



Accelerating Sustainability

Judith Wiese, Chief Sustainability Officer and CHRO

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Due to rounding, numbers presented throughout this and other documents may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

Based on a strong track record, Siemens is accelerating its sustainability approach



Strong track record in sustainability

Sustainability is embedded in Siemens' business activities; it's part of our portfolio, our operations, our governance – our DNA.

Sustainability equals business

Siemens' technology and innovation create opportunities and help our customers achieve their sustainability goals for a better future.

DEGREE – our ambitious sustainability framework

Siemens is committing to – and will report on its progress toward – clear ESG priorities and ambitions in keeping with our “DEGREE” framework.

Siemens' strong track record in sustainability

Committed



Setting targets

SBTi¹ 1.5°C target commitment building upon pioneering carbon-neutral program



Following standards

Supporting UN² Global Compact and other UN Principles and Conventions since 2003



Incentivizing ESG

Long-Term Incentive (LTI) system with Sustainability KPIs (Customer NPS³, CO₂ Reduction, Training Hours)

Impactful



Responsible business

Carbon-neutral program has already achieved 54% reduction of Siemens' CO₂ footprint⁴



Sustainable development

Siemens' impact shown through Business to Society approach in > 35 countries



Fast aid

> €15 million COVID-19 Relief Fund for fast and unbureaucratic help

Recognized



Leading in ratings

Part of the DJSI⁵ World Index (top 10%) for more than 20 years and over 10 years at the leadership level within CDP⁶



Acknowledged for ESG⁷

In 2021, German Sustainability Award for Design for Siemens Mobility's regional and commuter train Mireo

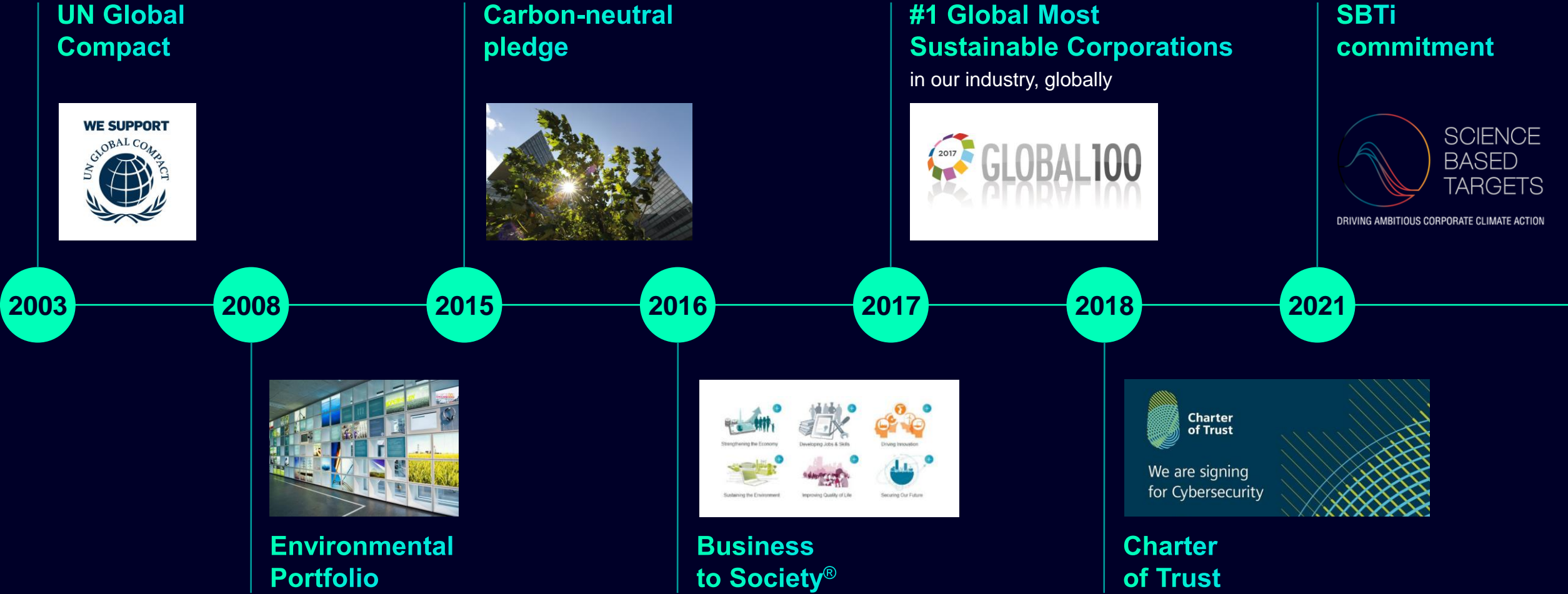


Great place to work

Ranked among Forbes' "World's Best Employers" for 2020 in our industry; recipient of several awards for inclusion

All data for FY2020 1 SBTi: Science Based Target initiative 2 UN: United Nations 3 Net Promoter Score 4 Between 2014 and 2020 5 DJSI: Dow Jones Sustainability Index 6 CDP: Carbon Disclosure Project 7 ESG: Environmental, Social, Governance

Siemens has a strong track record in Sustainability



Siemens is actively driving collaboration to achieve sustainability and has made strong public commitments

Environment and climate

Social

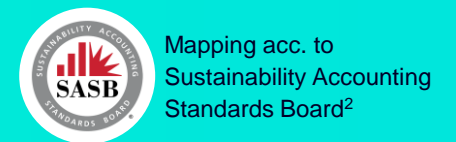
Governance



- Science Based Targets initiative (SBTi): 1.5 degree Celsius target commitment
- We Mean Business coalition: EV100, EP100, RE100 initiatives
- UN Framework Convention on Climate Change (UNFCCC)
- WEF Alliance of CEO Climate Leaders
- Carbon Pricing Leadership Coalition (CPLC)
- EU Commission's Circular Plastics Alliance
- UN CEO Water Mandate

- International Bill of Human Rights
- UN Guiding Principles on Business and Human Rights, UN Global Compact Women's Empowerment Principles
- OECD Due Diligence Guidance for Responsible Chains of Minerals from Conflict-Affected and High-Risk Areas
- International Labour Organization (ILO), e.g. Declaration on Fundamental Principles and Rights at Work, Vision Zero Fund
- Healthy Workplaces Lighten the Load
- Charter of Trust

- UN Agenda 2030 incl. 17 Sustainable Development Goals (SDGs)
- 10 Principles of UN Global Compact, UN Convention against Corruption (UNCAC)
- OECD Guidelines for Multinational Enterprises
- OECD Anti-Bribery Convention
- WEF Partnering Against Corruption Initiative (PACI)



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

81 pts

Member of
**Dow Jones
Sustainability Indices**

Powered by the S&P Global CSA

More than 20 years in the World Index (top 10%), leading position: #2 in industry

A-



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

28.4 pts



High exposure similar to sub-industry average, strong management of ESG risks, 5th in Industrial Conglomerates industry

1



Top rating in Quality score Environmental and Social

AA



Constant leader for five years (AAA/AA)

Prime



Prime status in ESG Corporate Ratings since 2016

61 pts

ecovadis

Silver recognition level (top 25%)

57 pts



Constituent of the VigeoEiris EUROZONE 120 index since 2020

Rating highlights

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

Technology with purpose

Technology with purpose

Sustainability is core for all our businesses

Future of industry: Finite resources – infinite data

- Digital Enterprise portfolio to help industry respond faster and more flexibly to new market demands
- Digital twin: combines digital and real worlds in constant data flow to conserve resources and cut waste
- Smart industrial solutions to make products and production more resource-efficient and use less energy
- Greater transparency of products' carbon footprints across the entire supply chain, including suppliers

Future of infrastructure: Decentral, decarbonized, and digital

- Intelligent energy solutions that contribute to a cleaner and more resilient energy mix
- Building offerings for optimal energy usage and healthy indoor climate
- New technologies to reduce emissions (e.g. GIS¹ Blue portfolio, eMobility charging infrastructure)
- Decarbonization programs for customers including attractive financing schemes, e.g. IFPs for EaaS²

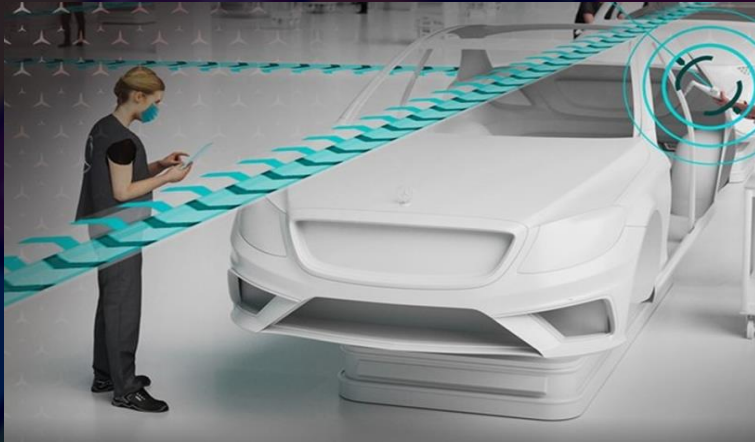
Future of mobility: Strong shift toward decarbonized transportation systems

- Trains are the most environmentally friendly modes of passenger transportation
- Industry leader in train battery technology and development of superior second generation hydrogen train
- Intermodal offerings from door to door for a seamless travel experience
- Increased system capacity, availability and reliability through digitalization (e.g. interlocking in the cloud)
- Enhanced life-cycle management of assets through data-driven predictive maintenance and analytics

¹ GIS: Gas-Insulated Switchgear ² EaaS: Infrastructure Platform; EaaS: Energy-as-a-Service

Technology with purpose

We help our customers enhance their sustainability performance



Sustainable Production

Mercedes-Benz

- Digital end-to-end technologies for flexible production
- Mercedes-Benz Digital Factory Campus as blueprint for flexible, resource-saving, CO₂-neutral factories
- New working environments with IT and Augmented Reality

Clean Energy

Azores Microgrid

- Autonomous battery-based energy storage system and microgrid
- Increased renewables by 60%
- Reduce CO₂ by > 3,500 t / year
- Reduce diesel use by 1,150 t / year
- Increased grid stability and resilience

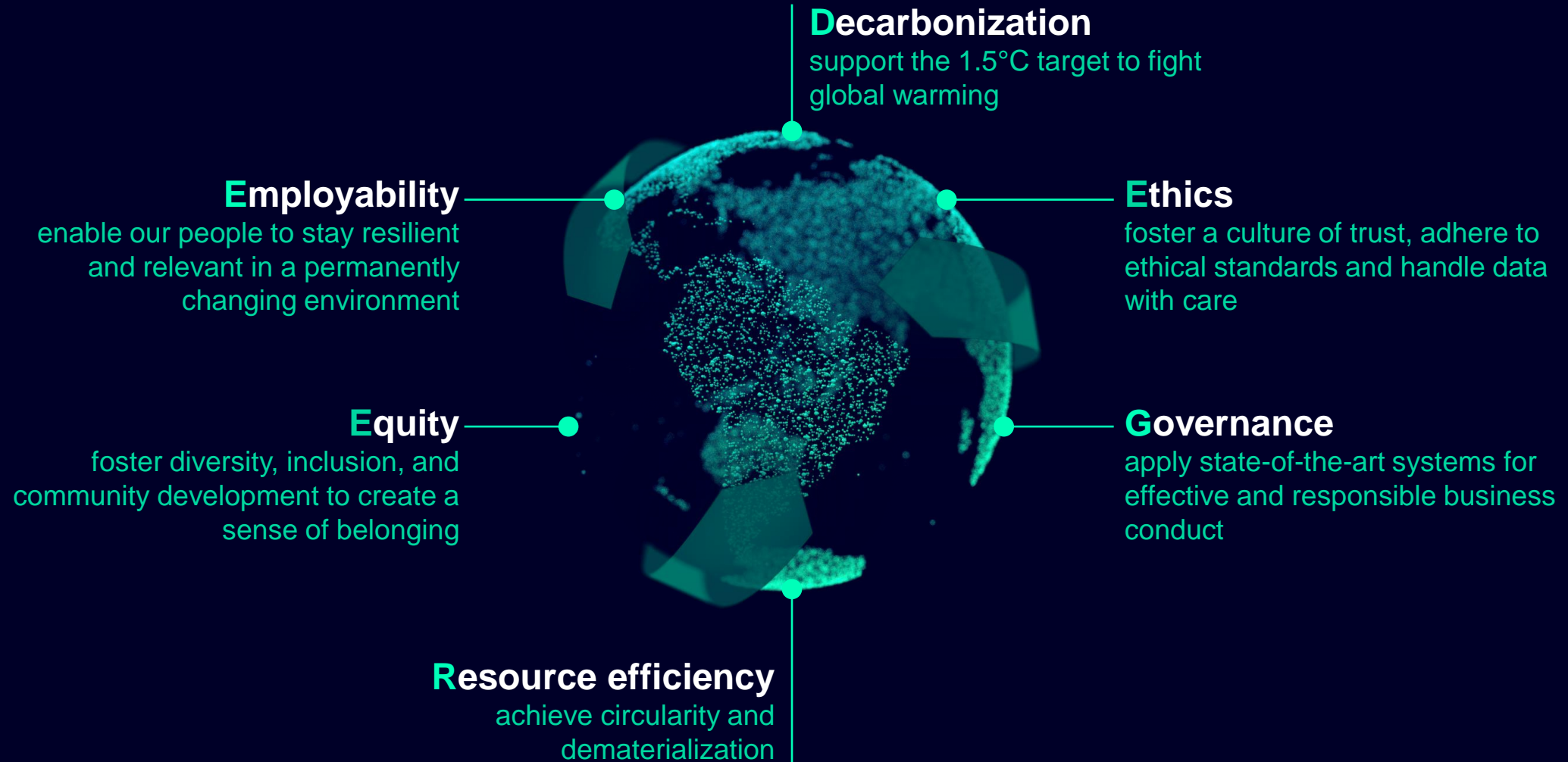
Sustainable Region Rail

SFBW¹ (Baden-Wuerttemberg, GER)

- Mireo Plus Battery: Locally emission-free passenger transport with and without overhead power lines
- 25% less energy consumption than previous models
- 95% recycling rate at the end of lifecycle

¹ SFBW: State Office for Railway Vehicles Baden-Württemberg

Our DEGREE framework sets clear priorities for Sustainability at Siemens



Our DEGREE framework is substantiated with clear ambitions

Decarbonization

- Net zero operations by 2030 in line with SBTi pathway
- Net zero supply chain by 2050, 20% emissions reduction by 2030

Ethics

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

Governance

- ESG secured supply chain based on supplier commitment to the Supplier Code of Conduct
- Long-term incentives based on ESG criteria¹

Resource efficiency

- 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 towards zero landfill waste by 2030

Equity

- 30% female share in Top Management by FY 25
- Access to employee share plans: maintain high level and expand globally to 100%²
- Global commitment to the New Normal Working Model

Employability

- Double 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 LTIFR³ by 2025

¹ Assessed on the basis of a Siemens internal ESG/Sustainability index, incl. Customer Net Promoter Score, CO₂ Reduction, Training Hours

² Where legally possible and reasonable ³ LTIFR: Lost time injury frequency rate (of Siemens employees and temp. workers) baseline FY2020

Decarbonization

support the 1.5°C target
to fight global warming



Major achievements



- Early commitment in 2015: 1st major industrial company to commit to net zero in its own operations by 2030; 54% CO₂ reduction by 2020 (fleet, decentralized energy systems, green energy sourcing)
- Abatement of ~150 million tons p.a.¹ of CO₂ emissions through our portfolio at our customers
- Strong offering of decarbonization solutions

Ambitions and further commitments

1.5°C SBTi² commitment and “triple joiner”
for EP100, EV100, RE100³

- Net zero operations by 2030 in line with SBTi pathway
- Net zero supply chain by 2050, 20% emissions reduction by 2030



¹ FY 20 ² SBTi: Science Based Targets initiative ³ Commitments on Energy Productivity improvements (EP), use of Electric Vehicles (EV), and Renewable Energy (RE)

Decarbonization

support the 1.5°C target
to fight global warming



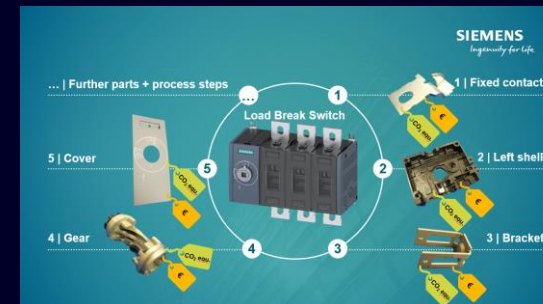
Selected highlights



Energy performance contracting
to reduce emissions and costs



Microgrids for Siemens,
e.g. in Vienna, Milan, Midrand



Green Digital Twin drives
sustainable design and sourcing
decisions



Carbon reduction
at suppliers

Ethics

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



Major achievements



- 165,000 employees trained on the contents of our Business Conduct Guidelines in FY 20 promoting compliance
- DJSI¹ leader in cyber security within our industry
- Charter of Trust initiative founded to drive cyber security in a trusted digital world with cross-industry and global partners
- Siemens Integrity Initiative covers all major growth regions and risk countries with 77 projects and \$98.5 million funding

Ambitions and further commitments

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

¹ DJSI: Dow Jones Sustainability Index

Ethics

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



Selected highlights



Siemens Business
Conduct Guidelines



Certifications (e.g. Secure
Product Development Lifecycle)



Charter of Trust: global,
cross-industry initiative



Siemens Integrity Initiative

Governance

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



Major achievements



- Strong ESG / Sustainability Governance in place (e.g. LTI, SSB¹), Circular, Materiality Assessment
- Code of Conduct with clear ESG requirements for Suppliers and Third Party Intermediaries as integral part of supplier management methods and tools (Prevent-Detect-Respond)
- AI-based “ESG Radar” due diligence tool for ESG-related risk assessment in rollout

Ambitions and further commitments

- ESG secured supply chain based on supplier commitment to the Supplier Code of Conduct
- Long-term incentives based on ESG criteria²

¹ LTI: Long-Term Incentive, SSB: Siemens Sustainability Board ² Assessed on the basis of a Siemens internal ESG/Sustainability index, incl. Customer NPS, CO2 Reduction, Training Hours

Governance

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



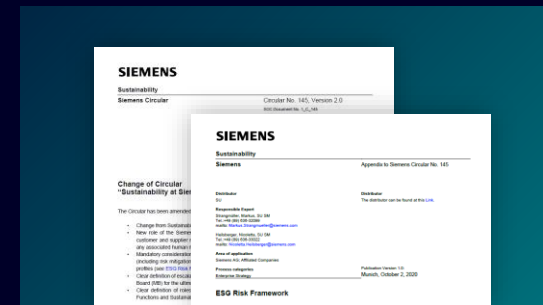
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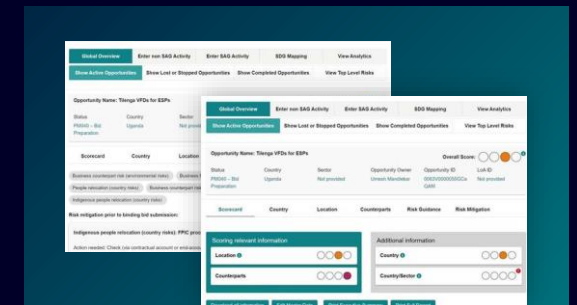
Commitment to international
standards



Code of Conduct for Siemens'
Suppliers and Third Party
Intermediaries



Sustainability Circular
and ESG Risk Framework



Environmental & Social
Due Diligence for customer
related business

Resource efficiency

achieve circularity and dematerialization



Major achievements



- “Serve the Environment” program: -18% disposal waste, 93% waste recycling, 70% green electricity
- “Product Eco Excellence” program: ~70% LCA/EPD¹ coverage rate in terms of revenue, global EP² standard for environmentally compatible product/system design
- Top DJSI/CDP ratings on environmental performance

Ambitions and further commitments

- 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 towards zero landfill waste by 2030

¹ LCA: Life Cycle Assessment; EPD: Environmental Product Declaration;
² EP: Environmental Protection

Resource efficiency

achieve circularity and dematerialization



Selected highlights



Velaro Novo high speed – pushing boundaries of efficiency



Power flexibility in industry: Virtual Power Plant Sinebrychoff brewery



Simulation from chip to real world reduces waste and emissions

Equity

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



Major achievements



- > 18% management positions held by women
- 155,000 employees own Siemens shares
- 5,300 employees with disabilities
- > 500 projects to foster societal cohesion & quality of life
- Global Donations: €34 million in FY 20, COVID-19 fund > €15 million

Ambitions and further commitments

- 30% female share in Top Management by 2025
- Access to employee share plans: maintain high level and expand globally to 100%¹
- Global commitment to the New Normal Working Model²

¹ Where legally possible and reasonable ² Aim of the concept: Enabling employees worldwide to work on a mobile basis for an average of two or three days a week, whenever feasible

Equity

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



Selected highlights



New Normal Working Model



Best place to work for disability inclusion



Top ranked company in LGBT+¹ (e.g. DAX30 LGBT+, Human Rights Corporate Equality Index)



Project Asha – access to water, electricity, health, education (> 500k people, > 72 villages)



Siemens Foundation “empowering people.award”

¹ Lesbian, Gay, Bisexual, Transgender and related communities

Employability

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



Major achievements



- €252 million investment in education and training, shaping of new and innovative learning experience with more than 100,000 digital learning opportunities for employees
- ~6,800 apprentices and dual students; ~1 million PLM software licenses to empower students at universities
- 21% year-on-year reduction in employee accident rate

Ambitions and further commitments

- Double 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 LTIFR¹ by 2025

¹ LTIFR: Lost time injury frequency rate

Employability

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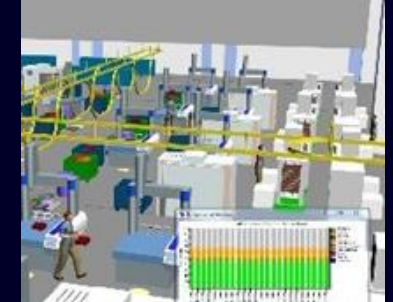
Selected highlights



Lifelong learning – re-/up-skilling, development paths



Global Apprenticeship Program



PLM licenses – software grants to students



Health, safety, and well-being at work



Siemens Stiftung – MINT education for kindergarten

Our DEGREE framework sets clear priorities for Sustainability at Siemens

Strong track record in Sustainability

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Ethics	<ul style="list-style-type: none">• Striving to train 100% of our people on Siemens' Business Conduct Guidelines every three years
Governance	<ul style="list-style-type: none">• ESG secured supply chain based on supplier commitment to the Supplier Code of Conduct• Long-term incentives based on ESG criteria¹
Resource efficiency	<ul style="list-style-type: none">• 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 towards zero landfill waste by 2030
Equity	<ul style="list-style-type: none">• 30% female share in Top Management by FY 25• Access to employee share plans: maintain high level and expand globally to 100%²• Global commitment to the New Normal Working Model
Employability	<ul style="list-style-type: none">• Double digital learning hours by 2025• Access to employee assistance programs: maintain high level and expand globally to 100% by 2025• 30% improvement in Siemens' globally aggregated LTIFR³ by 2025

¹ Assessed on the basis of a Siemens internal ESG/Sustainability Index, incl. Customer Net Promoter Score, CO₂ Reduction, Training Hours
² Where equity plans are not available – 2020: 94% (incl. 100% of Siemens employees and temp. workers); 2020: 97% (2020)

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