded 41 incidents, of which one incurred a fine. Out of these incidents, 34 were minor environmental spills or gas losses with low impacts. They involved spills of chemicals, diesel, hydraulic oils, or resins and losses of coolants gases.

For more information about the methods used, environmental reporting, and environmental data collection, see the chapter ↗ REPORTING METHODOLOGY.

4.3

Product stewardship

- **Strive for sustainable growth by decoupling the creation of economic value from resource consumption**
- **Aim to increase the share of secondary materials, reduce the number of declarable substances, and take circularity into account in product design**
- **Update the Ecodesign requirements in the Siemens standard for the design of environmentally compatible products, systems, solutions, and services**

Environmentally compatible product design based on established standards

Society's rising expectations for corporate environmental responsibility have not only led to stricter legal regulations, but have also opened up new business opportunities, such as take back and recycling of products. This trend has also increased the strategic importance of Ecodesign – the consideration of environmental aspects of products, systems, solutions, and services throughout their life cycle.

We focus on resource efficiency over a product's entire life cycle

Up to 80% of the environmental impact of products, systems, solutions, and services is already determined when the design requirements are defined. Fundamental Ecodesign approaches at Siemens include increased resource efficiency and decarbonization during production, higher productivity and efficiency during use, and product designs that support circularity. In accordance with the international standards IEC 62430, ISO 14006, and ISO 14009, Siemens follows an Ecodesign approach that introduces global methods and rules for the environmentally compatible design to determine the environmental impact of its products, systems, solutions, and services in all life cycle phases. Implementation of this standard is the responsibility of the heads of the operating business units and is an integral part of the company's annual environmental review according to ISO 14001.

The strategic focus of our Ecodesign approach is primarily on increasing the resource productivity of our portfolio used by our customers by ensuring optimal interactions of the products, systems, solutions, and services in all their life cycle phases. In particular, we currently see an increased resource productivity and the management of substances as effective levers for reducing potential environmental impacts, since these factors have a direct effect on climate as well as on biodiversity. Other strategic aspects of our environmentally compatible product design relate to specifying requirements for the production and material composition of products, systems, solutions, and services in order to improve their circularity and continuously optimize material efficiency throughout their life cycle.

This approach is embedded as "R" for Resource efficiency in our Siemens DEGREE framework. Its main objective is the introduction of methods and rules for dematerialization along the entire value chain. Our intensified use of life cycle assessments and environmental product declarations enables us to identify environmentally compatible design alternatives that take circularity into account and can be integrated into product specifications. Among other things, we will be applying the "Robust Eco Design" approach to all relevant[1] products, systems, solutions, and services by 2030. This should also entail a steady increase in the number of life cycle assessments and environmental product declarations. As a result, we are continuously expanding our database for monitoring and communicating the environmental performance of our products.

1 Relevant: All products, systems, solutions, and services whose sales are not negligible, that will not be discontinued in the foreseeable future, or are not part of a confirmed spin-off.

Practicing product stewardship with the Eco Efficiency @ Siemens environmental program

To exercise product stewardship regarding environmental protection, the comprehensive environmental program Eco Efficiency @ Siemens has defined special environmental protection priorities in the categories "Robust Eco Design" and "Clean Supply Chain."

"Robust Eco Design" (RED) pursues the vision of a product life cycle that is as environmentally compatible as possible (see illustration page 81), and in which all materials are recycled. At the same time, material and energy flows and losses are to be reduced to a necessary minimum. To achieve this, it is crucially important to begin addressing, as early as possible, the environmental impacts expected in each of the product's life cycle phases.

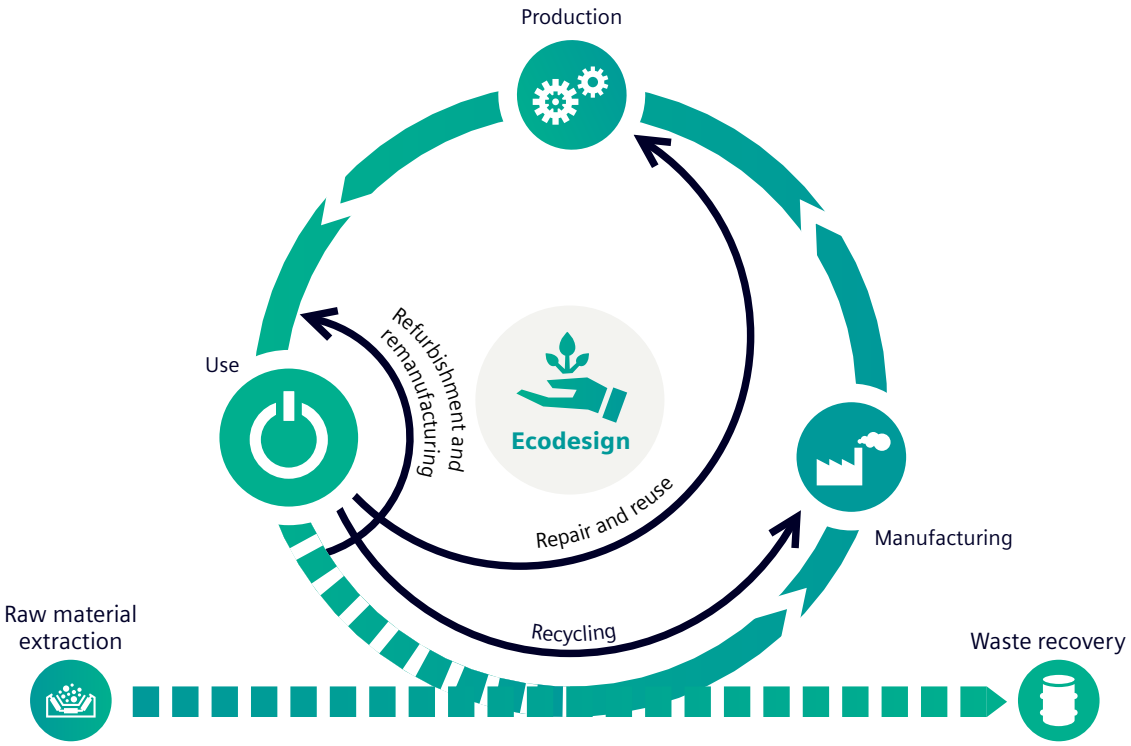
The RED approach is based on the international standard IEC 62430 "Environmentally Conscious Design for Electrical and Electronic Products" and our internal standard. They ensure that we meet all requirements for an environmentally compatible product design. This approach consists of three phases:

In the first phase, we use an "application perspective" in order to systematically identify the environmental requirements for relevant product families from the perspective of the market and customers. At the same time, we homogenize our product families in terms of stakeholder requirements and demands. This is done on the basis of the underlying technology or design, when it can be assumed that the environmental impacts are dependent on specific physical characteristics, such as performance or weight, that are scalable across the product family.

In the next phase, "solid foundation", we quantitatively assess the environmental impacts of relevant product families using comprehensive life cycle assessments based on ISO standards. Environmental product declarations are used to communicate the environmental impact and additional environmental parameters for circularity. Quantification of the environmental impact provides a basis for evaluating ecological improvement measures that consider factors such as function, quality, performance, safety, ethical and social standards, technical and business risks, and their integration into relevant processes.

In the "dematerialization" phase, these measures are incorporated into the design specifications, insofar as they are feasible, and, in a subsequent phase, implemented in perspective and marketed. Benefits and effects can be optimized in this phase by applying various Ecodesign strategies. These strategies include, above all, increasing the use of secondary materials (recyclates), and considering service aspects like repairability and upgradeability, or the product's suitability for refurbishment, remanufacturing, and recycling. The evaluation of new business models that ensure take backs after a product's use could also be part of this phase. The aim here is to realize the maximum value and benefit from the products, components, and materials used, such as through "as a Service" models.

Life Cycle (as completely closed as possible) as the vision of the Robust Eco Design approach



For the integration and specific application of RED in the business units, suitable individual processes must be implemented, or existing processes adapted.

To track RED coverage, one calculates the percentage of Third-party revenue (excluding supporting businesses such as Real Estate and SHS) of the entire product portfolio that has been identified as an effective lever for increasing environmental performance and where RED is already applied ("relevant product families"). The completed implementation of the individual RED phases achieved within the relevant product families is then aggregated and presented as the RED implementation level for the relevant product families. If a criterion is completely fulfilled, all revenue generated by the product is attributed to fulfillment; if it is only partially fulfilled, only 25% of the revenue is classified as such; if it is not fulfilled at all, the corresponding revenue is disregarded. Based on the degrees of fulfillment of the individual RED criteria, the average value is applied as the RED implementation degree of the given product family. The revenue share of the RED-conformant portfolio is then calculated by multiplying

R Resource efficiency

Progress DEGREE Resource efficiency #6: Next-level Robust Eco Design for 100% of relevant Siemens product families by 2030

In fiscal 2022, 57% of our revenue has been identified as RED-relevant. The degree of implementation of our RED specifications in the relevant product families is 35% compared to 26% in the base year 2021. Only when the degree of implementation reaches 100% it can be assumed that all relevant product families have completed each individual phase.

Progress

FY 21: 26% | 35% | 100% to 2030

Siemens without SHS

the RED implementation degree by the revenues of the given product families. The implementation degree KPI for "Robust Eco Design" is calculated as the ratio of the total RED-conformant revenue shares to the total revenues of the relevant product families.

Within RED, coverage with full-scale life cycle assessments and environmental product declarations at the level of the relevant product families play an important role and are part of the RED goal.

The tasks in the Eco Efficiency @ Siemens program category "Clean Supply Chain" are derived directly from the RED criterion "dematerialization". We want to proportionately increase our procurement of secondary metal and plastic materials by 2030. In doing so, we are concentrating on suppliers of raw materials and semifinished products that can be directly influenced by our own specifications. At the same time, we want to continuously reduce the share of our revenue that is generated from products, systems, solutions, and services that contain declarable substances.

Expand use of secondary materials

R Resource efficiency

Progress DEGREE Resource efficiency #7: Natural resource decoupling through increased purchase of secondary materials for metals and resins

We want to increase the procurement of recycled materials – so-called secondary materials, metals and resins – and implement a circular economy. In fiscal 2022, we purchased 34% of the metals – primarily iron, copper, and aluminum used in the manufacture of our products – from recycled sources. This percentage is the weighted average of the secondary material proportions of the three metals on the basis of average regional or global values from literature values and supplier information. Last year this share was 38%. The decline in the proportion of secondary metals is primarily due to a shift in the ratio of the volumes of the various purchased metals. Moreover, in fiscal 2022 we again sourced less than 1% of the resins used to make our products from recycled sources. We continue to work with the recycling chains for technical plastics currently being established, and on further developing product specifications as well as material standards in this context.

Progress

Metals 34 %

Resins <1 %

Siemens without SHS

Examples of solutions to increase resource efficiency at Siemens

3WA Circuit Breakers
Air circuit breaker (ACB)

Designed for longevity and ease of maintenance, with license-based individual upgrades as well as retrofit solutions, the Smart Infrastructure (SI) ACB is the core element of decentralized, renewable and transparent power systems while supporting resource conservation.

Mireo Plus H
Hydrogen trains

Siemens Mobility (SMO) is developing the next generation of hydrogen-powered trains. Equipped with a fuel cell drive and a lithium-ion battery, the Mireo Plus H ensures local, emission-free mobility.

Steam Turbine Replacement (STR)
Electric drive train

By replacing the steam turbine drive with an electric drive from Large Drives Applications (LDA), it is possible to reduce local drive-related CO_2 and NO_x emissions to zero.

SIMATIC Energy Manager PRO
Energy management system

The innovative solution from Digital Industries (DI) enables large amounts of energy data to be recorded and analyzed. Thanks to the investment in efficiency and productivity, industrial customers can save significant amounts of energy and CO_2 emissions.

Risk-aware handling of declarable substances

Another essential aspect of product stewardship is the responsible handling of substances that are potentially hazardous for the environment or health, such as those regulated by the EU REACh regulation. We work continuously on maximizing the degree of use of the digital industrial substance database BOMcheck by our suppliers. We are adapting internal IT procedures and material compliance processes with the aim of making the use of substances safer and are working proactively to substitute them. We comply fully with the declaration requirements according to international legislation and IEC 62474, and optimize our interfaces and automated workflows constantly.

Currently, up to 49% of our revenue (Siemens without SHS) is still generated with products, systems, solutions, and services that contain substances or groups of substances listed among those regulated by IEC 62474. This transparency enables us to continuously seek ways to replace these substances whenever this is technically possible and reasonable.

With the systematic application of our approaches to environmentally compatible product design – designs that are transparent, resilient, compatible with the environment and climate protection over the product's entire life cycle, and are thus future-proof – we want to comprehensibly support the replacement of declarable substances and decouple economic developments from resource consumption. We are undertaking this in close cooperation with our business partners.

4.4 EU taxonomy

The EU taxonomy for sustainable activities, which took effect on July 12, 2020, is intended to direct investments toward sustainable projects and activities so as to achieve the EU's decarbonization and environmental objectives for 2030 and to make Europe the world's first climate-neutral continent by 2050.

Siemens supports the EU agenda's general objectives for financing the transition to a sustainable economy. In this regard it also supports the EU taxonomy as the cornerstone for improving the requisite transparency and helping to steer investments toward sustainable activities that are needed in order to achieve the Union's decarbonization and environmental objectives.

As a technology corporation with the businesses Digital Industries, Smart Infrastructure, Siemens Mobility, and Siemens Healthineers, all reported together as an Industrial Business – Siemens is developing a wide range of solutions for a path to a sustainable future. Among them are resource-efficient factories using digital technologies; smarter, more efficient buildings; stable, reliable power grids; integrating renewable energy sources and distributed energy resources; electrifying transportation with electric vehicles and rail cars; and advanced healthcare solutions.

Not all of the technologies that enable and support the EU's decarbonization and environmental objectives are currently classified in the EU taxonomy. The reason is that many enabling economic activities' contribution to carbon reduction can only be derived indirectly. For that reason, we advocate expanding the EU taxonomy to include enabling economic activities that form important components of our portfolio, such as:

→ Energy-efficient drive systems and electric motors
→ Industry software and IT/OT data-controlled solutions
→ Technologies for low and medium-voltage power distribution and equipment for electrical installation.

Taxonomy-eligible activities for climate change mitigation and climate change adaptation for fiscal 2022

In compliance with the EU Taxonomy Regulation and the supplementing Delegated Regulations, for the first time our Management Report includes the proportion of our taxonomy-eligible revenues, capital expenditures, and operating expenses for fiscal 2022 that relate to the environmental objectives of climate change mitigation and climate change adaptation as currently laid down in the EU taxonomy.

Taxonomy eligibility presupposes that an economic activity is mentioned and further described in the Delegated Acts. Moreover, for the current reporting period only the first two environmental objectives (climate change mitigation and climate change adaptation) are relevant; these are the ones for which descriptions of relevant activities and technical screening criteria are already available in the Delegated Acts.

EU taxonomy in the Management Report

The key performance indicators in this section were determined based on Commission Delegated Regulation (EU) 2021/2178 in conjunction with the International Financial Reporting Standards applicable for the Consolidated Financial Statements. Thereby, revenue, capital expenditures and operating expenses were predominantly directly allocated to an economic activity listed in Delegated Regulation (EU) 2020/852; in determining capital expenditures and operating expenses, allocations were also made based on the revenue of the taxonomy-eligible activities. To avoid double counting, the allocation was always made to one economic activity only. Taxonomy-eligible revenue accounted for 20% of revenue according to the Consolidated Statement of Income in the reporting year. In the reporting year, taxonomy-eligible capital expenditures accounted for 40% of additions (including additions from business combinations) to other intangible assets and property, plant and equipment in accordance with

Note 13 to the Consolidated Financial Statements. Taxonomy-eligible operating expenses accounted for 14% of the corresponding expenses recognized in the Consolidated Financial Statements in the reporting year. The remaining portions of the key performance indicators are not taxonomy-eligible. Our main taxonomy-eligible economic activities are derived from the manufacture of low-carbon transport and energy-efficient building technologies (mainly from Mobility and Smart Infrastructure operations), transport infrastructure (from Mobility operations) and the service of energy-efficient building technologies (from Smart Infrastructure operations), as well as the Group's own real estate portfolio. The majority of taxonomy-eligible capital expenditures result from the latter economic activity. The above-mentioned economic activities refer to chapters 3, 6 and 7 of Annex I of Delegated Regulation (EU) 2020/852.

SIEMENS FINANCIAL REPORT FOR FISCAL 2022, COMBINED MANAGEMENT REPORT

The EU taxonomy in the context of our business

Digital Industries offers a comprehensive portfolio of products and system solutions for automation to be used in discrete and processing industries. It thus enables customers to optimize their entire value chain – from product design and development to production and after-sales service.

Only a very small portion of our portfolio in process automation and PLM life-cycle collaboration software comes under the current definition of eligibility in the EU taxonomy (climate change mitigation or climate change adaptation objectives), even though our portfolio of solutions make it possible to enhance efficiency, conserve resources, and thus reduce the emission of greenhouse gases.

At present, the EU taxonomy does not cover energy-efficient drives and motors, even though they help mitigate emissions. Simulation software enables companies to evaluate designs digitally before implementing them in reality, thus conserving resources (including energy) and reducing the associated emissions. Our solutions include real-time monitoring, control, and modeling for production facilities, thus helping to optimize resource and energy consumption. By joining the real and digital worlds together in industry, we provide industrial vendors with the data transparency they need in order to optimize their business.

The Smart Infrastructure portfolio from Siemens includes a broad range of products, services, solutions and software for all aspects of network management, electrical products, building automation, fire protection and security, e-mobility charging infrastructure, and energy efficiency. It delivers smart connections for energy systems, buildings, and industries.

An important portion of its portfolio is devoted to integrating renewable energy into the power grid, employing electromobility, enhancing energy efficiency in buildings, and improving transparency in measuring infrastructure performance through the use of digital tools and data management solutions.

A variety of business areas offer taxonomy-eligible components of the Siemens Smart Infrastructure portfolio: solutions and services for installation, maintenance, and repair of energy-efficient systems, along with equipment for measuring and controlling buildings' energy efficiency – especially building management systems. Energy performance contracts and installations for renewable energy, such as photovoltaic systems, are likewise included in the EU taxonomy. Digital Services, which allow greater transparency and control, besides reducing maintenance expenses, are also eligible. Among the other eligible activities are the manufacture of energy-efficiency equipment for buildings, such as building automation and control systems and energy management systems; assisting with the transmission and distribution of electricity, for instance with control and automation systems for integrating distributed energy systems; producing e-mobility systems and solutions that open the way for low-carbon road transport; and creating data-driven solutions for reducing emissions, such as building and network management software.

But the Smart Infrastructure portfolio also includes key technologies that are not currently included in the EU taxonomy. Among these are equipment for electrical installation and technologies for low and medium-voltage power distribution that help with electrification and thus provide a lever for the overall decarbonization of the economy.

The Siemens Mobility portfolio comprises products, services, and solutions for all aspects of our core business areas: rail infrastructure automation and electrification, along with rail vehicles.

The portfolio includes streetcar systems, light rail and subway systems, local public transportation, regional trains, and high-speed trains. It includes turnkey systems as well, and is supplemented with digital solutions, not only for mobility service providers and operators but for travelers. Travelers can draw on the support of intermodal route planning even before they leave home, as well as booking, ticketing, and payment, and up-to-date information delivered while they're in transit. Mobility service providers and operators can optimize their rail networks and railway administration with features like trip planning and reservations, train and network capacity planning, fleet and infrastructure operation and maintenance, and all-inclusive life-cycle asset management.

The Siemens Mobility portfolio includes eligible components from every business area. Our portfolio is very extensively aligned with the taxonomy thanks to our activities in the manufacture of low-carbon technologies for transport – rail vehicles especially. There is also very extensive alignment for our activities in the categories of infrastructure for rail transport and infrastructure enabling low-carbon road transport and public transport, which relate to our solutions for automating and electrifying railroad infrastructure. In addition to our products and solutions, these taxonomy-eligible activities also include our rail service business, with which we ensure the availability of railway infrastructure and vehicles through maintenance, technical support, qualification, and training, among other things.

In its analysis of activities contributing to revenues, Siemens Healthineers concluded that the current EU Taxonomy Regulation, with its focus on the objectives of climate change mitigation and climate change adaptation, is not applicable to the manufacture of medical products, which is Siemens Healthineers' primary activity. Siemens Healthineers products and services do not serve primarily for reducing greenhouse gases, but rather help ensure the best possible healthcare delivery for society globally.

Examples of eligible and non-eligible Siemens portfolio in fiscal 2022

Not all of the technologies that enable and support the EU's decarbonization and environmental objectives are currently classified in the EU taxonomy. The reason is that many enabling economic activities' contribution to carbon reduction can only be derived indirectly. For that reason, we advocate expanding the EU taxonomy to include enabling economic activities that form important components of our portfolio.

	Examples of eligible items in Siemens portfolio (fiscal 2022)	Examples of non-eligible items in Siemens portfolio (fiscal 2022)
Digital Industries	→ Process automation portfolio → PLM life-cycle collaboration software	→ Automation products, systems, and services such as sensors, control technology, energy-efficient drives, and motors → Industry software and IT/OT data-controlled solutions
Smart Infrastructure	→ Solutions and services for the installation, maintenance, and repair of energy-efficient systems → Equipment for measuring and controlling energy efficiency of buildings, especially building management systems → Energy performance contracts and installations for renewable energy → Digital services that improve transparency and control and reduce maintenance expenses → Manufacture of energy efficiency equipment for buildings → Transmission and distribution of electricity → E-mobility systems and solutions → Data-controlled solutions for emission reduction, such as building and network management software	→ Technologies for low and medium-voltage power distribution → Equipment for electrical installation → Fire protection portfolio → Security portfolio
Siemens Mobility	→ Rail vehicles → Railway infrastructure, automation, and electrification → Digital solutions for mobility service providers and operators → Turnkey rail solutions → Railway services → Road traffic technology	
Siemens Healthineers		→ Entire portfolio

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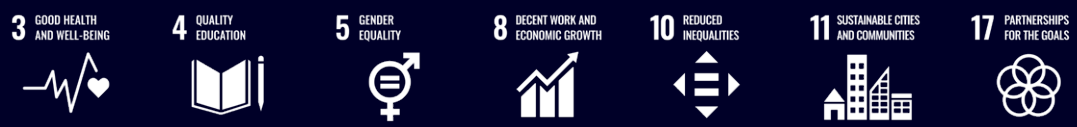
Social
Contribution to people and society



Equity

foster diversity, inclusion, and community development to create a sense of belonging

Our key ambitions:[1]

→ 30% female share in top management by 2025
→ Access to employee assistance program: maintain high level and expand globally to 100%[2]
→ Global commitment to the New Normal Working Model[3]

Additional topics:

→ Supporting our people by offering attractive benefits
→ "Diversity Charter" reinforces respect for Diversity[4]
→ Social engagement with three strategic priorities

Employability

enable our people to stay resilient and relevant in a permanently changing environment

Our key ambitions:[1]

→ 25 digital learning hours by 2025
→ Access to employee assistance program: maintain high level and expand globally to 100% by 2025
→ 30% improvement in Siemens' globally aggregated LTIFR[5] by 2025

Additional topics:

→ "MyGrowth" program to foster individual growth and performance at scale
→ Wide range of opportunities for career entry and qualification
→ Continued rollout of the Healthy and Safe @ Siemens program

1 Siemens without SHS.
2 Where legally possible and reasonable.
3 For employees with job profiles that make this possible and reasonable.
4 Siemens AG Germany.
5 LTIFR: Lost Time Injury Frequency Rate (of Siemens employees and temporary workers) baseline FY 2020.

5.1 Working at Siemens

- **Global values and global corporate culture**
- **311,000[1] employees worldwide**
- **Supporting our people by offering attractive benefits**

For many years now, human capital has become more and more of a defining factor for sustainable growth, and thus for companies' business success. Demographic change and the rising demand for jobs with digital profiles, combined with the shrinking half-life of knowledge, are the principal structural challenges that we address in the People & Organization (P&O) unit (formerly Human Resources) at Siemens. The COVID-19 pandemic exacerbated the challenging situation in the job market even further.

To do full justice to our aspiration to #TransformTheEveryday[2] in the face of these challenges both today and in the future, at Siemens we rely on a holistic strategy that focuses on people and their individual needs, interests, and abilities. As a technology company, we believe it is our mission to assist our people in handling the exponentially rapid development of technology, and to empower them for the digital age. We also want to reinforce our position as an attractive employer so we can attract talented new staff and keep them with our company in the long term.

Our aim is to establish an integrating, empowering culture of growth and transformation that ensures both sustainable business success and our people's employability – an ambition that we are also pursuing with our four strategic priorities, ↗ STRATEGY two of which are especially relevant to People & Organization (P&O): Empowered People and a Growth Mindset.[2]

Empowering people and fostering a growth mindset

To overcome the current challenges, it's indispensable to be able to respond fast and fully – both as a company, and as individuals. So at Siemens, we specifically promote a growth mindset and encourage all our employees to experiment, ask questions, and do what will help our company and our customers best.

Our innovative products and solutions are backed by highly qualified people who apply their passion and expertise to develop technologies like our open Siemens Xcelerator[2] business platform – technologies that help our customers speed up their digital transformation, completely reinvent their companies and entire industries, and become more sustainable themselves.

We constantly invest in all levels of training for our people, and support them in remaining resilient as people and relevant as skilled workers. We also want to encourage their awareness of the importance of lifelong learning and enable them to cope better with change – and ultimately, to surpass their own previous levels of performance.

We have adopted ambitious, specific goals with our DEGREE sustainability framework. The three "E"s – Ethics, Equity, and Employability – are the areas with the highest priority for the P&O function at Siemens.[2] ↗ DEGREE

1 All employee figures in this chapter refer to the headcount.
2 Siemens excluding SHS.

Establishing a culture of trust in the real and digital world

Our values and ethical standards for doing business are anchored in our Business Conduct Guidelines (BCGs). The BCGs define the basic principles and rules for our conduct both inside and outside the company, and are binding for all our employees, managers, and top management alike, worldwide. ↗ COMPLIANCE AND ETHICS

Based on this culture of trust, we place fair treatment and respect at the heart of our value system. Our aim is to treat everyone fairly and respectfully, regardless of skin color, ethnic or social background, religion, age, disability, sexual identity and orientation, world view, or gender. ↗ HUMAN RIGHTS Our goal is to be the employer of choice – a status confirmed by our ranking as a top employer by various organizations worldwide, and reflecting our commitment to diversity, inclusion, and a sense of belonging.

To highlight our culture of trust and empowerment, we are pursuing two initiatives in particular that concentrate on understanding and taking account of our people's experiences, and on recognizing their achievements:

→ We use the results of our Siemens Global Engagement Survey (SGES)[2] at regular intervals to assess the efficacy and success of our actions, and to derive any necessary steps for improvement. In January 2022, we had a response rate for the SGES of 69% (up about 2 percentage points from the year before). Our People Net Promoter Score (pNPS) was 36 (+9 from the prior year).

→ The Werner von Siemens Award[2] is given in six different categories to honor achievements that have had a positive impact on Siemens and beyond. Elements of our DEGREE framework are an integral part of the Werner von Siemens Award. In 2022, the trophies were presented to teams that enabled our customers to transform their industries, contributed to technological innovation, served as a role model in digitization, or participated in an initiative involving ingenuity and social responsibility. Around 9,500 employees took part in this competition in 2022 and submitted 337 entries.

E Equity

Progress DEGREE Equity #10: Access to employee share plans – maintain high level and expand globally to 100%[1]

Siemens employee share program strengthens identification with the company

Employee share ownership is an integral part of the Siemens DEGREE framework: We aim to maintain access to our employee share program at the 98% level and expand it globally to 100%.[2] Owning a stake in the company is intended to motivate our people to take personal responsibility for their own actions. This ownership culture has a long tradition at Siemens: Our first profit-sharing program was introduced back in 1858. Today, the global Siemens share program, which has been offered annually since 2008, is one of the largest employee share programs in the world. More than 102,000 employees invested in their company in 2022, which means that almost 45% of all eligible employees participated.[3] In addition, Siemens AG distributed around 573,000 free bonus shares to employees in the past fiscal year as part of the global share program. ↗ DEGREE

Siemens Healthineers has its own share program that it offers to its employees.

Progress

FY 21: 98% | 99% | 100%

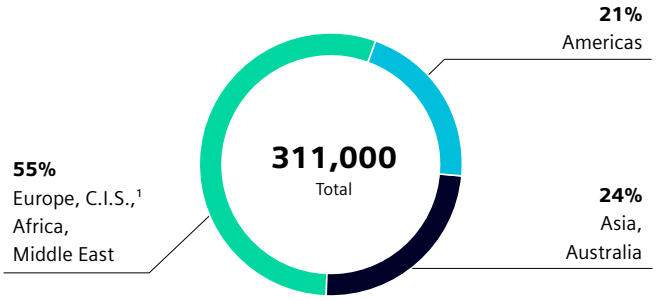
1 The DEGREE ambition applies for Siemens excluding SHS.
2 Where legally possible and reasonable.
3 Participation is open to all employees who were employee by a participating Siemens subsidiary on October 1 of the previous calendar year and continue to be employed at a participating Siemens subsidiary at least until the last day of the applicable offer period. Members of the Managing Board are excluded.

2 Siemens excluding SHS.

Employee structure and change

As of September 30, 2022, Siemens employed 311,000 people around the world. That represents an increase of about 8,000 employees from September 30, 2021. 55% of all employees were in Europe, the Commonwealth of Independent States (CIS), Africa, and the Middle East, 21% were in North America, Central America, and South America, and 24% in Asia and Australia. 94% have permanent contracts. In Asia and Australia, around one-fifth of the contracts are temporary, while in the other regions more than 95% of our employees have permanent employment contracts.

Siemens employees
(in % of total number of employees) September 30, 2022



1 Commonwealth of Independent States.

The percentage of women in the total workforce is 27%.

27%

Women as a percentage of total employees

Hires and exits

The number of new hires increased by approximately 38% compared to fiscal 2021, while the number of exits increased by 25%.

The percentage of dismissals – as a percentage of all employee exits – was 10% in the reporting period, compared to 11% for the previous year. All other differences result from changes in the basis of consolidation and other changes.

Siemens employee hires

	Fiscal year	
(in thousands)	**2022**	2021
Siemens	**47.3**	34.4
Europe, C.I.S.,[1] Africa, Middle East	**19.3**	13.7
Americas	**13.7**	10.6
Asia, Australia	**14.3**	10.1

1 Commonwealth of Independent States.

Women hired

	Fiscal year	
(as a percentage of new hires)	**2022**	2021
Siemens	**30**	30
Europe, C.I.S.,[1] Africa, Middle East	**28**	29
Americas	**33**	34
Asia, Australia	**30**	29

1 Commonwealth of Independent States.

Employee turnover rate [1]

	Fiscal year	
(in %)	**2022**	2021
Employee decision	**6.6**	4.7
Other reasons for exit	**5.0**	5.0
Total	**11.6**	9.7

1 Employee turnover is defined as the ratio of voluntary and involuntary exits from Siemens during the fiscal year to the average number of employees.

Working hours and working time arrangements

Average standard weekly working hours [1]

(in hours)	September 30, 2022	2021
Siemens	**39.5**	39.5
Europe, C.I.S.,[2] Africa, Middle East	**38.0**	38.0
Americas	**41.0**	41.0
Asia, Australia	**41.8**	41.9

1 Contractual weekly working hours.
2 Commonwealth of Independent States.

Use of working hour programs at Siemens

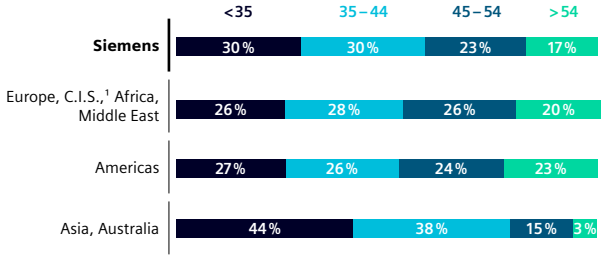
(in thousands)	September 30, 2022	2021
Part-time	**13.8**	13.8
Employees on leave or absence	**6.2**	6.3

Changes in age distribution

The distribution of employees by age group remained almost unchanged from the previous year. The average age in the reporting period was 42 years.

Age structure

(as a percentage of total employees) September 30, 2022



1 Commonwealth of Independent States.

Commitment to fair pay

We want to guarantee fair pay (coverage of basic needs) that at least conforms to the national statutory minimum wage. Subject to national regulations, Siemens adheres to the principle of "equal pay for equal work" – for instance, equity in wages for women and men with the same job profile or same role.

We also review pay parity at regular intervals, so as to eliminate unjustified differences (with the same job profile, role, competencies, experience, performance, etc.), as further testimony of our unwavering commitment to fair payment for employees. In 2022 we reviewed our 21 largest companies in different countries[2] (selected by revenue) on the basis of our defined, market-based pay parity methodology. We are working with these companies to establish a long-term cultural change in support of our targets.

Employee benefits and opportunities for today and tomorrow

In a constantly changing world, we continuously compare and revise the employee benefits and opportunities we provide. We offer flexible benefits programs that support our people's physical, mental, financial, and social well-being, both today and tomorrow. The Siemens benefits programs[2] are intended to enable our people to realize their full potential and strengthen their resilience with a variety of insurance policies, support benefits, retirement arrangements, and elective plans. To understand the constantly changing, diverse needs of our global team and their families, we watch the external market and track the latest trends and innovations in our industry, and we keep an eye on sustainability.

SIEMENS FINANCIAL REPORT FOR FISCAL 2022, COMBINED MANAGEMENT REPORT, PENSIONS

2 Siemens excluding SHS.

Work-life balance

There is an increasing desire for more flexibility and more individual solutions depending on phase of life when it comes to organizing working hours and work location. For this reason, we offer our people flexible working models, which are structured according to the local requirements in their various countries, and in ways compatible with the employees' roles. Examples include mobile working, part-time hours, sabbaticals, time-outs, parental leave, and partial early retirement.

Mobile working will establish itself as the core element of a New Normal and promote a sustainable work culture and working environment. With mobile working within this New Normal, we want to motivate our people, improve our company's performance, and strengthen Siemens' profile as a flexible, and attractive employer.

E Equity

DEGREE Equity #11: Global commitment to the New Normal Working Model[1]

At Siemens, mobile working and flexibility of work location of the established hybrid New Normal Working Model (2–3 days of mobile work per week as a standard offering for our people worldwide) also strengthen our ability to attract and retain the best talent. Our DEGREE ambition of a global commitment to the New Normal Working Model supports this aim worldwide. ↗ DEGREE

Progress

Rollout continued

1 For employees with job profiles that make this possible and reasonable. The Siemens New Normal Working Model and DEGREE ambition applies for Siemens excluding SHS.

We also encourage balance between work and providing care for relatives. We are well aware that this topic is growing in importance, and we support our people in Germany who provide care for family members. We offer these people various support options through the Elder Care program. This program is based on four pillars: time off work and flexible working, communication, counseling, and training in health matters.

Childcare at Siemens

As part of its family-friendly corporate policy, for fiscal year 2022 Siemens AG supported its people in Germany with a general tax-free childcare allowance of up to €100 per calendar month per child for the care of preschool-age children at a kindergarten or similar establishment. In addition, Siemens AG grants its part-time employees in Germany a further tax-free childcare allowance during parental leave. For fiscal 2022, this amounted to up to €500 per child per calendar month for childcare at a kindergarten or similar establishment, for children up to 14 months of age.

For our people in Germany, there are also further options, such as around 1,500[2] childcare places, a summer vacation childcare program, and parent-child health retreats.

The FutureOfWork@SIEMENS initiative

As a future-oriented company, at Siemens we have a responsibility to actively consider and shape the influence of current and future trends on our people, our work, and our working environment. This is what lies at the heart of the #FutureOfWork initiative. In order to tackle structural change, it engages with two essential questions: HOW we will work in the future (#NewWork), and WHAT we will work on in the future (#NextWork).

2 Siemens excluding SHS.

#NewWork includes making organizations more flexible and developing individual and organizational adaptability, such as agile forms of organization and new forms of collaboration, leadership, and flexible working conditions. The #NewWork methodology was launched at the end of 2021 and is currently being applied by a variety of teams around the world.

#NextWork addresses the existential question of our future jobs, namely which activities and roles will exist tomorrow and beyond – both inside and outside our company. In this context, we identify the capabilities needed to enable an organization as a whole, but also our individual people, to prepare for the work of tomorrow. The #NextWork methodology was launched back in 2020. We are currently scaling it up globally to support our various business units in identifying impact on the quality and quantity of employment.

Our talent programs for individual career paths

Through a focused integration and development of the next generation of leaders, we make a sustainable contribution toward a diverse, agile management team, and thus to the transformation of Siemens. Our communities are linked by a strong growth mindset, as well as a sense of cohesion and dedication that extends above and beyond the program itself, and even beyond the individuals' time at Siemens.

The Siemens CEO* Program[2] is an opportunity for outstanding candidates in the field of general management. By specifically developing their leadership skills and their global networks, the program prepares participants for future management responsibilities.

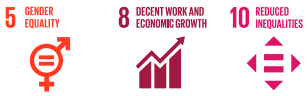
The Siemens Finance Excellence Program (FEP) is a finance leadership program and a stepping stone for future commercial leaders with a digital mindset. All program participants benefit from being assigned a personal mentor from among Siemens' finance leadership team, accompanied by individually customized development measures.

The Siemens Graduate Program (SGP) is an international trainee program that has been in existence for more than 100 years for high-potential candidates with a master's degree. It offers a customized development journey and excellent networking opportunities throughout the company.

2 Siemens excluding SHS.

5.2

Diversity, Equity & Inclusion



- **Focus on strengthening sense of belonging**
- **"Diversity Charter" reinforces respect for diversity[1]**
- **One of our DEGREE ambitions: 30% female share in Top Management by 2025[2]**

At Siemens, we transform the everyday – for our customers, our people, and society at large. This transformation also means committing to **diversity, equity, and inclusion.** To us, diversity stands for the inclusion and interaction of different ways of thinking, backgrounds, experiences, skills, and individual qualities across all levels and dimensions of the company. Equity is an integral part of our corporate culture. Inclusion enables every voice to be heard and get involved. Through a sense of belonging we empower our people and find untapped opportunities for everyone's growth. This principle is reflected in the motto #BelongingTransforms.[2]

We actively promote diversity, equity, and inclusion by creating a working environment that is open and appreciative for all. Our commitment to human rights is anchored in our Siemens Business Conduct Guidelines (BCGs). We do not tolerate discrimination of any kind. The guidelines clearly state: "We respect the personal dignity, privacy, and rights of each individual." They also make it clear that Siemens is committed to maintaining a workplace that is open to everybody regardless of ethnic origin, culture, religion, age, disability, skin color, gender, sexual identity and orientation, or world view.

↗ HUMAN RIGHTS

Global strategy with local implementation[2]

We have been working for years now to build a diverse, equitable, inclusive corporate culture – and have had measurable success, including in our efforts to increase the global share of management positions held by women by the year 2025. Over the past years, we have established a global Diversity, Equity & Inclusion (DEI) network, which is active in many regions of the world. Working with our Chief Diversity Officer (CDO), the global Diversity, Equity & Inclusion Office provides support and assistance for a great many activities. Siemens Healthineers has its own Diversity, Equity & Inclusion (DEI) organization.

Working on the basis of the Diversity Charter, Siemens and the company's General Works Council have initiated various projects such as "Respect and Appreciation," which sponsors local projects aimed at making these values come alive for our people working in different locations.[1]

Through sponsorships and strategic partnerships, we are also involved in other formats and initiatives such as the Diversity Charter initiative.[1]

In fiscal year 2022, Siemens received many diversity prizes and awards all over the world, including the "#Work human certified Enterprise" in the United States and the "Best Place to work for LGBTQ+ Equality – Human Rights Campaign (HRC)" in Mexico.[2]

1 Siemens AG Germany.
2 Siemens excluding SHS.

Pride@SIEMENS: Network of the LGBTQIA+[3]-Community

Siemens supports the UN Initiative for Global LGBTQIA+[3]-Standards of Conduct for Companies.[2]

Our people throughout the world can come together to share their thoughts and feelings and support each other in our Pride Networks. People on the LGBTQIA+[3]-spectrum and straight allies[4] are equally welcome.

We also offer collegial counselling. The German model project "Trans* at work" was launched this year to support employees before, during, and after their transition.[2] Based on this project, relevant guidelines were developed for employees and managers and "Trans Advocates" were named to serve as the first point of contact.[2]

Women in the workforce

The percentage of women in the workforce at Siemens was 27% in 2022.

Employees in management positions[1]

September 30, 2022

Employees in management positions

30,900

Percentage of female employees in management positions

20.6%

1 Employees in management positions include all managers with disciplinary responsibility.

We aim to keep expanding gender equality. Our commitment to advancing women at all levels of the company is not limited to complying with statutory or regulatory requirements.

E Equity

Progress DEGREE Equity #9: 30% female share in Top Management by 2025[1]

We aim to increase the percentage of top management positions held by women globally to 30% by September 30, 2025.[2] As of September 30, 2022, 27.7% of top management positions were held by women (+0.2%-points compared to previous year).

↗ DEGREE

Progress

FY 20: 22.7% | 27.7% | 30% by 2025

1 This DEGREE ambition applies for Siemens excluding SHS.
2 This does not affect local or company-specific diversity targets and requirements set by law or regulation. More details about the targets and staffing requirements that apply to Siemens AG, as well as the diversity concepts that are being pursued for the Supervisory Board and Managing Board of Siemens AG, can be found in the annual Corporate Governance Statement available on the Siemens Investor Relations website under the Corporate Governance heading.

We are also pursuing a variety of initiatives, programs, and measures to foster a cultural change toward gender parity, diversity, and integration. Among the many different women's networks around the world are the following:

→ Global Leadership of Women@Technology & Innovation (GLOW@TI):[5] This in-house network for women with a background in science aims to promote careers for women. Women from this network were appointed to technology field and research group management positions in 2022.

→ GROW2GLOW:[5] The "GROW2GLOW" network provides business coaching for women as a way of helping them realize their full potential. The network comprises around 130 coaches in 13 countries.

2 Siemens excluding SHS.
3 Lesbian, Gay, Bisexual, Trans, Queer, Intersexual, and Asexual.
4 "Straight allies" are persons who identify as heterosexual and cisgender, who support the LGBTQIA+ movement and also speak out against homophobia, lesbophobia, and transphobia.
5 Applies for Siemens excluding SHS.

Inclusion of people with disabilities

Siemens strives to ensure equity for people with disabilities, their inclusion in society and the workplace, and their self-determined participation and right to be treated with respect. What counts for us is the person – disabilities should have no relevance at all. For that reason, we also aim for a barrier-free work environment. But at Siemens, inclusion means more than just accessibility: It is a holistic way of thinking and acting that eliminates both visible and invisible barriers and encourages a culture of conscious, equitable participation and understanding as a way of supporting and enabling people with disabilities.

The Ability@Siemens[5] initiative aims to promote a culture of integration for approximately 4,800 disabled employees currently working at Siemens in Germany. It is based on a groundbreaking inclusion agreement with the General Representative Board for disabled employees.[6]

Siemens also supports the worldwide #PurpleLightUp movement, which honors the economic contribution of working persons with disabilities all over the world, as a signal of respect for the International Day of Persons with Disabilities (IDPD)[7] proclaimed by the United Nations, celebrated on December 3 each year. We honored this day by hosting a global online event to raise the awareness of our people. An "Allyship Challenge" was organized in advance to prepare for this event.[5]

In addition, Siemens joined the Valuable 500 – an initiative launched by the World Economic Forum to place the concerns of persons with disabilities on companies' management agendas – first at the local level in 2020 and then at the global level in 2021.[5]

5 Applies for Siemens excluding SHS.
6 Inclusion Agreement for Siemens AG Germany.
7 International Day of Persons with Disabilities.

5.3

Professional education and lifelong learning

- **Broad portfolio for vocational education and training (VET) and lifelong learning**
- **"MyGrowth" program to foster individual growth and performance at scale**
- **One of our DEGREE ambitions: 25 digital learning hours by 2025[1]**

Our company's success depends on having highly qualified and skilled people: The right people with the right skills are crucial to our growth. That's why we invested approximately €375 million in employee education and training in fiscal 2022.

Vocational training to start your career

Through its educational institution Siemens Professional Education (SPE) Siemens is one of the largest companies in Germany for secondary school graduates. Currently the company has 4,321 apprentices and students in dual study programs in Germany, 834 of them coming in from other companies and 3,487 employed at Siemens. In autumn 2022, 1,136 school graduates began an apprenticeship or dual study program with our company. In addition to these learners in Germany, we train more than 2,000 young people all over the world. Our SPE program includes apprenticeships and dual study programs in technical, IT, and commercial fields and also offers development opportunities for disadvantaged young people.

International Tech Development Programs: Our international programs are intended for members of the upcoming generation from Europe and beyond. In a format tailored to the needs of international business, we teach core components of dual vocational education and training, which helps foster employability wherever the participants reside. At present, our programs have 30 young workers from 16 countries.

Lifelong learning is crucial to success

In the past fiscal year, Siemens spent €205 million on employee training, which corresponds to an average of €667 per employee. We have a wide range of learning content and formats to help our people enhance their qualifications.

€205 million

invested in employee training. This equaled to an average of €667 per employee in fiscal 2022.

Global Learning and Growth (GLG) is an in-house learning and growth ecosystem that offers ongoing development opportunities for our people around the globe. We provide a broad range of trainings. Along with content in technology and other specialties, they also include developmental courses for social skills such as team leadership and team building. On average, each employee spent about 26 hours in digital learning or on-site trainings during the fiscal year.

1 Siemens excluding SHS.

E Employability

Progress DEGREE employability #12: 25 digital learning hours by 2025[1]

In terms of our DEGREE ambitions, each employee completed about 21 hours of digital learning (up 14 hours from fiscal 2020, the basis year – a 200% increase). ↗ DEGREE

Progress

FY 20: 7 h | 21 h | 25 h by 2025

1 The DEGREE ambition applies to Siemens excluding SHS.

Management compensation as well includes a component for lifelong learning. It incorporates long-term performance incentives based on ESG criteria and is defined under Governance in our DEGREE framework. Assessments are based on the internal ESG/Sustainability index, which in addition to training hours also includes reduction of CO_2 emissions and the Net Promoter Score (NPS) for measuring customer satisfaction.

↗ SUSTAINABILITY GOVERNANCE AND ORGANIZATION

People development programs customized for global or local use

Our range of options in people development includes the following programs:

- → The Siemens Core Learning Paths (CLP) are specifically designed for areas such as Sales, Project Management, Procurement, Production, and Software Architecture. They provide the target group with self-guided learning content and trainer-supported virtual training sessions. In fiscal 2022, a total of 29 CLP were made available to the relevant target groups around the world. The earned qualifications are internationally comparable within Siemens and create career opportunities for our people throughout the company, thus supporting and promoting systematic personnel development.
- → The Siemens Potential Development Programs (PDP)[2] comprise more than 30 development programs for selected employees with potential for further tasks. The emphasis is on professional development, preparing for future roles, and personal growth. In addition to targeted development measures such as trainings, mentoring, shadowing, and assignments abroad, participants benefit by expanding their professional networks and becoming more visible to management. This is how the programs also make a significant contribution to strategic succession planning. Some of the PDP are specifically designed for the advancement of women.
- → The GLOW@TI (Global Leadership of Women@Technology & Innovation)[2] initiative focuses on attracting, developing, and retaining talented women with a background in STEM or innovation fields. It supports women in realizing their full potential and aims to promote a culture of innovation through strong networks between departments and organizations.
- → The Siemens Leadership Excellence (SLE) programs are aimed at high-ranking executives on various levels with the goal of strategically strengthening succession planning and promoting the corporate culture. These programs support participants in identifying sustainable, effective solutions for their business challenges and provide a shared understanding of core competencies needed for management and transformation. The programs also support us in building a strong global network of managers, both within the company and beyond.

2 Siemens excluding SHS.

Future-oriented learning and career development instruments

The MyGrowth program combines our learning and career development tools and content, and is intended to promote continuous growth. MyGrowth has three components:

- → MyGrowth Self-Reflection: To build a successful career, it's essential to know one's own strengths and weaknesses and to be aware of one's personal stage of development. A variety of tools and services are offered with content such as identifying strengths (Strengthscope®), perception by others (feedback tool), and coaching (Peer2Peer).
- → MyGrowth Learning: Our online learning platform offers more than 115,000 learning resources that aim to meet our people's different interests and requirements. Our people can benefit from a large number of learning formats here, including videos, e-learning modules, virtual training courses, technical literature, podcasts, and e-books. Through the use of artificial intelligence, users also receive customized recommendations for learning content based on their usage behavior.
- → MyGrowth Career: This concept allows our people to shape their own career development; it's integrated into a holistic concept and is based on the individual's current situation. The core components are the open markets reflected in the Open Job Market and People Profile. These are supported with further options like Job Tagging (showing interest in a particular department), along with Job Shadowing and Mentoring to encourage personal growth.

Siemens Growth Talks have replaced the company's former Performance Management Process (PMP). Growth Talks are regular, forward-looking, strength-based conversations that support both individual and organizational growth, performance, and well-being. Support materials such as discussion guidelines, questions for reflection, and workshop templates help our people, teams, and managers maintain an ongoing, respectful, and encouraging dialog about individual development and learning.

Future Fund supports transition to a new work world

Siemens AG and its Central Works Council intend to proactively shape the structural transformation. We're working together to create a learning organization that is able to master structural transformation while also optimizing opportunities for change that can benefit our people. A Future Fund has been created for this purpose. It encourages development programs intended to support our people in staying oriented in a disruptive employment environment and enabling them to qualify and learn beyond their previous limits. It finances projects relating to structural change that go beyond site boundaries, with support from site management and Works Councils.

A total of €100 million has been made available for the Future Fund of Siemens AG in Germany for four fiscal years starting in January 2019.[3] The term of the Future Fund has now been extended to 2025. More than €14 million was approved for Future Fund projects in fiscal 2022, about €6 million more than in the previous year.[4]

3 The fund included Siemens Energy until that company was spun off.
4 Siemens excluding Siemens Energy and SHS.

5.4

Occupational health and safety management

- **Resilience and well-being are the core of occupational health and safety management**
- **The Healthy & Safe @ Siemens program will continue to be rolled out worldwide**
- **Further reduction of the accident rate**

Disruptions caused by a variety of ecological and social crises in our global environment are growing in number. Digitalization is also changing the way we work. The core challenge and task for the company's occupational health and safety is therefore to maintain and further improve the resilience, adaptability, and well-being of our employees.

One of the DEGREE action fields is sustainable employability: the ability of our employees to successfully master continually changing requirements. In addition to continuous professional development ("lifelong learning"), individual resilience is also a decisive factor, making it possible to successfully adapt to difficult or challenging life events and work situations.

By continuously monitoring and evaluating potential risks and deriving appropriate measures, we work to ensure the design of healthy and safe working conditions. This is our mission and our commitment. By doing so, we aim to enable our people to achieve a balanced state of well-being, be better able to handle stress factors, and use energy resources with greater awareness. They are also given the opportunity to grow personally, work more productively, and make important contributions to the company's success. ↗ WORKING AT SIEMENS To achieve this, we provide a broad variety of resilience-focused activities, such as training or curated learning paths on our learning platform.

To foster health and safety, we dedicate ourselves with two complementary approaches:

Clear rules, obligations, and expectations

Based on our Business Conduct Guidelines (BCGs), we have established internal monitoring systems and a company-wide risk management and control process. The Siemens EHS Principles provide the binding anchor point for our actions here. They also include an obligation for all operating units to demonstrate a management system certifiable to ISO 45001. The effectiveness of these management systems is subject to an annual internal review which checks, among other things, whether processes for risk assessments and emergency management are implemented in accordance with internal and external regulations, inspections and reviews have been carried out, significant risks and opportunities have been identified, and whether they are reflected in measurable goals and measures. In addition, the management system is externally certified according to market requirements in the respective operating unit.

Psychosocial risks are assessed once a year via the employee survey and then discussed and documented by the teams in a follow-up process.

Active participation by our workforce

The Siemens-wide strategic priority of having "empowered people" also guides our actions regarding safety and health. Safety, health, resilience, and well-being are intangible assets of our company. All employees contribute here every day as part of their work. For the implementation there is no one-size-fits-all solution, since requirements, tasks, and work situations differ throughout the company. Recognizing this diversity, we want to involve our employees in the design of the work. Our company-wide as well as country- or business-specific initiatives and programs thrive from the active participation of all employees.

The Environmental Protection, Health Management, and Safety (EHS) function at Siemens plays a central role in both approaches. It is organized locally, integrated into each business unit and each regional company, and reports directly to the respective business manager. The EHS Officers coordinate the collaboration of experts across the various fields of action. The main task of this expert function is to advise managers and teams and support them in managing their respective areas of responsibility.

The function's profile has changed significantly in recent years: Rather than monitoring compliance with rules and work flows as in the past, the focus is now on supporting our people in dealing safely with dynamically changing requirements.

Health and safety committees have been established in the relevant country organizations and on location levels. Here, management and employee representatives jointly coordinate the specific measures and initiatives needed for a healthy and safe working environment.

One example of this is the development and introduction of the hybrid New Normal Working Model, which allows a high degree of flexibility in terms of space and time and encourages a self-determined way of working. ↗ WORKING AT SIEMENS However, since changing working environments always have an impact on health, safety and well-being, the conception and implementation of the New Normal Working Model was accompanied by EHS experts and the health and safety committees. The focus here is on promoting interaction, intensifying communication, and offering targeted learning opportunities. It is crucially important to involve the teams as much as possible in the design of their work.

The company-wide Healthy and Safe @ Siemens program[1]

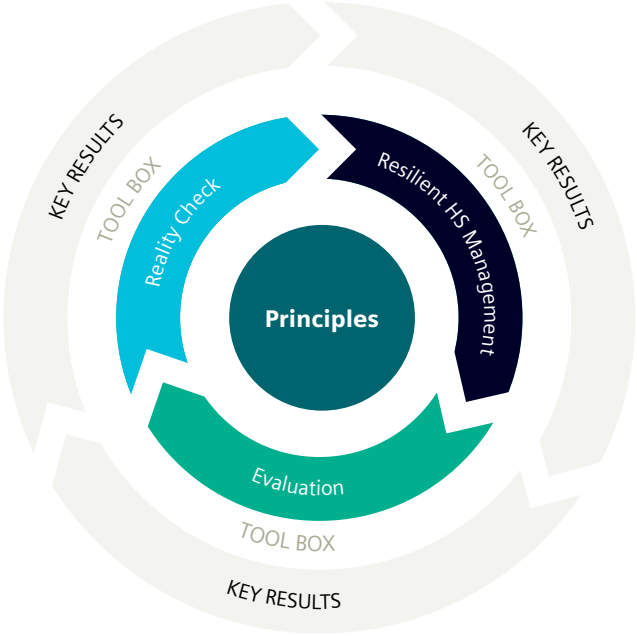
Following its successful piloting in the past fiscal year, the company-wide Healthy and Safe @ Siemens program went into a more extensive rollout.

The program aims to invite employees to help shape leadership, learn from each other, increase well-being at work, and promote innovations and improvements in occupational health and safety.

The program is based on five principles:

- We care for our own and each other's well-being.
- We speak up and take part in making the workplace healthy and safe.
- We are inclusive and invite a diverse range of views on health and safety.
- We are engaged in learning and sharing how we can work better, safer, and healthier.
- We prepare for and adapt well to changing circumstances.

Elements of Healthy and Safe @ Siemens



1 Siemens excluding SHS.

These principles guide the process. The first step involves a self-assessment – the reality check. Various aspects in the categories "work climate", "leadership", "learning", and "processes and resources" are reviewed and potential for improvement is identified.

In the second step, measures are defined and agreed upon for a resilient health & safety (HS) management. The results are then evaluated in the third step. Materials for implementing the process are available in a toolbox.

The program is designed to run until 2030. Individual priorities and objectives may be adjusted over time. Key results are currently defined for the areas of "mental health" and "occupational health and safety management." Two of them have also been included in the DEGREE sustainability framework:

E Employability

Progress DEGREE Employability #13: Access to Employee Assistance Program: Maintain high level and expand to 100% globally by 2025

100% access to the Employee Assistance Program (EAP) by 2025 – As an integral part of our psychosocial risk management, the EAP anonymously supports individual employees in coping with psychosocial personal stress through individual consultations. In 2022, 87%[1] of all our colleagues worldwide had access to EAP. This not only enables us to support all our people worldwide in developing health-promoting behaviors, but shall also help raise general awareness of psychosocial issues in society as a whole.

Progress

FY 20: 82% | 87% | 100% by 2025

1 Siemens excluding SHS

E Employability

Progress DEGREE Employability #14: Improve the global aggregated LTIFR at Siemens by 30% by 2025

30% improvement in the global accident rate (LTIFR) by 2025 (base year: 2020) – compared to the reference value of 0.31 from fiscal 2020, we have achieved an improvement of 19%[1] to date.

Progress

FY 20: 0.31 | –19% | –30% to 2025

1 Siemens excluding SHS

Health and occupational safety management still in high demand

Maintaining and strengthening individual and organizational resilience – and by the same token, the sustainability of our business operations – became even more important during the COVID-19 pandemic. Our health and safety management continued to prove its resilience and reliability during this crisis.

In fiscal 2022 as well, some of our locations, notably in China, were impacted by longer lockdowns. However, thanks to our protection concepts, we were largely able to maintain business continuity worldwide.

The war in Ukraine presented an additional challenge. We ended our business activities in Russia and had to largely limit our activities in Ukraine. We support our employees in finding safe places to stay and in coping as best as possible with their radically changed life situation. In particular, our employees in Poland have provided excellent assistance here.

During the year, the focus was increasingly on the topic of mental health. In addition to offering professional support – from EHS experts, our internal social counseling service or external EAP providers – a climate of attentiveness among all employees is crucially important. In China and India, for example, continuous personal contact was maintained with employees affected by lockdowns via counseling sessions that offered individual support and advice. It extended all the way to delivering care packages with items for everyday use.

The challenging overall situation also presented an opportunity to focus on solidarity and help us make the pledge of our EHS function: "One world, one life – we care" a reality.

On the company side, we reinforce this commitment in many ways.

- → In addition to providing topic-specific health and safety training, we have expanded the scope of learning and exchange opportunities, particularly with regard to resilience, psychological safety, and psychosocial risk management.
- → Managers and employees can take advantage of continuously updated digital learning opportunities for self-determined learning. In the Siemens Learning World, these offerings are tailored to different target groups and are bundled according to topic.
- → Managers and team members engage in ongoing communication about health, safety, and well-being at work. This is visible, for example, in the "Walk & Talk 2.0" workshops and team dialogs that discuss the regular employee surveys, and in exchanges on the company's internal social networks.
- → In addition, Siemens' regional companies and business units have developed a variety of initiatives, such as regular "Health Talks", learning and action weeks, and the "EHS Month". The annual "World Days" with a focus on health and safety or mental health, for example, are also the platform for various events and campaigns.

We are continuously expanding our spectrum of health services to maintain and strengthen the resilience and health of our people – at work and beyond. Some 89%[1] of our employees have access to company medical services. These include preventing health problems and identifying them early on, such as through health checks, screenings, and vaccinations. We treat health issues appropriately and in a timely manner, such as through telemedicine consultations or referrals to experts. Moreover, we facilitate successful returns to work, by providing support with reintegration measures or ergonomics advice.

Many of our employees (85%[1]) can take advantage of a wide range of health education offers designed to strengthen their health literacy. These offerings have a holistic approach that covers physical, mental and social health issues.

Accident numbers at low level

The number of work-related accidents further decreased, also resulting in the global accident rate (LTIFR) reduction in the past fiscal year. Characteristics of the accidents remained comparable to the previous year:

- → 81% of the reported incidents were assigned to the "minor" category (minority injuries such as scratches and abrasions). Finger injuries continued to account for the majority of incidents.

Two fatalities occurred in fiscal 2022. In one case, an employee in India was fatally injured in a traffic accident while on a business trip. In the other case, a contractor suffered serious injuries during installation work on a lifting platform and died a few days later.

Each accident is a source of grief for the people concerned and their families, friends, and colleagues. And each incident is a renewed call for us to keep ensuring and improving a safe and healthy work environment for our people and partners.

1 Siemens excluding SHS.

LTIFR Employees and Temporary Workers[1]

	Fiscal year 2022	2021[3]
Employees[2]	**0.25**	0.27
Temporary Workers	**0.38**	0.43
Total	**0.26**	0.29

1 Lost Time Injury Frequency Rate (LTIFR): number of lost-time cases (LTC) × 200,000 / work hours; LTC are accidents that result in at least one lost day of work.
2 As a globally operating company, Siemens isn't always authorized or able to obtain sensitive information about contract workers' health and occupational safety or complete figures on their work hours. As a result, the Temporary Worker LTIFR for Siemens includes only temporary workers hired by a temporary employment agency or under a contract for work and services.
3 Due to system change and data quality improvement adjusted prior year figures SHS.

Fatalities (work-related)

	Fiscal year 2022	2021
Employees	**1**	–
Temporary Workers	**–**	2
Contractors	**1**	2
Total	**2**	4

5.5 Corporate citizenship

- **Improving people's living conditions**
- **Giving societies access to knowledge and technologies**
- **A variety of projects with three strategic priorities**

Corporate citizenship is Siemens' voluntary commitment to delivering benefits for society in every country where we operate. As defined by Werner von Siemens over 170 years ago, the company's mission is to provide technologies that improve quality of life and create lasting value for society. Based on the UN's Sustainable Development Goals, we identify topics that are relevant for the development of a country and illustrate how we are making a positive contribution to achieving them. The goal of this approach is not to reduce the risks associated with the company's business activities, but to give something back to the societies where the company operates. Thus, corporate citizenship is an important element of our company's sustainability strategy, one that is embedded in our DEGREE framework. Specifically, the main focus here is on "Equity," which strengthens the identification of different target groups with the company, and on "Employability," which is achieved through a range of training measures covering all phases of life.

Based on our core business and our competencies, we have defined three strategic focus areas for our corporate citizenship activities: access to technology, access to education, and sustaining communities. Our corporate citizenship activities extend beyond traditional philanthropy – we also harness our technological expertise and leverage our capabilities and products to contribute.

Our Core Areas

Access to technology

With the aid of our core competencies in digitalization, automation, and electrification, as well as scientific research, we strive to give as many people as possible the chance to use the latest technologies.

Access to education

Knowledge is a resource on which our future depends. Therefore, improving educational prospects and allowing broad access to education are critically important challenges for all societies everywhere in the world.

Sustaining communities

Our goals are to establish stable living conditions, protect values, unleash creativity, improve intercultural understanding, and contribute to progress.

The Siemens Stiftung, along with six other Siemens foundations and Siemens Caring Hands e.V, complement our corporate citizenship initiatives.

WWW.SIEMENS-STIFTUNG.ORG/EN

Creating lasting value with a shared-value approach

In accordance with our corporate strategy, ↗ SIEMENS AT A GLANCE responsibility for the selection and management of nonprofit and socially innovative activities lies with the local units or local management in each country. This approach is designed to make sure that we provide support and create value where it is needed most. In the process, we combine in-depth local knowledge with the need for a long-term commitment to overcome social challenges that may vary from region to region.

Our goal in each society is to help improve general living and healthcare conditions (access to technology), enhance educational and training opportunities for the labor market (access to education), and strengthen social cohesion and cultural identification (sustaining communities). At the same time, we enhance the reputation of Siemens, strengthen its local footprint, create a wider understanding of its technologies, position ourselves as an attractive employer, and lay the foundation for future innovation. We measure the achievement of these goals on the basis of the individual underlying targets.

With our principles on sponsorship activities, donations, charitable contributions, and memberships, we have also created a global framework that provides guidance for local activities. The guidance outlines how all kinds of potential contributions can be employed correctly and in a targeted manner while ensuring transparency regarding all activities worldwide.

Corporate volunteering is an important lever and driver of the corporate citizenship activities of Siemens. Our own Corporate Volunteering Standard outlines a common global concept and a framework for Siemens AG. Corporate volunteering is an efficient way for individuals to make a difference in society and helps to enhance employee satisfaction and retention. Among the many examples are the different initiatives offered by the regional department for our people in the Nuremberg Metropolitan Region. Besides classic on-site support for charitable institutions for children, seniors, and the disabled, these also include projects in sustainability and aid for refugees. Furthermore there are digital services that offer virtual aid for those in need.

Another significant factor of corporate responsibility at Siemens is our employee donation programs, which combine the company's commitment to society with our people's wish to get more engaged on a personal level. Along with the Cents4Sense program, the charitable organization Siemens Caring Hands e.V. has evolved into a global platform where employees can provide support after natural disasters around the world and in unforeseen events like the war in Ukraine. SIEMENS-CARING-HANDS.ORG/EN

Impactful corporate citizenship – Siemens Stiftung

The international Siemens Stiftung is a foundation established by Siemens in 2008 as an independent nonprofit organization. The foundation uses the income from its €390 million endowment to support international projects in three working areas: education, culture, and cooperation for sustainable social development.

A reliable basic income, high-quality education, and a shared understanding of culture are essential for that purpose. So in its international project work, the foundation supports people in addressing these challenges of our times responsibly and on their own initiative.

The foundation's geographic focus is on regions in Africa and Latin America, along with Germany and other European countries. Here it and its partners develop and carry out solutions and programs in which technological and social innovation plays a key role. The foundation's operations are based on transparency and an outcome orientation.

Siemens and its employees supported the Siemens Stiftung's work with a number of donation campaigns during the fiscal year.

One example is the COVID-19 Aid Fund, administered by Siemens Caring Hands e.V. The fund was in its second year and managed the digital "STEM Education for Innovation" initiative to advance innovative educational formats in Latin American countries. To date it has spent €0.5 million on projects that included producing almost 350 digital and analog instructional media for the entire educational chain, and providing further training for almost 200,000 STEM teachers and other interested participants in more than 180 trainings, workshops, and webinars.

For the fourth time now, through the Cents4Sense program employee shareholders around the world donated the dividend from one of their Siemens shares, with Siemens itself matching every donation. Since the program began in 2018, it has raised almost €850,000 for selected Siemens Stiftung social projects in Africa and Latin America.

In the "GraDItitude" campaign, Digital Industries provided donations for a STEM education project in Mexico especially oriented to girls, and for an initiative in Ghana to provide Internet access for rural communities. At the same time, this effort is focusing on connecting schools and furnishing high-quality digital teaching content.

Along with the Siemens Stiftung, there are six more foundations in Europe, Latin America, and the USA that exchange information and cooperate on projects as part of the Global Alliance of Siemens Foundations.

We join the international community in condemning the war in Ukraine, and are concentrating on supporting our Ukrainian employees and delivering humanitarian aid. Mainly through Siemens Caring Hands e.V. we have helped raise more than €12 million in donations for more than 60 projects, which were selected in close cooperation with the regional companies concerned so as to ensure direct support consistent with needs. In addition to immediate aid in the form of food, medications, and emergency housing, the projects also included providing laptops and mobile phones, integrative educational services, and even custom-made prosthetics and psychosocial counseling. Siemens has also developed two proprietary software platforms through which employees can support their Ukrainian colleagues directly with donations in kind and offers of housing. And Siemens business segments have furnished key technical solutions worth €3 million as a donation in kind to maintain or rebuild civilian infrastructure in Ukraine.

Access to education is relevant for societies around the world

The promotion of education can take different forms and pursue different objectives, but the overriding goal is always to enhance future opportunities and give young people the tools to master future challenges. Thanks to its breadth and depth, the Siemens portfolio offers a variety of opportunities for tackling problems that vary from region to region and for finding the best possible solutions in close cooperation with local partners. In doing so, Siemens also improves market access for qualified and urgently needed young professionals, thereby positioning itself as a reliable partner for the public sector.

Our commitment to education ranges from enabling STEM- oriented training and promoting excellence through competition to providing free software licenses and setting up new institutional education paths, such as dual education and apprenticeship systems.

Coding skills are increasingly relevant for overcoming the challenges of handling digitalization. For that reason, Siemens supports a diverse range of programming-oriented learning programs and projects that are especially designed for children, for instance in Portugal (UBBU), Germany (Hacker School), and India. Many of these programs are also assisted by volunteers from Siemens staff.

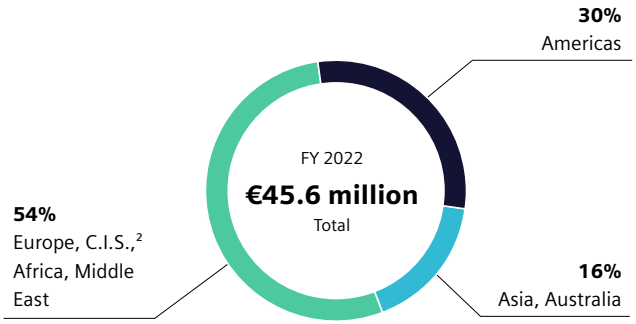
The Indian Scholarship Program, 50% of whose participants are women, not only encourages training of qualified and urgently needed skilled workers for industry, but also puts a clear focus on socially disadvantaged families. To date it has helped more than 1,100 students, and on average, their income has tripled.

Access to technology on the basis of our core competencies

Access to modern, reliable infrastructure, for example by securing the energy supply, delivering clean water, or also providing basic medical care, is a fundamental prerequisite, especially in developing countries, for improving the quality of life of many people and securing prospects for their future.

Additionally, by outfitting research laboratories with control and automation equipment, for instance in Hungary, Turkey, and Latvia, Siemens helps improve educational opportunities and thus prospects for making a living.

Community Investment[1]



1 Community investment includes donations as well as sponsoring activities in the areas of education, science, and the arts and culture. Varian is not included in sponsoring figures.
2 Commonwealth of Independent States.

Promotion of social cohesion

Local identification with cultural heritage is also important for social cohesion. That is why we have a philosophy of supporting cultural and social activities as well. The Siemens Arts Program in particular goes a long way toward helping us live up to this objective through a diverse range of projects, such as the Siemens Conductors' Scholarship for the Karajan Academy of the Berliner Philharmoniker. This fellowship provides two years of training, including an appointment as assistant to the Chief Conductor.

Protecting the environment and conserving natural resources are two goals that are also of the utmost importance for sustaining communities. For instance, Siemens UK conducted a systematic campaign to train almost 50,000 grade school students, especially from more socially disadvantaged communities, in what can be done to improve sustainability.

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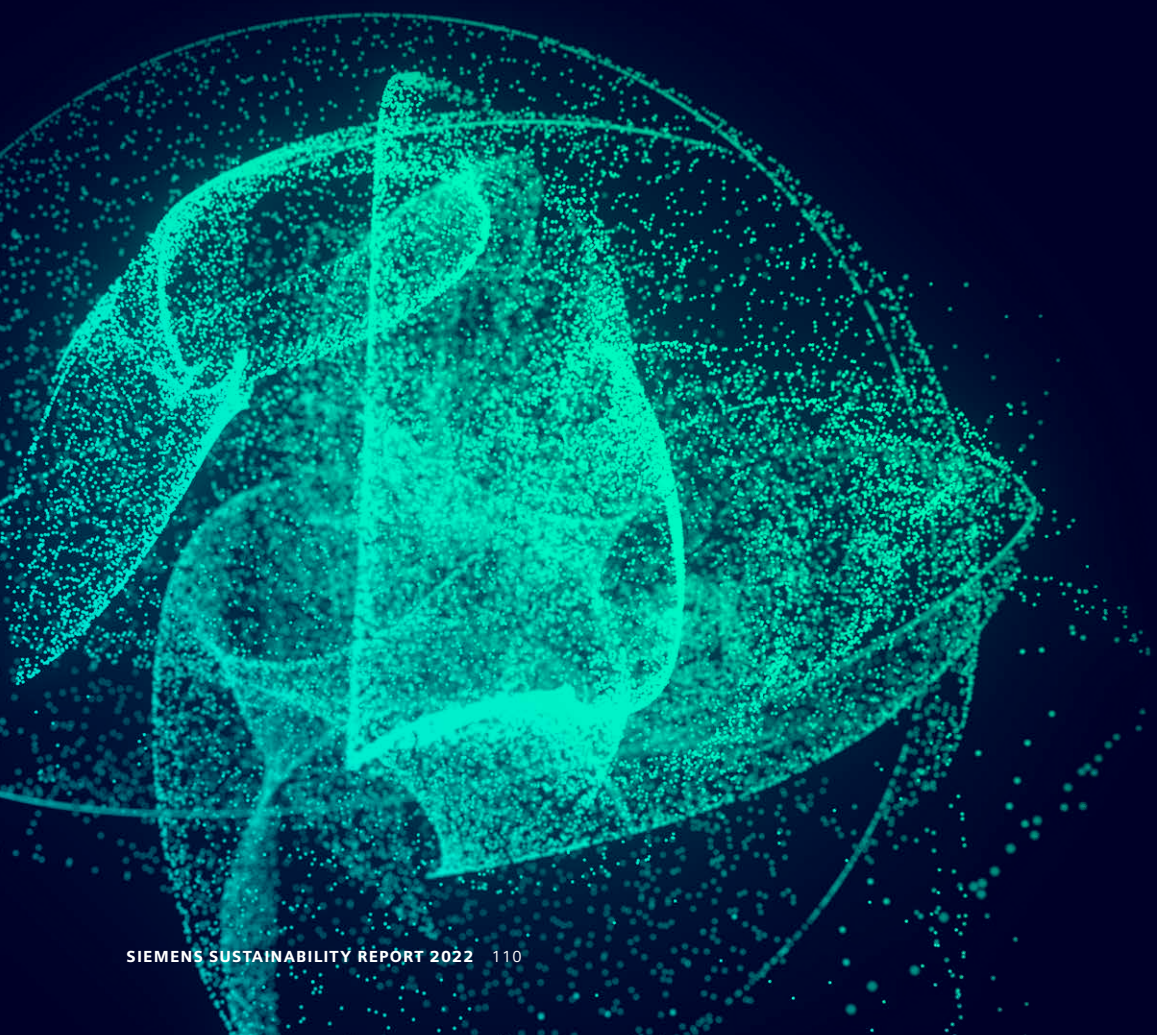
Our sustainability indicators



Sustainability Key Performance Indicators (KPIs)		Fiscal Year/ September 30th	Unit	FY 2022	FY 2021	+/–	Standards
SIEMENS AT A GLANCE							
Total revenue	Total	Fiscal Year	Billion €	**72.0**	62.3	15.6%	GRI 201-1, WEF
Net Income	Total	Fiscal Year	Billion €	**4.4**	6.7	–34.4%	GRI 201-1, WEF
Adjusted EBITA Margin for the Industrial Business	Total	Fiscal Year	%	**15.1%**	15.0%	0.7%	GRI 201-1, WEF
Research and development[1]							
R&D expenses	Total	Fiscal Year	Billion €	**5.6**	4.9	15.1%	WEF
R&D intensity	Total	Fiscal Year	% of revenue	**7.8%**	7.8%	–0.5%	WEF
Additions to capitalized development expenses	Total	Fiscal Year	Billion €	**0.3**	0.3	5.4%	WEF
Average number of R&D employees	Total	Fiscal Year	No. (rounded)	**46,900**	42,500	10.4%	
Patents granted	Total	Sept. 30th	No. (rounded)	**43,600**	41,900[2]	4.1%	WEF
Share of patentfamilies with SDG-relevance	Total	Sept. 30th	% of total patentfamilies	**44.8%**	n.a.		WEF
GOVERNANCE							
Compliance (continuing and discontinued operations)							
Compliance cases reported	Total	Fiscal Year	No.	**363**	394	–7.9%	GRI 205-3, 206-1, 307-1, 406-1, 419-1, WEF
	Allegations of bribery[3]	Fiscal Year	No.	**12**	9	33.3%	GRI 205-3, 206-1, 307-1, 406-1, 419-1, WEF
	Allegations of bribery related to actual year	Fiscal Year	No.	**7**	5	40.0%	GRI 205-3, 206-1, 307-1, 406-1, 419-1, WEF
	Allegations of bribery related to previous years	Fiscal Year	No.	**5**	5	0.0%	GRI 205-3, 206-1, 307-1, 406-1, 419-1, WEF
Disciplinary sanctions	Total	Fiscal Year	No.	**212**	121	75.2%	GRI 205-3, WEF
	Warnings	Fiscal Year	No.	**90**	62	45.2%	GRI 205-3, WEF
	Dismissals	Fiscal Year	No.	**74**	49	51.0%	GRI 205-3, WEF
	Others[4]	Fiscal Year	No.	**48**	10	380.0%	GRI 205-3, WEF
Business Conduct Guideline Training – graduating quote current year	Total	Fiscal Year	% of invitated employees	**96.3%**	92.6%	3.9%	GRI 205-2, WEF

1 Continuing Operation (Last year with Varian / without Flender)
2 Realignment of LY data due to exclusion of utility models
3 Does also include allegations of granting benefits (but not taking bribes); time of the alleged misconduct may be in more than one period or may be unspecified. Therefore it can be included in both categories
4 Includes loss of variable and voluntary compensation elements, transfer and suspension

Sustainability Key Performance Indicators (KPIs)		Fiscal Year/ September 30th	Unit	FY 2022	FY 2021	+/–	Standards
Business Conduct Guideline Training – persons graduating current year	Total	Fiscal Year	No. (rounded)	**102,000**	72,000	41.7%	GRI 205-2, WEF
	EMEA	Fiscal Year	No. (rounded)	**50,000**	34,000	47.1%	GRI 205-2, WEF
	Americas	Fiscal Year	No. (rounded)	**19,000**	19,000	0.0%	GRI 205-2, WEF
	Asia, Australia	Fiscal Year	No. (rounded)	**20,000**	19,000	5.3%	GRI 205-2, WEF
Graduated other specific Compliance trainings for employees	Total	Fiscal Year	No. (rounded)	**409,000**	374,000	9.4%	GRI 205-2, WEF
Integrity Initiative – Projects	Total	up to Sept. 30th	No.	**85**	85	0.0%	GRI 102-12, WEF
Integrity Initiative – Finance budget provided	Total	up to Sept. 30th	Million US $ (rounded)	**120**	120	0.0%	GRI 102-12, WEF
Supply chain management							
Purchasing Volume (PVO) / Procurement volume	Total	Fiscal Year	Billion €	**34.6**	27.8	24.6%	GRI 102-9
Number of relevant (> € 10,000 annual volume) suppliers	Total	Fiscal Year	No. (rounded)	**66,000**	63,000	4.8%	GRI 102-9
Sustainability self-assessments[5]	Total	Fiscal Year	No.	**4,912**	4,267	15.1%	GRI 308-2, 407-1, 408-1, 409-1, 414-2
	EMEA	Fiscal Year	No.	**1,147**	1,505	–23.8%	GRI 308-2, 407-1, 408-1, 409-1, 414-2
	Americas	Fiscal Year	No.	**654**	555	17.8%	GRI 308-2, 407-1, 408-1, 409-1, 414-2
	Asia, Australia	Fiscal Year	No.	**3,111**	2,207	41.0%	GRI 308-2, 407-1, 408-1, 409-1, 414-2
Agreed improvement measures out of Sustainability self-assesments	Total	Fiscal Year	No.	**3,109**	3,604	–13.7%	GRI 308-2, 414-2
Supplier quality audits with sustainability questions	Total	Fiscal Year	No.	**321**	319	0.6%	GRI 308-2, 407-1, 408-1, 409-1, 414-2
	EMEA	Fiscal Year	No.	**142**	116	22.4%	GRI 308-2, 407-1, 408-1, 409-1, 414-2
	Americas	Fiscal Year	No.	**76**	89	–14.6%	GRI 308-2, 407-1, 408-1, 409-1, 414-2
	Asia, Australia	Fiscal Year	No.	**103**	114	–9.6%	GRI 308-2, 407-1, 408-1, 409-1, 414-2

5 To be conducted mainly by suppliers from non-OECD countries with a purchasing volume > € 50,000 p.a.. Questionnaires initiated and completed in the year under review.

Sustainability Key Performance Indicators (KPIs)		Fiscal Year/ September 30th	Unit	FY 2022	FY 2021	+/–	Standards
External sustainability audits	Total	Fiscal Year	No.	**426**	394	8.1%	GRI 308-2, 407-1, 408-1, 409-1, 414-2, WEF
	EMEA	Fiscal Year	No.	**113**	123	–8.1%	GRI 308-2, 407-1, 408-1, 409-1, 414-2, WEF
	Americas	Fiscal Year	No.	**50**	44	13.6%	GRI 308-2, 407-1, 408-1, 409-1, 414-2, WEF
	Asia, Australia	Fiscal Year	No.	**263**	227	15.9%	GRI 308-2, 407-1, 408-1, 409-1, 414-2, WEF
Agreed improvement measures out of external sustainability audits	Total	Fiscal Year	No.	**7,275**	6,617	9.9%	GRI 308-2, 414-2, WEF
ENVIRONMENT							
Climate Action							
Greenhouse Gas Emissions							
Scope 1	Total	Fiscal Year	1,000 metric tons of CO_2 equivalents	**393**	386	1.8%	GRI 305-1, WEF
	CO_2 emissions	Fiscal Year	1,000 metric tons of CO_2 equivalents	**357**	352	1.6%	GRI 305-1, WEF
	CO_2 emissions from gas	Fiscal Year	1,000 metric tons of CO_2 equivalents	**138**	n.a.		GRI 305-1, WEF
	CO_2 emissions from LPG	Fiscal Year	1,000 metric tons of CO_2 equivalents	**1**	n.a.		GRI 305-1, WEF
	CO_2 emissions from heating oil	Fiscal Year	1,000 metric tons of CO_2 equivalents	**2**	n.a.		GRI 305-1, WEF
	CO_2 emissions from fleet fuel	Fiscal Year	1,000 metric tons of CO_2 equivalents	**213**	194	9.8%	GRI 305-1, WEF
	CO_2 emissions from site fuel	Fiscal Year	1,000 metric tons of CO_2 equivalents	**3**	n.a.		GRI 305-1, WEF
	CO_2 emissions from coal	Fiscal Year	1,000 metric tons of CO_2 equivalents	**0**	n.a.		GRI 305-1, WEF
	CO_2 emissions from technical CO_2	Fiscal Year	1,000 metric tons of CO_2 equivalents	**0.1**	n.a.		GRI 305-1, WEF
	SF_6 emissions	Fiscal Year	1,000 metric tons of CO_2 equivalents	**23**	17	29.6%	GRI 305-1, WEF
	CH_4 emissions	Fiscal Year	1,000 metric tons of CO_2 equivalents	**< 0.1**	< 0.1		GRI 305-1, WEF
	N_2O emissions	Fiscal Year	1,000 metric tons of CO_2 equivalents	**0.2**	0.9	–80.4%	GRI 305-1, WEF
	HFC-gas emissions	Fiscal Year	1,000 metric tons of CO_2 equivalents	**12**	16	–23.8%	GRI 305-1, WEF
	NF_3 emissions	Fiscal Year	1,000 metric tons of CO_2 equivalents	**< 0.1**	n.a.		GRI 305-1, WEF
	Acetylen gas emissions	Fiscal Year	1,000 metric tons of CO_2 equivalents	**0.8**	n.a.		GRI 305-1, WEF

Sustainability Key Performance Indicators (KPIs)		Fiscal Year/ September 30th	Unit	FY 2022	FY 2021	+/–	Standards
Scope 2	Total (market based)	Fiscal Year	1,000 metric tons of CO_2 equivalents	**189**	208	–9.5%	GRI 305-2, WEF
	Market based from electricity	Fiscal Year	1,000 metric tons of CO_2 equivalents	**164**	159	3.5%	GRI 305-2, WEF
	Market based from heating	Fiscal Year	1,000 metric tons of CO_2 equivalents	**24**	50	–51.3%	GRI 305-2, WEF
	Total (location based)	Fiscal Year	1,000 metric tons of CO_2 equivalents	**670**	755	–11.3%	GRI 305-2, WEF
	Location based from electricity	Fiscal Year	1,000 metric tons of CO_2 equivalents	**633**	688	–8.0%	GRI 305-2, WEF
	Location based from heating	Fiscal Year	1,000 metric tons of CO_2 equivalents	**37**	67	–45.0%	GRI 305-2, WEF
Scope 1+2	Total	Fiscal Year	1,000 metric tons of CO_2 equivalents	**582**	595	–2.2%	GRI 305-1, 305-2, WEF
Scope 1+2 intensity	Total	Fiscal Year	metric ton of CO_2 equivalents per million revenue	**8**	10	–15.4%	GRI 305-1, 305-2, WEF
Scope 1+2 Reduction to LY	Total	Fiscal Year	1,000 metric tons of CO_2 equivalents	**13**	83	–84.3%	GRI 305-5, WEF
Reduced emissions through energy from renewable sources	Total (Scope 1+2)	Fiscal Year	1,000 metric tons of CO_2 equivalents	**484**	541	–10.5%	GRI 305-5, WEF
	Gas from renewable sources (Scope 1)	Fiscal Year	1,000 metric tons of CO_2 equivalents	**20**	22	–12.8%	GRI 305-5, WEF
	Electricity from renewable sources (Scope 2)	Fiscal Year	1,000 metric tons of CO_2 equivalents	**465**	518	–10.4%	GRI 305-5, WEF
Scope 3	Total	Fiscal Year	1,000 metric tons of CO_2 equivalents	**457,606**	481,713	–5.0%	GRI 305-3, WEF
Scope 3 Upstream	Total	Fiscal Year	1,000 metric tons of CO_2 equivalents	**11,515**	10,091[6]	14.1%	GRI 305-3, WEF
	Purchased goods & services	Fiscal Year	1,000 metric tons of CO_2 equivalents	**9,557**	8,530[6]	12.0%	GRI 305-3, WEF
	Capital goods	Fiscal Year	1,000 metric tons of CO_2 equivalents	**458**	423[6]	8.3%	GRI 305-3, WEF
	Fuel & energy-related activities	Fiscal Year	1,000 metric tons of CO_2 equivalents	**137**	127[6]	7.9%	GRI 305-3, WEF
	Waste in operations	Fiscal Year	1,000 metric tons of CO_2 equivalents	**25**	24[6]	4.2%	GRI 305-3, WEF
	Transportation upstream	Fiscal Year	1,000 metric tons of CO_2 equivalents	**1,118**	830[6]	34.7%	GRI 305-3, WEF
	Business travel	Fiscal Year	1,000 metric tons of CO_2 equivalents	**122**	63	93.7%	GRI 305-3, WEF
	Employee commuting	Fiscal Year	1,000 metric tons of CO_2 equivalents	**98**	94	4.3%	GRI 305-3, WEF

6 Realingment of LY data due to adjustment of calculation method

Sustainability Key Performance Indicators (KPIs)		Fiscal Year/ September 30th	Unit	FY 2022	FY 2021	+/–	Standards
Scope 3 Downstream	Total	Fiscal Year	1,000 metric tons of CO_2 equivalents	**446,090**	471,622[8]	–5.4%	GRI 305-3, WEF
	Use phase emission	Fiscal Year	1,000 metric tons of CO_2 equivalents	**442,175**	467,424[8]	–5.4%	GRI 305-3, WEF
	Investment SFS[7]	Fiscal Year	1,000 metric tons of CO_2 equivalents	**3,915**	4,198[8]	–6.7%	GRI 305-3, WEF
Scope 3 Downstream intensity	Total	Fiscal Year	metric ton of CO_2 equivalents per million revenue	**6,198**	7,574	–18.2%	GRI 305-3, WEF
GHG Emissions Scope 1+2+3 Upstream ("Cradle to gate")	Total	Fiscal Year	1,000 metric tons of CO_2 equivalents	**12,097**	10,686	13.2%	GRI 305-3, WEF
Greenhouse Gas – Fleet and Real Estate Management							
Siemens fleet (owned or leased vehicles)	Total number	Sept. 30th	No. (rounded)	**42,000**	43,000	–2.3%	
	Electrical vehicles	Sept. 30th	No. (rounded)	**1,350**	650	107.7%	
	Hybrid vehicles	Sept. 30th	No. (rounded)	**3,150**	2,700	16.7%	
	Electrical and hybrid vehicles	Sept. 30th	No. (rounded)	**4,500**	3,350	34.3%	
	Rate of electrical and hybrid vehicles	Sept. 30th	% of total fleet	**11%**	8%	38.8%	
	Rate of electrical vehicles	Sept. 30th	% of total fleet	**3%**	2%	114.7%	
	Fleet emissions (part of Scope 1 emission)	Fiscal Year	1,000 metric tons of CO_2 equivalents	**213**	194	9.8%	GRI 305-1, WEF
	Fuel consumption fleet	Fiscal Year	1,000 gigajoule	**2,920**	2,658	9.8%	WEF
Siemens sites with Net Zero CO_2 emissions	Total	Sept. 30th	No.	**41**	32	28.1%	GRI 305-5, WEF
Charging poles on company ground for electrical vehicles	Total	Sept. 30th	No. (rounded)	**2,200**	1,450	51.7%	
Use Phase Impact at customers							
Greenhouse gas reductions achieved by our customers through products of the Siemens Portfolio[9]	Total	Fiscal Year	Mt CO_2e	**153.2**	137.7	11.2%	GRI 305-5, WEF
EU Taxonomy							
Share eligible Turnover	Total	Fiscal Year	% of Turnover	**20%**	n.a.		
Share eligible Operating Expenditure	Total	Fiscal Year	% of relevant OPEX	**14%**	n.a.		
Share eligible Capital Expenditure	Total	Fiscal Year	% of relevant CAPEX	**40%**	n.a.		
Conservation of Resources							

7 Emissions out of Siemens Financial Services (SFS) activities in financing fossile energy production projects
8 Change in LY data caused by new calculation method
9 Calculated over the entire use phase, analogue Scope 3.11 "Use Phase Emissions"

Sustainability Key Performance Indicators (KPIs)		Fiscal Year/ September 30th	Unit	FY 2022	FY 2021	+/–	Standards
Energy Consumption: Primary & Secondary Energy	Total	Fiscal Year	1,000 gigajoule	**9,802**	9,863	–0.6%	GRI 302-1, SASB RT-EE-130a.1
	Share of renewable energy sources	Fiscal Year	% of total energy consumption	**47.8%**	46.4%	3.0%	GRI 302-1, SASB RT-EE-130a.1
	Share of grid electricity	Fiscal Year	% of total energy consumption	**57.4%**	54.0%	6.3%	GRI 302-1, SASB RT-EE-130a.1
Primary & Secondary Energy intensity	Total	Fiscal Year	1,000 gigajoule per million revenue	**0.136**	0.158	–14.0%	GRI 302-1, SASB RT-EE-130a.1
Energy Consumption: Primary Energy	Total	Fiscal Year	1,000 gigajoule	**3,010**	3,198	–5.9%	GRI 302-1, SASB RT-EE-130a.1
	Natural gas & liquid gas	Fiscal Year	1,000 gigajoule	**2,927**	3,118	–6.1%	GRI 302-1, SASB RT-EE-130a.1
	Gas from renewable sources	Fiscal Year	1,000 gigajoule	**334**	399	–16.2%	GRI 302-1, SASB RT-EE-130a.1
	Gas share from renewable sources	Fiscal Year	% of total gas used	**11%**	13%	–10.8%	GRI 302-1, SASB RT-EE-130a.1
	Fuel oil, gasoline, diesel	Fiscal Year	1,000 gigajoule	**63**	62	1.0%	GRI 302-1, SASB RT-EE-130a.1
Energy consumption: Secondary Energy	Total	Fiscal Year	1,000 gigajoule	**6,792**	6,665	1.9%	GRI 302-1, SASB RT-EE-130a.1
	Electricity (total)	Fiscal Year	1,000 gigajoule	**5,629**	5,329	5.6%	GRI 302-1, SASB RT-EE-130a.1
	Electricity (renewable sources)	Fiscal Year	1,000 gigajoule	**4,347**	4,173	4.2%	GRI 302-1, SASB RT-EE-130a.1
	Electricity Share of renewable energy sources	Fiscal Year	% of total electricity used	**77%**	78%	–1.4%	GRI 302-1, SASB RT-EE-130a.1
	District heating	Fiscal Year	1,000 gigajoule	**1,163**	1,337	–13.0%	GRI 302-1, SASB RT-EE-130a.1
Efficiency in energy	Total (w/o SHS)	Fiscal Year	% revenue weighted to base year (2021)	**13.0%**	n.a.		SASB RT-EE-130a.1
Waste							
Waste	Total	Fiscal Year	1,000 tons	**257.5**	275.5	–6.6%	GRI 306-3
	Non-hazardous waste	Fiscal Year	1,000 tons	**224.4**	235.2	–4.6%	GRI 306-3
	Hazardous waste	Fiscal Year	1,000 tons	**15.0**	11.8	27.1%	GRI 306-3, SASB RT-EE-150a.1
	Construction waste	Fiscal Year	1,000 tons	**18.0**	28.5	–36.7%	GRI 306-3

Sustainability Key Performance Indicators (KPIs)		Fiscal Year/ September 30th	Unit	FY 2022	FY 2021	+/–	Standards
Non-hazardous waste	Total	Fiscal Year	1,000 tons	**224.4**	235.2	–4.6%	GRI 306-3
	Recycling and Recovery	Fiscal Year	1,000 tons	**213.5**	222.3	–4.0%	GRI 306-3
	Recycling (material)	Fiscal Year	1,000 tons	**186.2**	n.a.		GRI 306-3
	Recovery (thermal)	Fiscal Year	1,000 tons	**27.2**	n.a.		GRI 306-3
	Landfill and other disposal	Fiscal Year	1,000 tons	**11.0**	12.9	–15.1%	GRI 306-3
	Landfill	Fiscal Year	1,000 tons	**8.9**	n.a.		GRI 306-3
	Other disposal (thermal / chemical / physical)	Fiscal Year	1,000 tons	**2.1**	n.a.		GRI 306-3
Hazardous waste	Total	Fiscal Year	1,000 tons	**15.0**	11.8	27.1%	GRI 306-3, SASB RT-EE-150a.1
	Recycling and Recovery	Fiscal Year	1,000 tons	**10.0**	6.1	63.4%	GRI 306-3, SASB RT-EE-150a.1
	Recycling (material)	Fiscal Year	1,000 tons	**8.6**	n.a.		GRI 306-3, SASB RT-EE-150a.1
	Recovery (thermal)	Fiscal Year	1,000 tons	**1.5**	n.a.		GRI 306-3, SASB RT-EE-150a.1
	Landfill and other disposal	Fiscal Year	1,000 tons	**5.0**	5.7	–12.1%	GRI 306-3, SASB RT-EE-150a.1
	Landfill	Fiscal Year	1,000 tons	**0.7**	n.a.		GRI 306-3, SASB RT-EE-150a.1
	Other disposal (thermal / chemical / physical)	Fiscal Year	1,000 tons	**4.3**	n.a.		GRI 306-3, SASB RT-EE-150a.1
Construction waste	Total	Fiscal Year	1,000 tons	**18.0**	28.5	–36.7%	GRI 306-3
	Recycling and Recovery	Fiscal Year	1,000 tons	**17.4**	13.3	31.5%	GRI 306-3
	Landfill and other disposal	Fiscal Year	1,000 tons	**0.6**	15.2	–96.1%	GRI 306-3
Total Waste (w/o construction waste)	Total	Fiscal Year	1,000 tons	**239.4**	247.0	–3.1%	GRI 306-3
	Recycling and Recovery	Fiscal Year	1,000 tons	**223.5**	228.4	–2.2%	GRI 306-4
	Recycling (material)	Fiscal Year	1,000 tons	**194.8**	n.a.		GRI 306-3
	Recovery (thermal)	Fiscal Year	1,000 tons	**28.7**	n.a.		GRI 306-3
	Landfill and other disposal	Fiscal Year	1,000 tons	**15.9**	18.6	–14.2%	GRI 306-3
	Landfill	Fiscal Year	1,000 tons	**9.6**	n.a.		GRI 306-3
	Other disposal (thermal / chemical / physical)	Fiscal Year	1,000 tons	**6.4**	n.a.		GRI 306-3

Sustainability Key Performance Indicators (KPIs)		Fiscal Year/ September 30th	Unit	FY 2022	FY 2021	+/–	Standards
Recycling & Recovery rate	Total (w/o construction)	Fiscal Year	% of total waste (w/o construction)	**93%**	92%	0.9%	GRI 306-4
	Hazardous waste	Fiscal Year	% of total hazardous waste	**67%**	52%	28.5%	GRI 306-4
	Non hazardous waste	Fiscal Year	% of total non hazardous waste	**95%**	95%	0.6%	GRI 306-4
	Construction waste	Fiscal Year	% of construction waste	**97%**	47%	107.9%	GRI 306-4
Upstream Waste [10]							
Upstream Waste	Total	Fiscal Year	1,000 tons	**1,776**	n.a.		GRI 306-1
	Non-hazardous waste	Fiscal Year	1,000 tons	**1,707**	n.a.		GRI 306-1
	Hazardous waste	Fiscal Year	1,000 tons	**69**	n.a.		GRI 306-1
Water							
Water withdrawal	Total	Fiscal Year	Million cubic meter	**12.93**	15.05	–14.0%	GRI 303-3, WEF
	Surfacewater	Fiscal Year	Million cubic meter	**1.03**	n.a.		GRI 303-3, WEF
	Groundwater	Fiscal Year	Million cubic meter	**7.94**	n.a.		GRI 303-3, WEF
	3rd party water	Fiscal Year	Million cubic meter	**3.91**	n.a.		GRI 303-3, WEF
	Other sources	Fiscal Year	Million cubic meter	**0.04**	n.a.		GRI 303-3, WEF
Water withdrawal intensity	Total	Fiscal Year	Cubic meter per million revenue	**179.71**	241.65	–25.6%	GRI 303-3, WEF
Water withdrawal in water-stressed areas	Total	Fiscal Year	Million cubic meter	**1.65**	n.a.		GRI 303-3, WEF
	Share of withdrawal	Fiscal Year	% of total withdrawal	**13%**	n.a.		GRI 303-3, WEF
Water consumption	Total	Fiscal Year	Million cubic meter	**0.45**	n.a.		GRI 303-5
Water consumption intensity	Total	Fiscal Year	Cubic meter per million revenue	**6.22**	n.a.		GRI 303-5
Water consumption in water-stressed areas	Total	Fiscal Year	Million cubic meter	**0.07**	n.a.		GRI 303-5
	Consumption share	Fiscal Year	% of total consumption	**16%**	n.a.		GRI 303-5
Discharge	Total	Fiscal Year	Million cubic meter	**12.36**	15.05	–17.9%	GRI 303-4
	Surface water	Fiscal Year	Million cubic meter	**1.07**	n.a.		GRI 303-4
	Groundwater	Fiscal Year	Million cubic meter	**7.73**	n.a.		GRI 303-4
	3rd party water	Fiscal Year	Million cubic meter	**3.56**	n.a.		GRI 303-4

10 Analysis of our supply chain based on purchase data by using of a macroeconomic input-output-model.

Sustainability Key Performance Indicators (KPIs)		Fiscal Year/ September 30th	Unit	FY 2022	FY 2021	+/–	Standards
Discharge usage	Total	Fiscal Year	Million cubic meter	**12.36**	15.05	–17.9%	GRI 303-4
	Sanitary wastewater	Fiscal Year	Million cubic meter	**2.90**	2.95	–1.7%	GRI 303-4
	Manufacturing processes	Fiscal Year	Million cubic meter	**0.55**	0.69	–21.0%	GRI 303-4
	Other (including losses)	Fiscal Year	Million cubic meter	**0.33**	0.82	–60.4%	GRI 303-4
	Cooling water discharged as wastewater	Fiscal Year	Million cubic meter	**0.13**	0.09	51.7%	GRI 303-4
	Chemically unchanged cooling water (returned to receiving water body chemically unchanged, but warmed)	Fiscal Year	Million cubic meter	**8.49**	10.51	–19.2%	GRI 303-4
Rate of sites with implemented water strategy	Total	Sept. 30th	% of sites	**93%**	84%[11]	10.6%	GRI 303-1, WEF
Atmospheric pollutant emissions							
Volatile Organic Compounds	Total	Fiscal Year	metric tons	**274.4**	276.4[12]	–0.7%	GRI 305-7
Ozone-depleting substances	Total	Fiscal Year	metric tons (R_{11} equivalent)[13]	**0.036**	0.030	17.1%	GRI 305-6
Nitrogen oxides	Total	Fiscal Year	metric tons	**57.6**	69.4[14]	–17.0%	GRI 305-7
Sulphur oxides	Total	Fiscal Year	metric tons	**0.94**	n.a.		GRI 305-7
Respirable dust	Total	Fiscal Year	metric tons	**0.08**	n.a.		GRI 305-7
Additional environmental topics							
Environment-related incidents	Total	Fiscal Year	No.	**41**	14	192.9%	GRI 307-1, SASB RT-EE-150a2
Reportable spills	Total	Fiscal Year	No.	**7**	7	0.0%	GRI 307-1, SASB RT-EE-150a2
	Quantity reportable spills	Fiscal Year	kg	**2,562**	380	574.2%	GRI 307-1, SASB RT-EE-150a2
	Quantity recovered spills	Fiscal Year	kg	**342**	346	–1.2%	GRI 307-1, SASB RT-EE-150a2
Sites with EHS management system ISO 14001:2015	Total	Sept. 30th	No.	**184**	185	–0.5%	
Sites with EHS management system ISO 50001:2018	Total	Sept. 30th	No.	**38**	27	40.7%	
Sites in or adjacent to protected areas	Total	Sept. 30th	No.	**20**	n.a.		WEF
Area of sites in or adjacent to protected areas	Total	Sept. 30th	Hectare	**184**[15]	n.a.		WEF

11 Last year: Siemens without SHS
12 Change in LY data caused by subsequent adjustment
13 R_{11} equivalent measures ozone depletion potential
14 Change of emission factors to LY
15 Therein 55 hectare of an office location without production in Erlangen/Germany

Sustainability Key Performance Indicators (KPIs)		Fiscal Year/ September 30th	Unit	FY 2022	FY 2021	+/–	Standards
Product Stewardship							
Life Cycle Assessments (LCA)[16]	Total	Sept. 30th	No.	**92**	158	–41.8%	
Environmental Product Declarations (EPD)	Total	Sept. 30th	No.	**1,346**	1,240	8.5%	
Share of Life Cycle Assessment (LCA) revenue[16]	Total	Fiscal Year	% of total revenue (Sales to 3rd. parties)[17]	**19%**	n.a.		
Share of Environmental Product Declarations (EPD) revenue	Total	Fiscal Year	% of total revenue (Sales to 3rd. parties)[17]	**15%**	n.a.		
Rate of products by revenue that contain IEC 62474-declarable substances	Total	Fiscal Year	% of total revenue (Sales to 3rd. parties)[17]	**49%**	n.a.		SASB RT-EE-410a1
SOCIAL							
Working for Siemens[18]							
Siemens employees	Total	Sept. 30th	No. (rounded)	**311,000**	303,000	2.6%	GRI 102-7, SASB RT-EE_000B
Employee structure	EMEA	Sept. 30th	% of total employees	**55.3%**	56.4%	–2.0%	GRI 102-8
	Americas	Sept. 30th	% of total employees	**20.6%**	20.5%	0.5%	GRI 102-8
	Asia, Australia	Sept. 30th	% of total employees	**24.1%**	23.2%	3.9%	GRI 102-8
	Age group < 35	Sept. 30th	% of total employees	**30.3%**	29.6%	2.4%	GRI 102-8, WEF
	Age group 35 – 44	Sept. 30th	% of total employees	**30.1%**	29.9%	0.6%	GRI 102-8, WEF
	Age group 45 – 54	Sept. 30th	% of total employees	**22.8%**	23.5%	–2.9%	GRI 102-8, WEF
	Age group > 54	Sept. 30th	% of total employees	**16.7%**	17.0%	–1.8%	GRI 102-8, WEF
	Blue-collar workers	Sept. 30th	% of total employees	**17.3%**	17.4%	–0.6%	GRI 102-8, WEF
	White-collar workers	Sept. 30th	% of total employees	**82.7%**	82.6%	0.1%	GRI 102-8, WEF
Average number of employees	Total	Fiscal Year	No.	**307,717**	295,582	4.1%	GRI 102-7, WEF
Average age of employees	Total	Sept. 30th	Years	**42**	42	0.0%	GRI 102-8, WEF

16 Full-scale
17 Siemens without SHS
18 All employee data in this section are based on headcount. FY 2021 includes Varian.

Sustainability Key Performance Indicators (KPIs)		Fiscal Year/ September 30th	Unit	FY 2022	FY 2021	+/–	Standards
Employee nationalities	Total	Sept. 30th	No.	**168**	167	0.6%	GRI 405-1
Female employees	Total	Sept. 30th	% of total employees	**27.2%**	26.7%	1.9%	GRI 102-8, WEF
	EMEA	Sept. 30th	% of total employees	**26.2%**	25.8%	1.6%	GRI 102-8, WEF
	Americas	Sept. 30th	% of total employees	**29.0%**	28.2%	2.8%	GRI 102-8, WEF
	Asia, Australia	Sept. 30th	% of total employees	**28.1%**	27.7%	1.4%	GRI 102-8, WEF
Employees in management positions[19]	Total	Sept. 30th	No. (rounded)	**30,900**	29,900	3.3%	
	Women	Sept. 30th	% of total management positions	**20.6%**	19.6%	5.1%	GRI 102-8, WEF
Employees with permanent working contract	Total	Sept. 30th	% of total employees	**93.7%**	94.0%	–0.3%	GRI 102-8, WEF
Hirings	Total	Fiscal Year	No. (rounded)	**47,300**	34,400	37.5%	GRI 401-1, WEF
	EMEA	Fiscal Year	No. (rounded)	**19,300**	13,700	40.9%	GRI 401-1, WEF
	Americas	Fiscal Year	No. (rounded)	**13,700**	10,600	29.2%	GRI 401-1, WEF
	Asia, Australia	Fiscal Year	No. (rounded)	**14,300**	10,100	41.6%	GRI 401-1, WEF
	Women	Fiscal Year	No. (rounded)	**14,100**	10,200	38.2%	GRI 401-1, WEF
	No / other gender entry (miscellaneous)	Fiscal Year	No.	**50**	12	316.7%	GRI 401-1, WEF

19 Employees in management positions include all managers with disciplinary responsibility.

Sustainability Key Performance Indicators (KPIs)		Fiscal Year/ September 30th	Unit	FY 2022	FY 2021	+/–	Standards
Hiring rate	Total	Fiscal Year	% of average number of employees	**15.4%**	11.6%	32.8%	GRI 401-1, WEF
	EMEA	Fiscal Year	% of average number of employees in region	**11.2%**	8.0%	40.0%	GRI 401-1, WEF
	Americas	Fiscal Year	% of average number of employees in region	**21.9%**	18.1%	21.0%	GRI 401-1, WEF
	Asia, Australia	Fiscal Year	% of average number of employees in region	**19.7%**	15.4%	27.9%	GRI 401-1, WEF
	Women	Fiscal Year	% of average number of female employees	**17.1%**	13.2%	29.5%	GRI 401-1, WEF
	Men	Fiscal Year	% of average number of male employees	**14.7%**	11.0%	33.6%	GRI 401-1, WEF
	Age group < 35	Fiscal Year	% of average number employees in age group	**33.7%**	26.8%	25.7%	GRI 401-1, WEF
	Age group 35 – 44	Fiscal Year	% of average number employees in age group	**11.0%**	7.8%	41.0%	GRI 401-1, WEF
	Age group 45 – 54	Fiscal Year	% of average number employees in age group	**6.0%**	4.4%	36.4%	GRI 401-1, WEF
	Age group > 54	Fiscal Year	% of average number employees in age group	**3.1%**	2.3%	34.8%	GRI 401-1, WEF

Sustainability Key Performance Indicators (KPIs)		Fiscal Year/ September 30th	Unit	FY 2022	FY 2021	+/–	Standards
Female employees new hired	Total	Fiscal Year	% of new hires	**30.0%**	30.2%	–0.7%	GRI 401-1, WEF
	EMEA	Fiscal Year	% of new hires	**27.9%**	28.6%	–2.4%	GRI 401-1, WEF
	Americas	Fiscal Year	% of new hires	**33.2%**	33.5%	–0.9%	GRI 401-1, WEF
	Asia, Australia	Fiscal Year	% of new hires	**29.8%**	28.9%	3.1%	GRI 401-1, WEF
Disabled employees	Germany	Sept. 30th	No. (rounded)	**4,800**	5,000	–4.0%	GRI 405-1, WEF
	Germany	Sept. 30th	% of employees Germany	**5.7%**	5.9%	–3.4%	GRI 405-1, WEF
Turnover rate[20]	Total	Fiscal Year	% of average number of employees	**11.6%**	9.7%	19.6%	GRI 401-1, WEF
	Decision employee	Fiscal Year	% of average number of employees	**6.6%**	4.7%	40.4%	GRI 401-1, WEF
	Other reasons (not decision empl.)	Fiscal Year	% of average number of employees	**5.0%**	5.0%	0.0%	GRI 401-1, WEF
	Dismissals	Fiscal Year	% of number of total exits	**10.1%**	11.3%	–10.6%	GRI 401-1, WEF
	Retiring expected within next 5 years[21]	Sept. 30th	% of total number employees	**10.3%**	10.3%	0.0%	
Employees – use of working hour programs	Part-time	Sept. 30th	No. (rounded)	**13,800**	13,800	0.0%	GRI 102-8
	On leave of absence	Sept. 30th	No. (rounded)	**6,200**	6,300	–1.6%	
Employees represented by an independent trade union or covered by collective bargaining agreements	Germany	Sept. 30th	No. (rounded)	**78,400**	83,600	–6.2%	
	Germany	Sept. 30th	% of total German employees	**97.8**	97.7	0.1%	GRI 102-41
Average weekly standard working hours[22]	Total	Sept. 30th	Hours	**39.5**	39.5	0.0%	
	EMEA	Sept. 30th	Hours	**38.0**	38.0	0.0%	
	Americas	Sept. 30th	Hours	**41.0**	41.0	0.0%	
	Asia, Australia	Sept. 30th	Hours	**41.8**	41.9	–0.2%	

20 Turnover rate is defined as the ratio of voluntary and involuntary exits from Siemens during the fiscal year to the average number of employees.
21 Estimated retiring age 63 years.
22 Contractually agreed weekly working hours at the end of the fiscal year.

Sustainability Key Performance Indicators (KPIs)		Fiscal Year/ September 30th	Unit	FY 2022	FY 2021	+/–	Standards
Talent-Entry-Programs							
Siemens CEO* Program	Community Total	Sept. 30th	No.	**22**	26	–15.4%	GRI 404-2, WEF
	Active participants (w/o SHS)	Sept. 30th	No.	**2**	5	–60.0%	GRI 404-2, WEF
Siemens Finance Excellence Program (FEP)	Community Total	Sept. 30th	No.	**68**	68	0.0%	GRI 404-2, WEF
	Active participants	Sept. 30th	No.	**9**	7	28.6%	GRI 404-2, WEF
Siemens Graduate Program (SGP)	Community Total	Sept. 30th	No.	**913**	910	0.3%	GRI 404-2, WEF
	Active participants	Sept. 30th	No.	**99**	76	30.3%	GRI 404-2, WEF
Employee Share Programs							
Employees participating in the Siemens employee share plans	Total (w/o SHS)	Fiscal Year	No. (rounded)	**103,000**	100,700	2.3%	GRI 401-2
Participation rate of employee share plans[23]	Total (w/o SHS)	Fiscal Year	% of employees	**44.5%**	44.6%	–0.2%	GRI 401-2
	Siemens Healthineers AG	Fiscal Year	% of Siemens Healthineers AG employees	**42.5%**	52.0%	–18.4%	GRI 401-2
Training and development							
Apprentices and dual students	Total	Sept. 30th	No. (rounded)	**6,400**	6,700	–4.5%	GRI 404-2
	Outside of Germany	Sept. 30th	No. (rounded)	**2,000**	2,000	0.0%	GRI 404-2
	Germany	Sept. 30th	No. (rounded)	**4,300**	4,700	–8.5%	GRI 404-2
	Germany – internals	Sept. 30th	No. (rounded)	**3,500**	3,700	–5.4%	GRI 404-2
	Germany – for third parties	Sept. 30th	No. (rounded)	**800**	1,000	–20.0%	GRI 404-2
	Germany – new internals starting in fiscal year	Fiscal Year	No. (rounded)	**1,100**	1,100	0.0%	GRI 404-2
Average number of interns/ (doctoral) students with an educational/learning target (e.g. mandatory internships)	Total	Fiscal Year	No. (rounded)	**1,000**	800	25.0%	GRI 404-2
International tech development programs	Participants	Fiscal Year	No.	**30**	45	–33.3%	GRI 404-2, WEF
	Number of home countries of participants	Fiscal Year	No.	**16**	17	–5.9%	GRI 404-2, WEF
Spend on education (apprenticeship)	Total	Fiscal Year	Million €	**169.3**	157.5	7.5%	GRI 404-2, WEF
Spend on employee training	Total	Fiscal Year	Million €	**205.4**	164.8	24.6%	GRI 404-2, WEF

23 Based on employees with eligibility to share plans.

Sustainability Key Performance Indicators (KPIs)		Fiscal Year/ September 30th	Unit	FY 2022	FY 2021	+/–	Standards
Spend on employee education and training	Total	Fiscal Year	Million €	**374.6**	322.2	16.3%	GRI 404-2, WEF
Spend on employee training per employee	Total	Fiscal Year	€	**667**	573	16.4%	GRI 404-2, WEF
Spend on employee training per full time employee	Total	Fiscal Year	€	**676**	581	16.4%	GRI 404-2, WEF
Average training hours per employee	Total	Fiscal Year	No.	**26**	22	21.1%	GRI 404-1, WEF
	Digital learning	Fiscal Year	No.	**21**	19	12.8%	GRI 404-1, WEF
	On-site training	Fiscal Year	No.	**5**	3	73.3%	GRI 404-1, WEF
	Women	Fiscal Year	No.	**26**	22	15.9%	GRI 404-1, WEF
	Men	Fiscal Year	No.	**27**	22	21.8%	GRI 404-1, WEF
	Blue-collar workers	Fiscal Year	No.	**20**	12	69.5%	GRI 404-1, WEF
	White-collar workers	Fiscal Year	No.	**28**	24	16.3%	GRI 404-1, WEF
Modules in Siemens digital global learning platform My Learning World	Total	Fiscal Year	No. (rounded)	**115,000**	100,000	15.0%	GRI 404-2, WEF
Siemens Core Learning Paths (CLP)	Total	Fiscal Year	No.	**29**	28	3.6%	GRI 404-2, WEF
Siemens Potential Development Programs (PDP)	Total	Fiscal Year	No.	**36**	34	5.9%	GRI 404-2, WEF
Occupational health & safety[24]							
Fatalities – work related	Total	Fiscal Year	No.	**2**	4	–50.0%	GRI 403-9, WEF
	Temporary Workers	Fiscal Year	No.	**0**	2	–100.0%	GRI 403-9, WEF
	Employees	Fiscal Year	No.	**1**	0		GRI 403-9, WEF
	Contractors	Fiscal Year	No.	**1**	2	–50.0%	GRI 403-9, WEF
Fatality Rate – work related[25]	Total[26]	Fiscal Year	No.	**0.001**	0.002		GRI 403-9, WEF
	Temporary Workers	Fiscal Year	No.	**0**	0.0076	–100.0%	GRI 403-9, WEF
	Employees	Fiscal Year	No.	**0.0003**	0		GRI 403-9, WEF
High-consequence work-related injuries (excluding fatalities)	Total	Fiscal Year	No.	**68**	22	209.1%	GRI 403-9, WEF
	Temporary Workers	Fiscal Year	No.	**1**	1	0.0%	GRI 403-9, WEF
	Employees	Fiscal Year	No.	**67**	21	219.0%	GRI 403-9, WEF
High-consequence injuries rate[27]	Total	Fiscal Year	No.	**0.021**	0.007	186.6%	GRI 403-9, WEF
	Temporary Workers	Fiscal Year	No.	**0.003**	0.004	–10.5%	GRI 403-9, WEF
	Employees	Fiscal Year	No.	**0.022**	0.008	196.8%	GRI 403-9, WEF
Recordable injuries	Total	Fiscal Year	No.	**1,518**	1,601	–5.2%	GRI 403-9, WEF
	Temporary Workers	Fiscal Year	No.	**210**	247	–15.0%	GRI 403-9, WEF
	Employees	Fiscal Year	No.	**1,308**	1,354	–3.4%	GRI 403-9, WEF
Total recordable injuries rate[28]	Total	Fiscal Year	No.	**0.46**	0.52	–12.1%	GRI 403-9, WEF
	Temporary Workers	Fiscal Year	No.	**0.71**	0.93	–23.9%	GRI 403-9, WEF
	Employees	Fiscal Year	No.	**0.44**	0.48	–10.1%	GRI 403-9, WEF

24 Due to system change and data quality improvement adjusted prior year figures SHS
25 Number of Fatalities x 200,000 / working hours
26 Fatality Rate w/o contractors
27 Number of High-consequence injuries x 200,000 / working hours
28 Number of Recordable injuries x 200,000 / working hours

Sustainability Key Performance Indicators (KPIs)		Fiscal Year/ September 30th	Unit	FY 2022	FY 2021	+/–	Standards
Lost time injuries (LTI)	Total	Fiscal Year	No.	**853**	875	–2.5%	GRI 403-9, WEF
	Temporary Workers	Fiscal Year	No.	**112**	114	–1.8%	GRI 403-9, WEF
	Employees	Fiscal Year	No.	**741**	761	–2.6%	GRI 403-9, WEF
Lost time injury frequency rate (LTIFR)[29]	Total	Fiscal Year	No.	**0.26**	0.29	–9.6%	GRI 403-9, WEF
	Temporary Workers	Fiscal Year	No.	**0.38**	0.43	–12.0%	GRI 403-9, WEF
	Employees	Fiscal Year	No.	**0.25**	0.27	–9.4%	GRI 403-9, WEF
Occupational Illness cases	Total	Fiscal Year	No.	**66**	81	–18.5%	GRI 403-10, WEF
Occupational Illness frequency rate (OIFR)	Total	Fiscal Year	No.	**0.02**	n.a.		GRI 403-10, WEF
Fatalities due to occupational illness	Total	Fiscal Year	No.	**6**	9	–33.3%	GRI 403-10
Rate employees covered with OHS MS certificate	Total	Sept. 30th	% of total number employees	**59%**	53%	11.1%	GRI 403-8, WEF
Rate of access to medical care	Total (w/o SHS)	Sept. 30th	% of total number employees	**89%**	n.a.		GRI 403-5
Rate of access to Health Education	Total (w/o SHS)	Sept. 30th	% of total number employees	**85%**	**n.a.**		GRI 403-5
Corporate Citizenship							
Donations	Total	Fiscal Year	Million €	**32.1**	28.5	12.6%	GRI 201-1, WEF
	Total	Fiscal Year	% of Net Income	**0.7%**	0.4%	71.7%	GRI 201-1, WEF
	EMEA	Fiscal Year	Million €	**16.7**	12.4	34.5%	GRI 201-1, WEF
	Americas	Fiscal Year	Million €	**9.4**	7.1	32.1%	GRI 201-1, WEF
	Asia, Australia	Fiscal Year	Million €	**6.0**	9.0	–33.4%	GRI 201-1, WEF
Sponsoring Social programs (e.g. Arts and education)[30]	Total	Fiscal Year	Million €	**13.5**	12.1	11.8%	GRI 201-1, WEF
	EMEA	Fiscal Year	Million €	**7.8**	7.3	7.8%	GRI 201-1, WEF
	Americas	Fiscal Year	Million €	**4.2**	3.3	25.5%	GRI 201-1, WEF
	Asia, Australia	Fiscal Year	Million €	**1.5**	1.5	0.9%	GRI 201-1, WEF
Community investment total	Total	Fiscal Year	Million €	**45.6**	40.6	12.4%	GRI 201-1, WEF
	Total	Fiscal Year	% of Net Income	**1.0%**	0.6%	71.3%	GRI 201-1, WEF
	EMEA	Fiscal Year	Million €	**24.5**	19.7	24.7%	GRI 201-1, WEF
	Americas	Fiscal Year	Million €	**13.6**	10.5	30.0%	GRI 201-1, WEF
	Asia, Australia	Fiscal Year	Million €	**7.5**	10.5	–28.4%	GRI 201-1, WEF
Volunteering hours	Total	Fiscal Year	No.	**32,650**	n.a.		GRI 201-1, WEF

29 Number of Lost Time Cases (LTC) x 200,000 / working hours. LTC are accidents that results in at least one lost working day
30 Without Varian

Sustainability Key Performance Indicators (KPIs)		Fiscal Year/ September 30th	Unit	FY 2022	FY 2021	+/–	Standards
DEGREE FRAMEWORK – KPI OVERVIEW (FIGURES WITHOUT SIEMENS HEALTHINEERS)							
Decarbonisation							
Scope 1+2: Emission reduction to base year	Total (w/o SHS)	Fiscal Year	% to base year (2019)	**–46%**	–39%	16,8%	
Supply Chain: Emission reduction to base year	Total (w/o SHS)	Fiscal Year	% to base year (2020)[31]	**2.5%**	–6.6%[32]	–138.1%	
Ethics							
Quota of participants of Business conduct guideline training (since FY 2020)	Total (w/o SHS)	up to Sept. 30th	% of total number of employees	**99.9%**	76.0%	31.4%	
Governance							
Resource efficiency							
Quota of product families with robust eco design	Total (w/o SHS)	Fiscal Year	% of relevant revenue[33]	**35%**	26%	37.4%	
Purchase Quota – Secondary material for metals	Total (w/o SHS)	Fiscal Year	% of relevant purchase volume	**34%**	38%	–10.5%	
Purchase Quota – Secondary material for resins	Total (w/o SHS)	Fiscal Year	% of relevant purchase volume	**< 1%**	< 1%		
Reduction waste-to-landfill to base year (without construction waste)	Total (w/o SHS)	Fiscal Year	% to base year (2021)	**–12%**	0.0%		
Equity							
Female share in top management	Total (w/o SHS)	Sept. 30th	% of employees in top management	**27.7%**	27.5%	0.7%	
Share of employees with access to Siemens employee share plans	Total (w/o SHS)	Fiscal Year	% of total number of employees[34]	**98.6%**	97.5%	1.1%	
Employability							
Digital learning hours per employee	Total (w/o SHS)	Fiscal Year	No.	**21**	17	23.5%	
Level of access to employee assistance program	Total (w/o SHS)	Sept. 30th	% of total number of employees	**87%**	87%	0.0%	
Improvement in global LTIFR[35] to base year	Total (w/o SHS)	Fiscal Year	% to base year (2020)	**–19%**	–13%	48.8%	

31 Base year 2020 is calculated w/o individual supplier emission data
32 Last year data changed due to method adaption
33 In FY 2022 the share of relevant revenue was 57% of total revenue Siemens w/o SHS.
34 Where legally possible and reasonable.
35 Number of recordable injuries x 200,000 / working hours.

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Annex

7.1 Reporting methodology

Sustainability is a fundamental principle that guides our every action. The Sustainability Report 2022 (below, the "Report") supplements our financial reporting for fiscal 2022. The present chapter describes the key elements of our sustainability reporting.

Reporting approach

The Report explains the strategy, organization, initiatives, programs, management systems, measures, and goals of sustainable corporate governance. It supplements the financial reporting provided in the current Annual Report and updates the financial reporting from the previous year. It also documents the progress we have made in implementing the Ten Principles of the United Nations Global Compact, as well as the United Nations CEO Water Mandate and the Task Force on Climate-Related Financial Disclosures.

This Report has been prepared in accordance with the GRI Standards Comprehensive Option, as well as the anti-corruption reporting recommendations of the Global Compact and of Transparency International. Our reporting of human rights activities is based on the UN Guiding Principles (UN GP) Reporting Framework and the corresponding guidelines.

Reporting period and Report boundaries

This Report refers to the Siemens 2022 fiscal year (October 1, 2021, to September 30, 2022). Any exceptions are indicated as such. In general, the Report covers all our fully consolidated companies. Varian Medical Systems Inc., acquired in April 2021, was included for the first time starting with fiscal 2022. As a general rule, minority interests are not included in the Report. Unless otherwise noted, the key indicators and information reported below relate to the company's continuing operations. Some management approaches do not cover all Siemens entities or parts of the organization. Some parts of the Siemens organization may have introduced specific programs or initiatives that differ from the general approaches described in this Report. Nonetheless, they are consistent with the DEGREE framework and the global nonfinancial programs and initiatives of Siemens.

Data collection

Given the size and worldwide presence of Siemens, data collection poses a logistical challenge. Moreover, our companies throughout the world must comply with national regulations concerning the compilation and definition of their key figures, which means that the generated data is not always comparable. Where applicable, we point out any significant limitations in the information presented in the Report.

The data presented in this Report is collected via various internal reporting systems which for the most part are different from those used to collect the financial information presented in our consolidated financial statements. In particular, the internal reporting systems used to collect the information presented in this Report may be subject to less stringent internal requirements for documentation, data generation, and auditing, including with respect to the IT systems and controls employed. We reserve the right to change the internal guidelines applicable to the collection of the data published in this Report without prior notice. Due to rounding, some of the numbers presented in this Report may not add up exactly to the presented totals, and percentages may not exactly reflect the absolute figures to which they refer.

Methodology, environmental reporting, and collection of environmental data

Within our environmental information system, in fiscal 2022 we evaluated 254 reports from locations in all relevant countries in which defined threshold values for environmental management parameters such as energy usage, resource usage, and emissions were exceeded. We use absolute values such as energy consumption in gigajoules to measure and monitor our environmental

impacts. We report environmental data for continued operations. Values have been extrapolated to 100% coverage in order to reflect total consumption. The extrapolation is performed on the basis of the area not covered in the reporting system. The difference represents a share of approximately 20% for the reporting period. We monitor our environmental impacts for all environmentally relevant office and production sites on the basis of environmental data collected on a quarterly basis.

In fiscal 2022 we applied the updated version of the tool from our external partner for calculating upstream Scope 3 emissions, so as to enhance the calculations' effectiveness and accuracy. The previous year's figures were adjusted to ensure comparability.

Further reporting principles on the figure for "customer avoided emissions" can be found in the annex on ↗ REPORTING PRINCIPLES FOR CUSTOMER AVOIDED EMISSIONS.

Independent assurance

Our sustainability reporting is subject to high quality standards. As in the previous years, therefore, we commissioned an independent audit firm to conduct a limited assurance of our Sustainability Report 2022. The results of the assurance conducted by Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft are presented in the chapter titled "Independent auditor's limited assurance report."

Editor's note

An effort has been made to use gender-neutral language throughout. Nevertheless, if on occasion the masculine form is used for easier readability, it stands for persons of all genders.

7.2

Reporting principles for Customer Avoided Emissions

For 15 years (until fiscal 2021), we reported the revenue generated from our Environmental Portfolio and the resulting annual reduction of greenhouse gas emissions (GHG) achieved by our customers on the basis of the internal regulations defined in our Environmental Portfolio Guideline. Starting in fiscal 2022, key figures on sustainable activities, including revenue, will be reported in accordance with the new EU Taxonomy. Additionally, the calculation and reporting of Customer Avoided Emissions will be continued with a modified methodology.

CO_2 Use Phase Impact Reporting Guideline

The Siemens *CO_2 Use Phase Impact Reporting Guideline* sets out basic requirements and guidelines to calculate and report emissions related to the use of products, systems, solutions, and services sold and investments made by Siemens. It covers:

- → Scope 3 downstream GHG emissions resulting from the use of sold products (Category 11) and investments (Category 15) according to the GHG Protocol Corporate Value Chain (Scope 3) Standard (GHG Protocol Standard)
- → Customer Avoided Emissions (according to Siemens' own methodology as a modification of former Environmental Portfolio methodology)

The following summary will focus on the second part, the calculation and reporting of Customer Avoided Emissions. Customer Avoided Emissions result either from products, systems, solutions, and/or services sold by Siemens or from investments made by Siemens Financial Services (SFS).

Customer Avoided Emissions

A company's carbon footprint does not measure the company's contribution to decarbonization by its partners and customers. Although the carbon footprint can indeed reflect emissions reduction resulting from the use of its solutions (Scope 3 downstream emissions) over time, it does not indicate whether these solutions have enabled the customer to achieve lower emissions than an alternative solution (reference scenario) would have done. Quantifying the decarbonization impact resulting from the use of the company's products and solutions (avoided emissions) helps to convey a full picture of the company's contribution to global decarbonization.

The term "Customer Avoided Emissions" refers to the "positive" impact when determined by comparing the GHG emissions of two different solutions or scenarios. Avoided emissions are emissions that are saved or avoided during the customer use phase from the use of our products or financing compared to a baseline.

The guideline applied for calculating and reporting Customer Avoided Emissions is based on a methodology defined by Siemens itself due to the lack of a commonly used external definition or standard. It is derived from the approach based on the former Siemens Environmental Portfolio (applied from 2006 to 2021), which has been modified to align it with the GHG Scope 3 downstream reporting according to the GHG Protocol Standard.

Calculation principles

The calculation principles are derived from the standards "A Corporate Accounting and Reporting Standard – Revised Edition" and "GHG Protocol for Project Accounting", both published by the Greenhouse Gas Protocol Initiative. These principles are relevance, completeness, consistency, transparency, accuracy, and conservativeness.

All Siemens Businesses and SFS are required to apply these principles in order to enable the integrity and credibility of the data and a true and fair presentation of Siemens Customer Avoided Emissions.

Accounting boundaries

The accounting boundaries for data on Customer Avoided Emissions only encompass the phase during which a product, system, solution, or service is used by the customer or the term of an investment. Therefore, GHG emissions occurring during other phases of the life-cycle, such as in the supply chain, in production,

or upon end-of-life disposal are not included in the calculation. Customer Avoided Emissions are calculated for the entire life-cycle of a Siemens offering.

Accounting for Customer Avoided Emissions

All Siemens Businesses and SFS are required to report the Customer Avoided Emissions for all products, systems, solutions, services, or investments that lead to the avoidance of GHG emissions during the customer use phase.

Customer Avoided Emissions represent the difference between the GHG emissions of a Siemens offering and the GHG emissions of a baseline or reference scenario.

Siemens Businesses and SFS must account for and report the annual Customer Avoided Emissions from the use of Siemens offerings sold or investments made in the reporting year over their entire use phase ("future impact of today's revenue" similar to Scope 3 customer use phase emissions according to the GHG Protocol Standard).

Exclusion criteria:

Before calculating Customer Avoided Emissions, all Siemens products, systems, solutions, services, and investments must be checked against the following exclusion criteria:

- → Field of application: No Customer Avoided Emissions may be accounted for and reported in the application fields of military use or nuclear power.
- → Objections and concerns of external stakeholders: If stakeholders express concerns or objections, internal or external information is evaluated and appropriate measures are taken.
- → Adverse effects: If evidence comes to Siemens' attention that a Siemens product, system, solution, service, or investment causes considerably greater adverse environmental effects elsewhere in the element's life-cycle, Customer Avoided Emissions are not calculated.

Greenhouse gases considered

The accounting for Customer Avoided Emissions includes, where appropriate, all six greenhouse gases defined in the Kyoto Protocol (so-called Kyoto gases), including: carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), sulfur hexafluoride (SF_6), hydrofluorocarbons (HFCs), and perfluorocarbons (PFCs).

To assess the relevance of GHG emissions other than CO_2, they are converted into metric tons of CO_2 equivalents (CO_2e). This number is based on the global warming potential over 100 years of the respective greenhouse gas compared to the global warming potential of CO_2.

Baseline methodology

The baseline methodology defined in the guideline refers to the specific comparison of a Siemens product, system, solution, service, or investment with a reference situation in the absence of the Siemens offering. To enable credibility and avoid overstating the positive effect, the reference scenario must represent as best as possible the situation that would have occurred without the Siemens solution.

- → **Before-and-after comparison:** Refers to the difference between an initial situation at the customer and the situation after the implementation of a Siemens offering to improve or substitute certain characteristics. This comparison may be applied, for example, to cases in which a Siemens solution optimizes the energy consumption of a building.
- → **Direct comparison with a reference technology:** Refers to the difference between the Siemens offering and a comparable other single technology or predecessor with a similar purpose. This comparison may be applied, for example, to new product generations or the electrification of fossil-fuel technologies.
- → **Comparison with the installed base:** Refers to the difference between the Siemens offering and an average market solution used for the same or a similar purpose (market standard). This comparison may be applied, for example, to renewable energy projects by drawing a comparison with the average global greenhouse gas emission factor for electricity generation.

Recognition of Customer Avoided Emissions

In general, Customer Avoided Emissions are recognized for products, systems, solutions, services, or investments. In many cases, however, Siemens only delivers components of a complete product, system, solution, service, or investment. In such cases, it is often not possible to directly determine the avoided emissions attributable to such components during the use phase with the customer.

Therefore, Siemens Businesses and SFS must apply the following rules when accounting for and reporting Customer Avoided Emissions:

→ Siemens supplies the entire product, system, solution, service, or investment: Siemens accounts for 100% of the Customer Avoided Emissions during the customer use phase.
→ Siemens provides all core component(s), even if they only represent intermediate products of an end application: Siemens accounts for 100% of the Customer Avoided Emissions during the customer use phase.
→ Siemens provides some core component(s): In the first step, all core components that lead to Customer Avoided Emissions are identified. In the second step, the Siemens share of the total Customer Avoided Emissions of the end application is determined by calculating the ratio of Siemens components to the total net delivery price of all core components.
→ Siemens does not provide a core component of a product, system, solution, service, or investment: Siemens reports no Customer Avoided Emissions.

So far, there are not robust calculation approaches for all portfolio elements to quantify their decarbonization effect, such as software and automation technology. Some of these products play a relevant role for a sustainable economy as "enabling technologies" (system enablers), in particular from the field of electrification and digitization, but no direct emission avoidance can currently be assigned. However, they are key in achieving global environmental goals. We are working on developing calculation methods for such products and solutions.

Calculation

Siemens Businesses and SFS are required, where applicable, to report Customer Avoided Emissions associated with all products, systems, solutions, services, or investments that lead to the avoidance of emissions in the customer use phase. The amount of Customer Avoided Emissions is the difference between the GHG emissions of the given Siemens offering and the reference scenario defined above.

Technical parameters and assumptions

The calculation of Customer Avoided Emissions is based on different parameters in order to best reflect the amount of avoided emissions during the entire lifespan of a Siemens offering, similar to the calculation of downstream Scope 3 emissions. The calculation parameters (e.g., emission factors or expected lifespan) should be reviewed and updated regularly in order to reflect the most current status of these numbers. The calculation approach should be consistent with the calculation of downstream Scope 3 emissions (Categories 11 and 15).

In some cases, the actual parameters such as the operating time or intended intensity of use with the customer cannot be determined reliably. Under these circumstances, conservative estimates should be applied and documented appropriately.

In general, the emissions of the reference scenario and the Siemens offering should include the potential development of the situation over time. The calculation of the future emissions of products with long lifetimes is subject to a high degree of uncertainty. Using an energy scenario to describe a changing emission factor would lead to incomparable calculation results whenever the scenario is updated. Therefore, we have decided to use the annually updated emission factors, which incorporate the changes in the global energy mix from year to year, in a manner consistent with the calculation of our downstream Scope 3 emissions.

The source of the emission factors applied in the 2022 reporting year is the "IEA Emission Factors 2021" published by the International Energy Agency. For example, the global CO_2e emission factor used for electricity generation only is 477 g CO_2e/kWh.

If regional calculations are available, local emission factors should be used.

Offerings with no material Customer Avoided Emissions impact or in cases where the calculation cannot be determined reliably under reasonable cost-benefit considerations, are not considered within the accounting.

Recalculation

To enable consistency, especially over time, Siemens Businesses and SFS should recalculate the Customer Avoided Emissions in accordance with the guideline.

Events that lead to relevant changes in the data on Customer Avoided Emissions typically include corporate mergers, acquisitions, and divestments, mistakes in previous calculations, changes in external standards or in the Siemens calculation methodology, significant changes in the parameters and assumptions applied in the calculation, and any other events that lead to material changes in calculation estimates.

7.3

Task Force on Climate-Related Financial Disclosures (TCFD)

The Task Force on Climate-Related Financial Disclosure of the G20 Financial Stability Board has provided a uniform framework that companies may voluntarily use to report their climate-related risks and opportunities and disclose the corresponding information to investors, lenders, insurers, and other stakeholders. This Annex provides an overview of Siemens' activities based on these recommendations and provides references to other sources of relevant information.

Our governance in the area of climate protection

Governance at the Managing Board level

All strategic sustainability activities are overseen by our Chief Sustainability Officer (CSO). The CSO is a member of the Siemens Managing Board and chairs the Siemens Sustainability Board (SSB), which is composed of representatives of the businesses, countries, and units with governance responsibilities (technical and professional functions). The SSB is the central steering committee for the strategic development of sustainability at Siemens, and makes decisions regarding key sustainability matters. Where necessary, the Managing Board addresses sustainability-related risks and opportunities of strategic and company-wide importance, and adopts appropriate measures. For example, it was the Managing Board that adopted the DEGREE sustainability framework in fiscal 2021. The SSB motivates and supports the consideration of sustainability aspects when making business decisions. At quarterly meetings, the SSB discusses and defines strategic sustainability topics. For example, it assesses the progress of our DEGREE ambition, nonfinancial reporting, rankings and ratings. The SSB adopts relevant sustainability measures and initiatives or submits recommendations for action to the Managing Board.

Topics relating to climate change were regularly on the agenda of SSB meetings in fiscal 2022. During the year, the SSB made decisions regarding, for example, the replacement of the revenue reporting in our Environmental Portfolio by the binding EU Taxonomy reporting as well as the modification of the approach to calculating avoided GHG (greenhouse gas) emissions at our customers. From now on, we will report our revenue in connection with sustainable business activities in accordance with the EU Taxonomy reporting categories. In order to make our portfolio's contribution to limiting climate change transparent, we report how much GHG emissions our products and solutions avoid compared to reference solutions and thus help our customers drive their decarbonization activities.

In addition to strategic sustainability activities, the Managing Board is also responsible for operational environmental protection. The responsibility for the implementation of environmental guidelines is defined in the EHS Principles, an internal Managing Board guideline. The Global Board EHS, which comprises specialized experts, develops environmental protection measures and programs and advises the Managing Board member responsible for environmental protection, in consultation with the SBB.

↗ SUSTAINABILITY GOVERNANCE AND ORGANIZATION, CDP 2022 C1, ↗ DEGREE

Governance at business and management level

The Siemens Sustainability Director heads the Sustainability Department and supports the CSO in performing his or her duties. In this capacity, the Sustainability Director reports to the CSO and is a member of the SSB. The Sustainability Department monitors trends in sustainability, analyzes the potential impact on Siemens, prepares decisions for initiatives and pilot projects, provides support with their implementation, and promotes efforts by the SSB to anchor new sustainability topics within the company. The CEOs of the businesses and countries are responsible for implementing sustainability within the Siemens Group. This responsibility includes taking sustainability aspects strategically into account all along the value chain of their organizations' business activities. In all their decisions, strategies, processes and systems, they must also take account of business opportunities and business risks that relate to sustainability. In their implementation work, the CEOs of the various businesses and countries are supported by Sustainability Managers, whom they appoint. These Sustainability Managers maintain close contact with their colleagues and the Sustainability Department. They also organize a network of sustainability experts. This sustainability network includes specialist functions such as the

Environment, Health, and Safety (EHS) Department. The EHS Department develops and supports the Eco Efficiency @ Siemens program introduced in 2021, which strives to promote the circular economy by means of responsible product design, environmental protection, and resource conservation. The EHS Department also supports the businesses in their efforts to reduce GHG emissions in the company's own operations. The Supply Chain Management department helps our business units promote decarbonization in the supply chain.

↗ SUSTAINABILITY GOVERNANCE AND ORGANIZATION, ↗ SUSTAINABLE SUPPLY CHAIN PRACTICES, ↗ ENVIRONMENT and ↗ CONSERVING RESOURCES, CDP 2022 C1, ↗ DEGREE

Our strategic response to climate-related opportunities and risks

The DEGREE sustainability framework includes the sustainability-related topics important for Siemens, including decarbonization and resource efficiency, for which we have set ambitious targets (see section "Metrics and targets"). These targets apply to Siemens' own operations as well as to our supply chain.

We have embedded sustainability as a strategic imperative in all our investment decisions – from company acquisitions and customer projects to the assessment of suppliers.

Focused on the technologies that are driving the digital transformation of industry, intelligent infrastructure and sustainable transportation, the Siemens portfolio is making a key contribution to the transition to a low-carbon economy. Our growth engines are digitalization, automation, and sustainability. With regard to sustainability, our portfolio's contribution in the areas of decarbonization, resource efficiency and the circular economy is particularly strong. In the future, software and hardware will positively influence each other more and more strongly and accelerate value-creating growth. As a focused technology company, we want to expand our position in all our markets and tap additional profitable markets.

In June 2022, we launched Siemens Xcelerator, an open digital business platform that will accelerate the digital transformation and drive innovation more rapidly. For example, the digital transformation will become faster, simpler, and scalable for customers of every size in the areas of industry, buildings, power grids, and transportation, while digital solutions will make their companies more flexible, more resilient, more efficient, and more sustainable. ↗ STRATEGY, ↗ DEGREE

Climate-related opportunities and risks

Climate-related opportunities and risks are integrated into our company-wide Enterprise Risk Management (ERM) process. ERM at Siemens is based on a net risk approach in which the risks and opportunities are addressed that remain after the implementation of existing, effective measures and controls. As a global technology company and innovation leader in the fields of electrification, automation, and digitalization, Siemens supports sustainable industrialization. These topics are becoming increasingly important in the transition to a low-carbon economy – a development that confirms our company strategy. Although the impact of climate-related changes is connected with uncertainties, we consider the transition to a low-carbon economy to be basically an opportunity. A favorable political and regulatory environment including the transition towards a low-carbon economy could restore a more positive industrial investment sentiment that supports the growth of our markets. By enabling our customers to reduce their GHG emissions using our portfolio and by reducing CO_2 emissions in our own operations, Siemens strives to support the transition towards a low-carbon economy. Siemens also welcomes and supports recent legislative and governmental measures to accelerate the mitigation of climate change, especially in Europe such as through the Green Deal or sustainable finance initiatives. SIEMENS FINANCIAL REPORT FOR FISCAL 2022, COMBINED MANAGEMENT REPORT, CHAPTER 8.4 OPPORTUNITIES, CDP 2022 C2.4

To leverage these climate-related opportunities, we have included sustainability and decarbonization in this year's strategy review, where we drew up concrete action plans for our business units, in order to support our customers in achieving their sustainability and decarbonization goals in an even more targeted fashion.

Potential transition risks (for example, regulation, market, technology) and physical climate-related risks are assessed in our risk process. In this process, we have generally identified the risk of an increasing focus on sustainability. The increasing environmental, social, and governance (ESG) requirements from governments, investors, and customers as well as financing restrictions for GHG emitting technologies could result in additional costs. The growing requirements in the regulatory environment, but also the self-commitment to own sustainability and climate protection targets, bear further liability risks. Additionally, business involvement in areas of public debate regarding sustainability might be negatively perceived and trigger adverse media attention. This could lead to reputational damage and have an impact on

achievement of our business goals. We address these risks, among other things, in the context of our sustainability framework DEGREE, in which we have also set ourselves ambitious sustainability targets. Measures to reduce climate-related risks include, for example, our decarbonization strategy (incl. Science Based Target), as well as our engagement in the supply chain. In fiscal 2021, we introduced an ESG risk framework along with an optimized ESG due diligence process. This supports Siemens businesses with due diligence in the customer-oriented environment with a view to possible environmental and social risks as well as related human rights and reputational risks.

SIEMENS FINANCIAL REPORT FOR FISCAL 2022, COMBINED MANAGEMENT REPORT, CHAPTER 8.3. RISK MANAGEMENT, CDP 2022 C2.3

Management of climate-related risks

Climate-related risks and opportunities are embedded in the Siemens-wide ERM approach. All identified climate risks are assessed, and measures for risk prevention, transfer, or mitigation are devised for all relevant risks.

SIEMENS FINANCIAL REPORT FOR FISCAL 2022, COMBINED MANAGEMENT REPORT, CHAPTER 8 , CDP 2022 C2

Management of climate risks in our own operations

The reduction of GHG emissions has been integrated into the Long-term Incentive (LTI) compensation as part of a Siemens-internal ESG/Sustainability index, applicable for members of the Managing Board and Senior Management (Siemens without SHS). The anchoring of the reduction of GHG emissions in this system and the responsibility of each of our businesses for the reduction of its pro-rated emissions are key elements of our management approach and require regular monitoring.

↗ SUSTAINABILITY GOVERNANCE AND ORGANIZATION

By joining the Science Based Targets initiative, Siemens has pledged to reduce emissions from its own operations (Scope 1 and 2) by 50% by 2030 and its Scope 3 emissions (upstream and downstream) by 15% compared to 2019. These targets underscore our commitment to contributing to limiting global warming to 1.5 degrees Celsius and to containing climate change. In addition, our pledge to reduce GHG emissions in our own operations is a key part of our DEGREE sustainability framework and is embedded in the KPI "Net Zero operations by 2030" for Siemens without SHS. We have accelerated our reduction target for our business operations (Scopes 1 and 2) for Siemens without SHS to –55% by 2025 compared to 2019. By 2030, we aim to reduce emissions by 90% instead of 50% compared to 2019. We have reduced our Scope 1 and Scope 2 emissions for Siemens without SHS by a total of 46% since fiscal 2019.

Our ambitious decarbonization measures and targets in our own operations and along our value chain are helping eliminate potential transitional climate risks and increase our resilience and the energy independence of our production facilities.

↗ CLIMATE ACTION, CDP 2022 C4 AND C6

As a key element of our DEGREE framework, we have successfully implemented the rollout of our new digital Risk Due Diligence Tool (ESG Radar) in the governance area on the basis of material risk fields. This tool supports business decisions on the customer side via the early risk identification and assessment of possible environmental and social risks. The Risk Due Diligence Tool is also continuously further developed with regard to climate-related risks.

Our ongoing analyses of insurance-related physical risks are based on the latest assessments of external suppliers and on internally collected data. According to these analyses, the risks at Siemens locations are extremely low. According to a TÜV Süd analysis (Global Risk Consultants, status October 2022), our locations have – from the insurance perspective – considerably better risk protection than the industry average (industry average: about 70; Siemens: about 80). We regularly conduct local risk assessments worldwide and continuously adjust our protection concepts. In this connection, we also coordinate recommendations regarding physical and organizational measures with our local fire protection officers, EHS officers, and site managers. The goal is to meet the objectively assessed risks with functioning protection concepts.

In 2022, we again improved our process for assessing physical risks. Together with our insurers and other external risk data providers, we annually assessed about 80% of our insured values with regard to fire protection but also to natural catastrophes such as storms, flooding, and hurricanes. In addition and in line with our EHS management system, we defined measures – such as the installation of highwater barriers and roof reinforcement – for locations where risks had been identified. Where necessary, crisis managers are appointed to continuously analyze, document, and further develop crisis plans and measures.

A risk analysis with a particular focus on natural hazards influences the selection process for new locations and the development of adequate and long-term protection measures. For example, our location in Regensburg, Germany, has implemented structural adjustments as a precautionary measure to protect against the occurrence of heavy rainfall. We analyze and model both current risk parameters and future climate scenarios and develop preventive measures.

Climate change is also having an impact on water supply. With our water strategy, we want to minimize the negative local impact of water consumption and use. We also take into account, among other things, factors such as water scarcity, water pollution, flooding, ambient fire risk, and the results of climate change. In 2021, we incorporated our water strategy into our standard guidelines, the EP Standard, after we had successfully implemented it worldwide by 2020 with the aid of Serve the Environment, our most recent environmental program. The necessary process of analysis begins with an assessment of the environmentally relevant locations using the Aqueduct Water Risk Atlas of the World Resources Institute (WRI). With the aid of an additional, specially developed internal analytic tool, Siemens assesses the risks that originate from a location's activities at the local level and places them in relation to regional water risks. Locations with a high risk assessment must define targets to reduce it. In fiscal 2022, 93% of our locations implemented this water strategy.

↗ CONSERVING RESOURCES, CDP 2022 C2, CDP 2022 WATER SECURITY

Management of climate risks along our value chain

With the aid of external risk data providers, we analyze potential risks in our supply chain, including environmental risks. Up until now, we have given climate-related risks that have an acute impact on our supply chain a low ranking. However, we analyze possible interruptions in the supply chain with the aid of proven risk indicators and have been able to ensure the resilience of our supply chain in times of major crisis (for example, COVID-19).

In addition to our Science Based Target, we have defined a target in the DEGREE framework for our upstream Scope 3 emissions: we want to reduce the emissions in our entire supply chain 20% by 2030 (Siemens without SHS). Details regarding our upstream Scope 3 emissions in fiscal 2022 can be found in the chapter

↗ SUSTAINABLE SUPPLY CHAIN PRACTICES.

In our Carbon Reduction@Suppliers approach, which is implemented with an external partner, we prepare analyses based on economic data to model the carbon footprint for each one of our suppliers. In a first step, we model our suppliers' upstream GHG emissions. In a second step, we attempt – jointly with our suppliers – to verify the values calculated in this model. For this purpose, we use a web-based tool, the Carbon Web Assessment (CWA), that shows our suppliers the most important causes of CO_2 and explains how emissions can be sustainably reduced. After the leaning phase has been completed, we retrieve the suppliers' so-called primary data in the CWA. This step enables us to calculate both the CO_2 savings that suppliers have already achieved and the further CO_2 savings that they plan for the future. The CWA enables our suppliers to plan and implement their own path toward Net Zero emissions.

↗ CONSERVING RESOURCES and ↗ SUSTAINABLE SUPPLY CHAIN PRACTICES

We also enable our customers to reduce their GHG emissions by offering them low-carbon, energy-efficient products, solutions, and services. To make our portfolio's contribution to mitigating climate change transparent, we report how much GHG emissions our products and solutions avoid compared to reference solutions and thus help our customers drive their decarbonization. In fiscal 2022, we helped our customers avoid 153 million metric tons of GHG emissions. Due to the adjustment of our method of calculation (see Annex, ↗ REPORTING PRINCIPLES FOR CUSTOMER AVOIDED EMISSIONS), this figure is not comparable to the prior-year figures set out in the former Environmental Portfolio. The Siemens technologies that make the largest contribution to the avoidance of GHG emissions at our customers are frequency converters, rail-bound passenger, and freight transport and building systems.

↗ CLIMATE ACTION and ↗ EU TAXONOMY

We also invested €5.6 billion (compared to €4.9 billion in fiscal 2021) in research and development activities that are geared toward developing innovative and sustainable solutions for our customers and for Siemens businesses and toward simultaneously strengthening our competitiveness. This is also how we make a beneficial contribution to society. Our broad technology portfolio supports both the public sector and the private sector with innovative solutions and business models in the transition to a carbon-neutral future. ↗ RESEARCH AND DEVELOPMENT

Our company-wide strategy to mitigate and adapt to climate change is supported by regional measures. In fiscal 2022, Siemens PLC in the UK, for example, began to systematically identify the climate-relevant opportunities and risks in their region and markets and assess the risks' financial implications. Represented in this project are experts from a variety of units – including Sustainability, Risk Management, and Finance. The project's findings will help Siemens PLC in the UK adjust to the impact of climate change at an early stage and strategically leverage the resulting opportunities.

Analysis of climate-related scenarios

Different climate scenarios are used at Siemens for different purposes, such as the business strategy, the decarbonization strategy, and the identification of opportunities and risks. Our decarbonization target, which is approved by the Science Based Targets initiative, is aligned with the 1.5 degrees Celsius target and therefore the Paris Agreement. Decarbonization will change the entire energy value chain in the coming decades. By providing innovative technologies, we see ourselves as a leading decarbonization partner to our customers and society in general. To fulfill this role, we must have an exact understanding of the technological changes that must be made in the next few decades and beyond. We mainly rely on the scenarios of S&P Global (formerly IHS Markit), IEA, and BloombergNEF for planning our business strategy and identifying company-wide risks and opportunities. These scenarios help us, for example, to identify trends in the energy and mobility markets. For business planning purposes, we apply different scenarios such as IHS Inflections and Green Rules, IEA STEPS, SDS, NZE and BloombergNEF New Energy Outlook (Economic Transition Scenario, three Net Zero scenarios – green, gray, and red). These scenarios help us predict market developments, assess the implications of different scenarios, and make business decisions on this basis. With a view to our own business, the analysis of climate-related scenarios enables us to predict the potential consequences in terms of regulatory requirements, R&D, and customer trends and requirements. Our business units also conduct business-specific scenario analyses. We regularly review the robustness of our program to reduce our GHG emissions with reference to external energy price scenarios and the real development of energy prices and adjust our measures as necessary. CDP 2022 C3.2

Our risk management approach to climate-related opportunities and risks

Risk management at Siemens builds on a comprehensive, interactive and management-oriented Enterprise Risk Management (ERM) approach that is integrated into the organization and that addresses both risks and opportunities. Our ERM process aims for early identification and evaluation of, and response regarding, risks and opportunities that could materially affect the achievement of our strategic, operational, financial, and compliance objectives. The time horizon is typically three years, and we take a net risk approach, addressing risks and opportunities remaining after the execution of existing and effective measures and controls. A detailed description of our enterprise risk management basic principles and process can be found in our combined management report, chapter 8.2 Risk management.

SIEMENS FINANCIAL REPORT FOR FISCAL 2022, COMBINED MANAGEMENT REPORT, CHAPTER 8, CDP 2022 C2

Climate risks within the risk management system

Climate-related risks and opportunities are embedded in the Siemens-wide ERM approach, which takes into account both risks and opportunities. The consideration of sustainability and, in particular, climate-related risks and opportunities are an integral part of the regular top-down process in which material issues and trends are communicated at risk workshops to the relevant company units for the identification of risks and opportunities. As a result, issue-related recommendations are available to all businesses at their quarterly reviews. In fiscal 2022, physical climate risks, CO_2 pricing, the product carbon footprint, and the circular business model were among the items on the agenda of the top-down process and thus provided input for the annual ERM process. In fiscal 2022, we also conducted a so-called climate impact information session at which we discussed with various internal stakeholders the ways in which we are impacted by climate change (regulatory, customer requirements, reputation, etc.) and what we can do to help mitigate climate change. The goal of the session was to strengthen a joint understanding and interdisciplinary cooperation regarding climate change mitigation and adaptation.

Together with the bottom-up approach, these measures enable a comprehensive overview of our business activities and the related risks and opportunities.

Climate change is not treated as a separate category within the ERM approach, but is considered within the four topic areas of strategic, operational, financial, and compliance-related risks. Risk processes have been implemented upstream throughout the company to assess potential climate-related net risks for ERM reporting.

Material opportunities and risks are disclosed on an aggregated basis within the above-mentioned four topic areas in the Siemens annual report. SIEMENS FINANCIAL REPORT FOR FISCAL 2022, COMBINED MANAGEMENT REPORT, CHAPTER 8, CDP 2022 C2.1 AND C2.2

Metrics and targets

Siemens considers climate-related risks and opportunities along the entire value chain. Accordingly, we define metrics for the reduction of greenhouse gas emissions in the supply chain, in the company's own operations, and for the goods and services we provide to our customers.

In 2015, Siemens made a pledge to achieve climate neutrality. We were the first global industrial company to take this step. By joining the Science Based Targets initiative and committing to decarbonization targets under the DEGREE framework, we have reinforced our existing decarbonization activities along the entire value chain. Our validated 1.5-degree Celsius Science Based Target, coupled with our membership of the RE100, EV100, and EP100 initiatives, is strengthening our climate protection strategy.

By joining the Science Based Targets initiative, Siemens has pledged to reduce emissions from its own operations (Scopes 1 and 2) by 50% by 2030 and its Scope 3 emissions (upstream and downstream) by 15%, compared to 2019. A number of ongoing activities will contribute to this GHG reduction, including the reduction of building emissions, the electrification of the company's motor vehicle fleet, and our Carbon Reduction @ Suppliers approach.

At Siemens, we bundle our binding targets and measures relating to climate protection under "D" (Decarbonization) in our DEGREE sustainability framework. For our KPI "Net Zero operations by 2030," we have accelerated our reduction target for our business operations (Scopes 1 and 2) for Siemens without SHS to –55% by 2025 compared to 2019. By 2030, we aim to reduce emissions by 90% instead of 50% compared to 2019. As set out in the DEGREE framework, we also aim to reduce upstream supply chain emissions 20% by 2030 (compared to base year 2020) and then reduce them to Net Zero by 2050.

After 2030, we will continue to focus on implementing carbon reduction measures in our operations. We will then offset the remaining GHG emissions with CO_2 certificates that meet established standards in order to keep our Net Zero 2030 pledge. An internal offsetting guidance has laid the basis for purchasing CO_2 certificates. This guidance is meant to ensure the consistency and quality of offset programs.

↗ CLIMATE ACTION, CDP 2022 C3, C4, C6, C7, C9 AND C12

The "R" in our DEGREE sustainability framework stands for resource efficiency. To exercise product stewardship regarding environmental protection, the comprehensive environmental program Eco Efficiency @ Siemens has defined special environmental protection priorities in the categories "Robust Eco Design" and "Clean Supply Chain."

"Robust Eco Design" (RED) pursues the vision of a product life cycle that is as environmentally compatible as possible, and in which all materials are recycled. At the same time, material and energy flows and losses are to be reduced to a necessary minimum. To achieve this, it is crucially important to begin addressing, as early as possible, the environmental impacts expected in each of the product's life-cycle phases.

The RED approach is based on the international standard IEC 62430 "Environmentally Conscious Design for Electrical and Electronic Products" and our internal EP standard. They ensure that we meet all requirements for an environmentally compatible product design.

In fiscal 2022, 57% of our revenue has been identified as RED relevant. The degree of implementation of our RED specifications in the relevant product families is 35%, compared to 26% in the base year 2021. Only when the degree of implementation reaches 100% can it be assumed that all relevant product families have completed each individual phase.

By 2030, we want to improve our energy efficiency compared to the base year 2021 by 10%. To calculate energy efficiency, we set our sales development in relation to energy consumption. Due to reduced energy usage and a growth in sales, we enhanced our energy efficiency by 13% within the first year of the implementation of our Eco Efficiency @ Siemens program (Siemens without SHS).

↗ CONSERVING RESOURCES, ↗ PRODUCT STEWARDSHIP

7.4

GRI Standards – key topics and boundaries

Dimension: Shared Value

Sustainability topics	SDGs	DEGREE	GRI Standard
Climate protection[1]	7 9 11 12 13	DECARBONIZATION	GRI Standard 305 Emissions
Sustainable product design and life cycle management[1]	6 7 9 11 12 13 14 15	RESOURCE EFFICIENCY	GRI Standard 204 Procurement Practices
Innovation and businessmodel[2]	6 7 9 11 12 13 14 15	DECARBONIZATION RESOURCE EFFICIENCY	GRI Standard 201 Economic Performance
Partner management and collaboration[2]	7 8 9 11 12 13 16 17	GOVERNANCE	GRI Standard 203 Indirect Economic Impacts
Responsible governance[2]	8 12 16 17	GOVERNANCE	GRI Standard 201 Economic Performance GRI Standard 202 Market Presence
Future of work[2]	3 4 5 8 10 11	EQUITY EMPLOYABILITY	GRI Standard 401 Employment GRI Standard 403 Occupational Health and Safety (2018) GRI Standard 404 Training and Education GRI Standard 405 Diversity and Equal Opportunity GRI Standard 406 Non Discrimination
Sustainable handling of natural resources and material efficiency[2]	6 7 9 11 12 13 14 15	RESOURCE EFFICIENCY	GRI Standard 301 Materials GRI Standard 302 Energy GRI Standard 303 Water and Effluents (2018) GRI Standard 306 Waste (2020)

1 Top 3 material sustainability topics
2 12 additional material sustainability topics

Result of the assessment of organizational impacts (inside-out, i.e., on the environment and society), stakeholder relevance and business criticality (outside-in)

The detailed GRI Standard Index – Comprehensive Option is available on our Sustainability website.

Dimension: Responsibility

Sustainability topics	SDGs	DEGREE	GRI Standard
Social and ecological standards in the supply chain[1]	8 12 16 17	GOVERNANCE	GRI Standard 414 Supplier Social Assessment GRI Standard 308 Supplier Environmental Assessment
Cyber-security and data management[2]	5 8 10 16 17	ETHICS	
Employee health and safety[2]	3 4 8 10	EMPLOYABILITY	GRI Standard 403 Occupational Health and Safety (2018)
Diversity, equity and inclusion[2]	3 4 5 8 10 11	EQUITY	GRI Standard 405 Diversity and Equal Opportunity GRI Standard 406 Non-Discrimination
Customer safety and product quality[2]	8 12 16 17	GOVERNANCE	
Corporate governance and sustainability leadership[2]	8 12 16 17	GOVERNANCE	GRI Standard 413 Local communities
ESG risk management[2]	5 8 10 12 16 17	GOVERNANCE ETHICS	GRI Standard 201 Economic Performance
Compliance Management[2]	5 8 10 12 16 17	GOVERNANCE ETHICS	GRI Standard 205 Anti-Corruption GRI Standard 206 Anti-Competitive Behavior GRI Standard 307 Environmental Compliance GRI Standard 408 Child Labor GRI Standard 409 Forced or Compulsory Labor GRI Standard 412 Human Rights Assessment GRI Standard 419 Socioeconomic Compliance

1 Top 3 material sustainability topics
2 12 additional material sustainability topics

Result of the assessment of organizational impacts (inside-out, i.e., on the environment and society), stakeholder relevance and business criticality (outside-in)

The detailed GRI Standard Index – Comprehensive Option is available on our Sustainability website.

7.5 WEF IBC Metric

Pillars	Theme	Core metrics	Reference	Omission
Principles of Governance	Governing purpose	**Setting purpose** The company's stated purpose, as the expression of the means by which a business proposes solutions to eco-nomic, environmental and social issues. Corporate purpose should create value for all stakeholders, includ-ing shareholders.	Sustainability Report 2022 Siemens at a glance p. 7 ff	
	Quality of governing body	**Governance body composition** Composition of the highest governance body and its committees by: competencies relating to economic, environmental and social topics; executive or non-executive; independence; tenure on the governance body; number of each individual's other significantpositions and commitments, and the nature of the commit-ments; gender; membership of under-represented social groups; stakeholder representation.	Annual Financial Report 2022 Annual Financial Statements 6. Notes 30 Members of the Managing Board and Supervisory Board p. 125 f WWW.SIEMENS.COM/GLOBAL/EN/COMPANY/ABOUT/MANAGEMENT.HTML WWW.SIEMENS.COM/GLOBAL/EN/COMPANY/ABOUT/SUPERVISORYBOARD/COMMITTEES.HTML	
	Stakeholder engage-ment	**Material issues impacting stakeholders** A list of the topics that are material to key stakeholders and the company, how the topics were identified and how the stakeholders were engaged.	Sustainability Report 2022 Materiality assessment p. 30 ff	
	Ethical behaviour	**Anti-corruption** 1. Total percentage of governance body members, employees and business partners who have received training on the organization's anti-corruption policies and procedures, broken down by region. a) Total number and nature of incidents of corruption confirmed during the current year, but related to previous years; and b) Total number and nature of incidents of corruption confirmed during the current year, related to this year. 2. Discussion of initiatives and stakeholder engagement to improve the broader operating environment and culture, in order to combat corruption.	Sustainability Report 2022 Compliance p. 40 ff Our sustainability indicators p. 110 ff	
		Protected ethics advice and reporting mechanisms A description of internal and external mechanisms for: 1. Seeking advice about ethical and lawful behaviour and organizational integrity; 2. Reporting concerns about unethical or unlawful behaviour and lack of organizational integrity.	Sustainability Report 2022 Compliance p. 40 ff Our sustainability indicators p. 110 ff	
	Risk and opportunity oversight	**Integrating risk and opportunity into business process** Company risk factor and opportunity disclosures that clearly identify the principal material risks and opportunities facing the company specifically (as opposed to generic sector risks), the company appetite in respect of these risks, how these risks and opportunities have moved over time and the response to those changes. These opportunities and risks should integrate material economic, environmental and social issues, including climate change and data stewardship.	Annual Financial Report 2022 Combined Management Report 8. Report on expected developments and associated material oppor-tunities and risks p. 23 ff	

Pillars	Theme	Core metrics	Reference	Omission
Planet	Climate change	**Greenhouse gas (GHG) emissions** For all relevant greenhouse gases (e.g. carbon dioxide, methane, nitrous oxide, F-gases etc.), report in metric tonnes of carbon dioxide equivalent (tCO_2e) GHG Protocol Scope 1 and Scope 2 emissions. Estimate and report material upstream and downstream (GHG Protocol Scope 3) emissions where appropriate.	Sustainability Report 2022 Climate action p. 68 ff Conserving resources p. 74 ff Our sustainability indicators p. 110 ff	
		TCFD implementation Fully implement the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD). If necessary, disclose a timeline of at most three years for full implementation. Disclose whether you have set, or have committed to set, GHG emissions targets that are in line with the goals of the Paris Agreement – to limit global warming to well below 2°C above preindustrial levels and pursue efforts to limit warming to 1.5°C – and to achieve Net Zero emissions before 2050.	Sustainability Report 2022 Task Force on Climate-Related Financial Disclosures (TCFD) p. 136 ff	
	Nature loss	**Land use and ecological sensitivity** Report the number and area (in hectares) of sites owned, leased or managed in or adjacent to protected areas and/or key biodiversity areas (KBA)	Sustainability Report 2022 Conserving resources p. 74 ff Our sustainability indicators p. 110 ff	
	Freshwater availability	**Water consumption and withdrawal in waterstressed areas** Report for operations where material: megalitres of water withdrawn, megalitres of water consumed and the percentage of each in regions with high or extremely high baseline water stress, according to WRI Aqueduct water risk atlas tool. Estimate and report the same information for the full value chain (upstream and downstream) where appropriate.	Sustainability Report 2022 Conserving resources p. 74 ff Our sustainability indicators p. 110 ff	

Pillars	Theme	Core metrics	Reference	Omission
People	Dignity and equality	**Diversity and inclusion (%)** Percentage of employees per employee category, by age group, gender and other indicators of diversity (e.g. ethnicity).	Sustainability Report 2022 Diversity, Equity & Inclusion p. 95 ff Our sustainability indicators p. 110 ff	
		Pay equality (%) Ratio of the basic salary and remuneration for each employee category by significant locations of operation for priority areas of equality: women to men, minor to major ethnic groups, and other relevant equality areas.	Sustainability Report 2022 Working at Siemens p. 89 ff Our sustainability indicators p. 110 ff	Siemens pursues the principle of performance-related compensation – regardless of gender. Remuneration data is regarded confidential and is therefore not reported.
		Wage level (%) Ratios of standard entry level wage by gender compared to local minimum wage. Ratio of the annual total compensation of the CEO to the median of the annual total compensation of all its employees, except the CEO.		Siemens pursues the principle of performance-related compensation – regardless of gender. Remuneration data is regarded confidential and is therefore not reported.
		Risk for incidents of child, forced or compulsory labour An explanation of the operations and suppliers considered to have significant risk for incidents of child labour, forced or compulsory labour. Such risks could emerge in relation to: a) type of operation (such as manufacturing plant) and type of supplier; and b) countries or geographic areas with operations and suppliers considered at risk.	Sustainability Report 2022 Human rights p. 48 ff Sustainable supply chain practice p. 53 ff Business Conduct Guidelines: HTTPS://ASSETS.NEW.SIEMENS.COM/SIEMENS/ASSETS/API/UUID:C7EB75C9-C6B6-4E9F-985B-FEFC5361426C/BUSINESS-CONDUCT-GUIDELINES-EN.PDFBUSINESS-CONDUCT-GUIDELINES-EN.PDF	
	Health and wellbeing	**Health and safety (%)** The number and rate of fatalities as a result of work-related injury; high-consequence work-related injuries (excluding fatalities); recordable work-related injuries; main types of work-related injury; and the number of hours worked. An explanation of how the organization facilitates workers' access to non-occupational medical and healthcare services, and the scope of access provided for employees and workers.	Sustainability Report 2022 Occupational health and safety management p. 101 ff Our sustainability indicators p. 110 ff	
	Skills for the future	**Training provided (#, $)** Average hours of training per person that the organization's employees have undertaken during the reporting period, by gender and employee category (total number of hours of training provided to employees divided by the number of employees). Average training and development expenditure per full time employee (total cost of training provided to employees divided by the number of employees).	Sustainability Report 2022 Professional education and lifelong learning p. 98 ff Our sustainability indicators p. 110 ff.	

Pillars	Theme	Core metrics	Reference	Omission
Prosperity	Employment and wealth generation	**Absolute number and rate of employment** 1. Total number and rate of new employee hires during the reporting period, by age group, gender, other indicators of diversity and region. 2. Total number and rate of employee turnover during the reporting period, by age group, gender, other indicators of diversity and region.	Sustainability Report 2022 Professional education and lifelong learning p. 98 ff Our sustainability indicators p. 110 ff	
		Economic contribution 1. Direct economic value generated and distributed (EVG&D), on an accruals basis, covering the basic components for the organization's global operations, ideally split out by: – Revenues – Operating costs – Employee wages and benefits – Payments to providers of capital – Payments to government – Community investment 2. Financial assistance received from the government: total monetary value of financial assistance received by the organization from any government during the reporting period.	Siemens Annual Financial Report 2022 Consolidated Financial Statements p. 39 ff	
		Financial investment contribution 1. Total capital expenditures (CapEx) minus depreciation, supported by narrative to describe the company's investment strategy. 2. Share buybacks plus dividend payments, supported by narrative to describe the company's strategy for returns of capital to shareholders.	Annual Financial Report 2022 Consolidated Financial Statements 6. Note 19 Equity p. 64 Annual Financial Statements 3. Note 15 Shareholder's Equity p. 119 f	
	Innovation of better products and services	**Total R&D expenses** Total costs related to research and development	Sustainability Report 2022 Research & Development p. 25 ff	
	Community and social vitality	**Total tax paid** The total global tax borne by the company, including corporate income taxes, property taxes, non-creditable VAT and other sales taxes, employer-paid payroll taxes, and other taxes that constitute costs to the company, by category of taxes.	Annual Financial Report 2022 Consolidated Financial Statements 6. Note 2 Material accounting policies and critical accounting estimates p.44 ff Note 7 Income Taxes p. 52 f Annual Financial Statements 3. Note 13 Deffered tax assets p. 118	

7.6

SASB – Electrical Electronic Equipment Index

Topic	Codified Metric Code	Disclosure	Reference	Omission
Energy Management	RT-EE-130a.1	(1) Total energy consumed	Sustainability Report 2022: Environment – Conserving resources, p. 74 ff (Energy used reduced), Our sustainability indicators, p. 110 ff	
	RT-EE-130a.1	(2) Percentage grid electricity		
	RT-EE-130a.1	(3) Percentage renewable		
Hazardous Waste Management	RT-EE-150a.1	Amount of hazardous waste generated, percentage recycled	Sustainability Report 2022: Environment – Conserving resources, p. 74 ff, (Efficient Waste management), Our sustainability indicators, p. 110 ff	
	RT-EE-150a.2	Number and aggregate quantity of reportable spills, quantity recovered	Sustainability Report 2022: Environment – Conserving resources, p. 74 ff, (Incident relevant to the environment), Our sustainability indicators, p. 110 ff	
Product Safety	RT-EE-250a.1	Number of recalls issued, total units recalled	not applicable	Siemens has established a comprehensive, company-wide product safety system to ensure our products comply with applicable legal safety requirements and meet the latest technical safety standards so that they do not pose a threat to the life or health of users or other third parties. Under this system, all company units are required to ensure that their products comply with the state of the art in safety matters. Also, the units are obliged to carry out systematic product monitoring and take the necessary corrective actions to remedy potential product safety deficiencies.
	RT-EE-250a.2	Total amount of monetary losses as a result of legal proceedings associated with product safety	Annual Financial Report 2022 Consolidated Financial Statements 6. Notes 22 Legal Proceedings, p. 66	

Product Lifecycle Management	RT-EE-410a.1	Percentage of products by revenue that contain IEC 62474 declarable substances	Sustainability Report 2022: Environment – Product stewardship p. 79 ff Our sustainability indicators, p. 110 ff	
	RT-EE-410a.2	Percentage of eligible products by revenue that meet ENERGY STARR criteria	not applicable	
	RT-EE-410a.3	Revenue from renewable energy-related and energy efficiency-related products	Sustainability Report 2022: Environment – Climate action, p. 68 ff, Our sustainability indicators, p. 110 ff	
Materials Sourcing	RT-EE-440a.1	Description of the management of risks associated with the use of critical materials	Sustainability Report 2022: Environment – Product stewardship, p. 79 ff (Risk-conscious handling of declarable substances), Sustainable supply chain practices, p. 53 ff (Responsibility for the world-wide supplier network)	
Business Ethics	RT-EE-510a.1	Description of policies and practices for prevention of: (1) corruption and bribery and (2) anti-competitive behavior	Sustainability Report 2022: Compliance and ethics, p. 40 ff	
	RT-EE-510a.2	Total amount of monetary losses as a result of legal proceedings associated with incidents relating to bribery or corruption	Annual Financial Report 2022: Consolidated Financial Statements 6. Notes 22 Legal Proceedings, p. 66 Sustainability Report 2022: Compliance and ethics, p. 40 ff	
	RT-EE-510a.3	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	Annual Financial Report 2022: Consolidated Financial Statements 6. Notes 22 Legal Proceedings, p. 66 Sustainability Report 2022: Compliance and ethics, p. 40 ff	
Activity metric	RT-EE-000.A	Number of units produced by product category	not applicable	
	RT-EE-000.B	Number of employees	Sustainability Report 2022 Working at Siemens p. 89 ff Our sustainability indicators p. 110 ff	

7.7

United Nations CEO Water Mandate

Progress report

Siemens became a signatory to the United Nations CEO Water Mandate in 2008. We are continuing to support the Mandate in two ways: by managing water efficiently at our own facilities and by providing solutions that help our customers handle water and wastewater more efficiently.

Our own activities

We are continuing to implement the approach to water resource management that was developed in 2012. This includes monitoring factors like water scarcity, water pollution, flooding, environmental fire risks, and consequences of climate change, as well as performing site-specific risk analyses. Individual goals and measures must be defined for locations with high water-related risks. This approach minimizes site-specific adverse impacts of our water consumption by taking account of local risks like water scarcity, water pollution or flooding of environmentally sensitive areas. You can find out more about conserving resources and water consumption at Siemens locations in the ↗ ENVIRONMENT section of this report.

We use resources carefully and avoid wasting them wherever possible – for example, by participating in the Leadership in Energy and Environmental Design (LEED) certification program, whose focuses include efficient water utilization as a key planning element. We require LEED certification for all our new construction projects.

Our supply chain partners

The environmental protection requirements for our supply chain partners are set out in the Siemens Group Code of Conduct for Siemens Suppliers and Third Party Intermediaries. Further information on these requirements and on supply chain management is available in the ↗ SUSTAINABLE SUPPLY CHAIN PRACTICES section of this report.

Our customers

We support our customers with water management solutions.

Advanced water extraction

Siemens has been commissioned by the A3C consortium to equip eight seawater desalination plants in Saudi Arabia with process automation systems, drive technology, process instrumentalization systems, and communications technology. This order follows an earlier agreement in which Siemens was named the main contractor to supply the electrical, automation, and instrumentation packages for the world's first large-scale solar-powered seawater desalination plant. Due to the use of solar power, CO_2 emissions at the plant, which is located near the Saudi Arabian city of Al Khafji, are considerably lower than those at plants powered by electricity from non-renewable sources. Siemens' technology also ensures plant availability of around 98%.

Partnerships to reduce water loss

Siemens and BuntPlanet have signed a distribution agreement that enables them to offer advanced solutions and provide a wide-ranging portfolio of hardware, software, and services for water distribution networks. Particularly in the area of leakage detection, the partnership helps Siemens customers reduce water loss, ensure a reliable water supply, and significantly increase energy efficiency. Through this collaboration, both partners are making a major contribution toward providing sustainable water supplies worldwide.

Social commitment

Through our memberships in international organizations, we participate in numerous initiatives and projects such as the water project on the Action 2020 platform of the World Business Council for Sustainable Development. We initiate, implement, and support projects to foster efficient water use in various regions

of the world. The Siemens Stiftung, Siemens' nonprofit foundation in Germany, applies an entrepreneurial approach to supplying communities with clean drinking water. One example of a project is:

The WeTu social enterprise – Kenya

The WeTu social enterprise founded by Siemens Stiftung works on innovative solutions for supplying energy and drinking water to communities on Lake Victoria. Its WeWater unit operates 11 water dispensing stations at various locations that supply their surrounding rural communities with safe, filtered drinking water at economical prices.

In a multi-stage process, surface water is processed with various pre-filters, an ultra-filtration membrane, and finally UV disinfection. Drinking water is dispensed around the clock by way of a cashless ATM system. This approach supplied more than 3 million liters of drinking water to 14,000 people last year. A variety of social marketing measures also alert customers about how contamination can occur in home use, and how contaminated drinking water affects health.

You can find out more about Siemens Stiftung projects at:

WWW.SIEMENS-STIFTUNG.ORG/PROJECTS/WETU/

7.8

Independent auditor's report on a limited assurance engagement

The assurance engagement performed by Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft relates exclusively to the German PDF-version of the Sustainability Report 2022 of Siemens Aktiengesellschaft. The following text is a translation of the original German Independent Assurance Report.

TO SIEMENS AKTIENGESELLSCHAFT, BERLIN AND MUNICH

We have performed a limited assurance engagement on the Sustainability Report of Siemens Aktiengesellschaft, Berlin and Munich (hereafter the "Company"), for the reporting period from October 1, 2021 to September 30, 2022 (hereafter the "report").

Our engagement exclusively relates to the German PDF-version of the report. Our engagement did not include the information in the Annex to the report as well as any prospective disclosures and links to other web pages. The report is published as a PDF-version at WWW.SIEMENS.COM/INVESTOR/EN.

RESPONSIBILITIES OF MANAGEMENT

The Company's management is responsible for the preparation of the report in accordance with the Sustainability Reporting Standards of the Global Reporting Initiative (hereafter the "GRI criteria") and for the selection of the information to be assessed.

These responsibilities of the Company's management include the selection and application of appropriate sustainability reporting methods and making assumptions and estimates about individual sustainability disclosures that are reasonable in the circumstances. Furthermore, management is responsible for such internal control as management considers necessary to enable the preparation of a report that is free from material misstatement, whether due to fraud (manipulation of the report) or error.

INDEPENDENCE AND QUALITY ASSURANCE OF THE AUDIT FIRM

We have complied with the German professional requirements on independence as well as other professional conduct requirements.

Our audit firm applies the national legal requirements and professional pronouncements, in particular the BS WP/vBP ["Berufssatzung für Wirtschaftsprüfer/vereidigte Buchprüfer": Professional Charter for German Public Accountants/German Sworn Auditors] in the exercise of their Profession and the IDW Standard on Quality Management issued by the Institute of Public Auditors in Germany (IDW): Requirements for Quality Management in the Audit Firm (IDW QS 1), and accordingly maintains a comprehensive quality management system that includes documented policies and procedures with regard to compliance with professional ethical requirements, professional standards as well as relevant statutory and other legal requirements.

RESPONSIBILITIES OF THE AUDITOR

Our responsibility is to express a conclusion with limited assurance on the report based on our assurance engagement.

We conducted our assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised): "Assurance Engagements other than Audits or Reviews of Historical Financial Information" issued by the International Auditing and Assurance Standards Board (IAASB). This standard requires that we plan and perform the assurance engagement to obtain limited assurance about whether any matters have come to our attention that cause us to believe that the Company's report is not prepared, in all material respects, in accordance with the GRI criteria.

In a limited assurance engagement, the procedures performed are less extensive than in a reasonable assurance engagement, and accordingly, a substantially lower level of assurance is obtained. The selection of the assurance procedures is subject to the professional judgment of the auditor.

In the course of our assurance engagement we have, among other things, performed the following assurance procedures and other activities:

- → Inquiries of employees and inspection of documents concerning the sustainability strategy, sustainability principles and sustainability management including the stakeholder dialog of Siemens AG,
- → Inquiries of employees responsible for data capture and consolidation as well as the preparation of the report, to evaluate the reporting processes, the data capture and compilation methods as well as regarding internal controls to the extent relevant for the assurance of the report,
- → Identification of likely risks of material misstatement in the report,
- → Analytical procedures on selected disclosures in the report at Group level and at the level of the Industrial Businesses,
- → Inquiries and inspection of documents on a sample basis relating to the collection and reporting of selected data at Group level, at the level of the Industrial Businesses and at selected sites,
- → Inquiries of employees on material qualitative statements in the report as well as the inspection of selected underlying documents,
- → Reconciliation of selected disclosures with the corresponding data in the consolidated financial statements and group management report,
- → Evaluation of the presentation of the report.

ASSURANCE CONCLUSION

Based on the assurance procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the Sustainability Report of Siemens Aktiengesellschaft for the period from October 1, 2021 to September 30, 2022 is not prepared, in all material respects, in accordance with the GRI criteria.

RESTRICTION OF USE

We draw attention to the fact that the assurance engagement was conducted for the Company's purposes and that the assurance report is intended solely to inform the Company about the result of the assurance engagement. As a result, it may not be suitable for another purpose than the aforementioned. Accordingly, the assurance report is not intended to be used by third parties for making (financial) decisions based on it. Our responsibility is to the Company alone. We do not accept any responsibility to third parties. Our assurance conclusion is not modified in this respect.

GENERAL ENGAGEMENT TERMS AND LIABILITY

The "General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften [German Public Auditors and Public Audit Firms]" dated January 1, 2017 are applicable to this engagement and also govern our relations with third parties in the context of this engagement (WWW.DE.EY.COM/GENERAL-ENGAGEMENT-TERMS). In addition, please refer to the liability provisions contained there in no. 9 and to the exclusion of liability towards third parties. We accept no responsibility, liability or other obligations towards third parties unless we have concluded a written agreement to the contrary with the respective third party or liability cannot effectively be precluded.

We make express reference to the fact that we will not update the assurance report to reflect events or circumstances arising after it was issued, unless required to do so by law. It is the sole responsibility of anyone taking note of the summarized result of our work contained in this report to decide whether and in what way this result is useful or suitable for their purposes and to supplement, verify or update it by means of their own review procedures.

Munich, December 5, 2022

Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

Breitsameter	Johne
Wirtschaftsprüferin	Wirtschaftsprüferin
(German Public Auditor)	(German Public Auditor)

7.9 Notes and forward-looking statements

This document contains statements related to our future business and financial performance and future events or developments involving Siemens that may constitute forward-looking statements. These statements may be identified by words such as "expect," "look forward to," "anticipate," "intend," "plan," "believe," "seek," "estimate," "will," "project" or words of similar meaning. We may also make forward-looking statements in other reports, in prospectuses, in presentations, in material delivered to shareholders, and in press releases. In addition, our representatives may from time to time make oral forward-looking statements.

Such statements are based on the current expectations and certain assumptions of Siemens' management; many of them are therefore beyond Siemens' control. These are subject to a number of risks, uncertainties, and factors, including, but not limited to those described in disclosures, in particular in the chapter Report on risks and opportunities, and including reports on expected development of the Annual Report. Should one or more of these risks or uncertainties materialize, events of force majeure, such as pandemics, occur, or should underlying expectations including future events occur at a later date or not at all or assumptions prove incorrect, actual results, performance, or achievements of Siemens may (negatively or positively) vary materially from those described explicitly or implicitly in the relevant forward-looking statement "Notes and forward-looking statements" in the SIEMENS SUSTAINABILITY REPORT 2022. Siemens neither intends nor assumes any obligation to update or revise these forward-looking statements in light of developments which differ from those anticipated.

This document includes – in the applicable financial reporting framework not clearly defined – supplemental financial measures that are or may be alternative performance measures. These supplemental financial measures should not be viewed in isolation or as alternatives to measures of Siemens' net assets and financial positions or results of operations as presented in accordance with the applicable financial reporting framework in its Consolidated Financial Statements. Other companies that report or describe similarly titled alternative performance measures may calculate them differently.

This document is an English-language translation of the German document. In case of discrepancies, the German-language document is the sole authoritative and universally valid version.

7.10

Further information and information resources

Additional information

The online version of the Siemens annual financial report 2022 is available at:

WWW.SIEMENS.COM/ANNUALREPORTS

Further sustainability information

Further information on our commitment to sustainability and sustainability figures are available at:

HTTPS://NEW.SIEMENS.COM/GLOBAL/EN/COMPANY/SUSTAINABILITY.HTML

HTTPS://NEW.SIEMENS.COM/GLOBAL/EN/COMPANY/SUSTAINABILITY/SUSTAINABILITY-FIGURES.HTML

Further information on research, development, and innovation at Siemens is available at:

HTTPS://WWW.SIEMENS.COM/GLOBAL/EN/COMPANY/INNOVATION.HTML

Further information on Siemens Stiftung is available at:

WWW.SIEMENS-STIFTUNG.ORG/EN/

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