



Section 172(1) Statement

Siemens Mobility Limited: for the year
ended 30 September 2021

S. 172(1) STATEMENT

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

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

Section 172(1) statement

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

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

When decisions are made, the Board of Directors has regard to the matters set out in section 172(1)(a) to (f) of the Companies Act 2006, when performing its duties under section 172 and considers the following:

Interests of the Company's employees

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

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

- Employee consultative forums chaired by the CEO and CFO with other senior management in attendance as appropriate. This gives employee representatives the opportunity to raise and discuss topics driven from the employees.
- Employee engagement surveys which are run twice during the year to enable employees to communicate how they are feeling, allowing for free text commentary on topics that they consider need either maintaining or improving in the business.
- Business roadshows that are held throughout the organisation to encourage engagement with employees at geographically diverse locations and provide an opportunity to discuss local issues.
- Town hall meetings where the CEO and CFO present latest business updates and provide an open question and answer forum.
- Regular communications in the form of monthly team briefs and bi-weekly all employee bulletins to cascade information on company performance and provide call-to-action opportunities.

Key decisions taken in the year:

- In July 2020, Siemens announced mobile working as a core component of its "new normal" as a permanent standard, both during the global pandemic and beyond. The aim is to enable employees worldwide to work on a mobile basis for an average of two or three days a week, whenever reasonable and feasible and to suit individual circumstances and job requirements.
- In light of the ongoing COVID-19 pandemic, the Company participated in a pilot of the Government's workplace testing initiative and then adopted the wider scheme once rolled out.
- On 1 April 2021, the Company confirmed that it was an accredited employer with the Living Wage Foundation.
- In October 2021, the Company achieved Gold accreditation with Investors in People at Company level, having held Gold accreditation for its Rolling Stock and Customer Services units for several years.
- In December 2021, Siemens Mobility Limited signed up to the Mayor of London's Good Work Standard. This sets the benchmark for the best employment standards and helps employers contribute to a fairer and more inclusive London economy. This is an important step in attracting and retaining a diverse, talented and successful workforce.

Relationships with customers

Siemens Mobility Limited focuses on valuable customer engagement at all levels. This engagement takes a variety of forms including site visits, technology demonstrations and collaboration workshops to develop trusting relationships with our customers and jointly create innovative ways to drive efficiencies and improvements whilst demonstrating the collaborative behaviours required for ISO 44001 certification.

An annual customer survey provides useful feedback on satisfaction levels and customer advocacy. It also provides a rich source of data to improve customer offerings.

We also hosted a virtual external customer event in summer 2021 and invited one of our customers to present on the successful collaboration of his business with the Company on the introduction of a new fleet.

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

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

Key decisions taken in the year:

- To ensure customer involvement in raising the profile of externally focused initiatives. These included the completion of a global podcast with Crossrail CEO Mark Wild and decarbonisation-focused round-table and podcasts with customer representatives.
- Early customer engagement on a number of projects has resulted in us driving innovative technologies into rail infrastructure, helping the customer to progress key levelling up schemes faster and supporting our customers with business cases into Government to support major infrastructure projects.

Relationships with suppliers

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

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

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

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

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

- To promote a transparent and fair environment for potential suppliers to participate in the Company's processes. Together with the ethics and compliance program, the safety and environmental guidelines and local teams, the Company strives to ensure it includes sustainable practices that support the environment, stakeholders and the communities.
- Engagement and collaboration with suppliers through participation in interactive supplier conferences/ supplier days where the business shares the vision and areas of strategic focus for the supply chain.

Key decisions taken in the year:

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

Community and environment

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

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

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

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

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

- The launch of Women@SMO, which has created a professional network for women.
- A relaunch of the Company's Equality, Diversity and Inclusion (EDI) policy.
- The introduction of a Transitioning at Work policy and Pronoun Guide.
- The development and publication of the Company's first Carbon Reduction Plan outlining specific commitments related to supporting the ambitions of the Paris Climate Agreement and helping limit global warming to 1.5°C.

COVID-19 continues to have an impact on the ability to progress with local community projects and STEM activities meaning initiatives have been limited during the year but where possible this has focused efforts on larger activities.

Key decisions taken in the year:

- To once again sponsor London Transport Museum's Inspire Engineering Initiative which is designed to address the significant skills gap in transport and engineering. Some 7,000 young people have been reached by the programme over the last 10 years.
- To take gold sponsorship for the newly launched Rail Aid initiative, designed to support vulnerable children through The Railway Children charity at a time when the pandemic was curtailing fund-raising activities and significantly impacting support when it was needed most. This raised almost £540k for the charity.
- Continuation of support for local community activities around Goole, East Riding of Yorkshire, where the company's latest rail manufacturing facility is under construction. This included a matched contribution of £150k to upgrade and enhance Oakhill Nature Reserve.
- Involvement in a consortium commissioned by the Department for Transport (DfT), with funding through Innovate UK, to assess the economic and technical potential of the UK's first eHighway and government's plan to reach zero net emissions for heavy road freight.

Government

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

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

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

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

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

- Establishing and maintaining relationships with key UK government officials and advisors – where appropriate and adhering to COVID-19 rules and guidance.
- Maintain dialogue with policy makers and relevant stakeholders through its membership of key trade bodies and associations and inclusion in appropriate events and activities.
- Positioning Siemens Mobility Limited as a valued business partner and thought leader within the transport sector.

- Support for industry-wide initiatives and open letters focusing on specific 'asks' to Government, such as those related to HS2, workplace testing, etc.
- Focusing on the role of rail in achieving industry decarbonisation with specific focus on England and Scotland's potential to miss Net Zero targets.
- Significant preparation for COP26 activities to take place in FY22.

Key decisions taken in the year:

The Company made a number of submissions to Government including:

- Provision of evidence for the Transport Select Committee's focus on Major Transport Infrastructure Projects: appraisal and delivery.
- Input to the Railway Industry Association's (RIA's) response to the House of Lords Inquiry on the Role of Batteries and Fuel Cells in Achieving Net Zero, Major Projects Report, Hydrogen and Electrification briefings, etc.
- Representation to Budget 2021, outlining the role of transport and infrastructure investment in building back better, faster and greener.
- Input to the National Audit Office Report on Crossrail.

The Company also held a number of direct meetings with ministers, advisers and officials as well as attending roundtables and events at which ministers spoke.

Shareholder

Siemens Mobility Limited is part of the Siemens group of companies, of which the ultimate shareholder is Siemens AG. The Company's intermediate parent company is Siemens Mobility GmbH. Siemens AG is responsible for setting the overall strategy for the group, whereas Siemens Mobility GmbH is responsible for setting the more detailed strategy for the mobility group of companies. Engagement with shareholders is an ongoing process and the directors have regard to the strategy set by its immediate and ultimate parent companies when setting the strategy for the Company. Key priorities: delivering sustainable, profitable growth over the long term.

Siemens Mobility Limited

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