



TRANSFORMING THE EVERYDAY TO CREATE A BETTER TOMORROW

Smart Infrastructure Management Policy

SIEMENS

IN A NUTSHELL

Smart Infrastructure Management Policy



Matthias Rebellius
CEO Smart Infrastructure and
Member of the Managing Board

Our comprehensive understanding of an Integrated Management System (IMS) includes the quality of our products, solutions and services, the protection of the environment, the efficient use of energy, the health and safety of our employees, partners and customers as well as the protection of our tangible and intangible assets.

We are committed to continuous improvement, reduction of risks and hence contribution to a long-term profitability.

Consistent with our commitment to be a socially responsible company, we meet the demands of concerned parties and legal requirements in a sustainable manner in order to minimize the impact on our natural resources and to prevent pollution and injuries. We define our environment, social and governance (ESG) targets in the DEGREE strategic framework.

Our motivation and common values, our basic principles and our responsibility as a company are laid out in our **Business Conduct Guidelines** and build the basis for all our activities.

Our IMS standards and regulations are binding for all Smart Infrastructure organizations globally. IMS managers ensure the implementation and continuous improvement along the whole value chain.



There has never been a more urgent need to build resilient and sustainable infrastructure. With smart infrastructure, we create new ecosystems that combine the real and the digital worlds. This empowers our customers to transform their buildings, industries, and energy systems to be more electrified and autonomous.

We strive for...

satisfied customers

Our products, solutions and services meet or exceed the standards and expectations of our customers and increase the competitive advantage of their businesses while protecting and securing their data. They are safe, environmentally sound, improve and secure the living conditions of the society and contribute particularly to the protection of the climate with high energy efficiency.

integrated suppliers

We maintain business relationships only with reputable partners who comply with the law. Our suppliers provide high-quality products, solutions and services on time at competitive costs. They comply with our standards of environmental protection, health management and safety and security.

competent, motivated and responsible employees

Our employees are motivated, qualified, competent and act responsibly. They are the key factor for sustainable success in an increasingly digital world and work in conditions safeguarding their health and performance. Each employee is responsible for the quality of its work and committed to environmental protection and operational safety and security.

controlled processes

Our standardized processes and methods are implemented, controlled and continuously improved. We identify threats and opportunities through systematic risk management in key processes in order to define and implement both preventive and reactive actions and ensure business continuity.

Sgd. Matthias Rebellius

CEO Smart Infrastructure and
Member of the Managing Board

Sgd. Dr. Wolfgang Bea

Head Quality Management
Smart Infrastructure and Siemens



Global trends are changing
our markets – structurally
and profoundly”



#ClimateChange

#Digitalization

#Glocalization

#DemographicChange

#Urbanization

#ResourceScarcity



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WHY

The purpose of Smart Infrastructure

In today's rapidly changing world there has never been a more urgent need for governments, businesses and communities to rethink how they operate. Climate change, the pandemic and political instability in particular have put the spotlight on resilient and sustainable infrastructure. Digitalization brings the potential to transform infrastructure. It's the driver that unlocks the power of data and provides the intelligence needed to build a more sustainable world. Smart Infrastructure brings together the real and the digital worlds, across electrification, buildings and electrical prod-

ucts, to produce infrastructure that is intelligent, efficient and flexible. Smart infrastructure is responsive, adapting to the resources available and the changing environmental conditions. Together with our customers and partners, we are creating an ecosystem of expertise that enables the energy transition and creates sustainable communities.

Transforming the everyday to create a better tomorrow.



WHAT

The portfolio of **Smart Infrastructure**

Smart Infrastructure is shaping the market for intelligent, adaptive infrastructure for today and the future. It addresses the pressing challenges of urbanization and climate change by connecting energy systems, buildings and industries. Smart Infrastructure provides customers with a comprehensive end-to-end portfolio from a single source – with products, systems, solutions and services from the point of power generation all the way to consumption. With an increasingly digitalized ecosystem, it helps customers thrive and communities progress while contributing toward protecting the planet.



Compliance

Only clean business is Siemens business

For us at Siemens, compliance involves abiding by all the applicable regulations. The **Business Conduct Guidelines** are of central importance to Siemens. They contain the fundamental principles and rules governing the way we act within our company and in relation to our partners and the general public.

We regularly perform inspections in order to ensure that all relevant regulations are being observed. Our internal rules are governed by external regulations, but also express our corporate values:

- **Responsible**
- **Excellent**
- **Innovative**

What matters most to us is living up to these values and turning our ethical conduct into a competitive advantage. Siemens does not tolerate any illegal or unethical behavior. Only clean business is Siemens business – always and everywhere.



Sustainability

Siemens is committed to make a positive contribution to the sustainability of the planet and society as a whole.

We see sustainability as an integral part of our business, it is part of our DNA. We are taking our ESG commitment to the next level, our DEGREE framework guides us in the way we do business all around the world and build for a better future. With specific, measurable targets, we are accelerating our sustainability ambitions.

We believe that transparency is essential in our approach to sustainability, and as such, we strive to report our progress in a clear and open manner. Our external sustainability reporting is an integral part of our strategy, and we are committed to sharing our successes and challenges honestly and openly.

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 the digital worlds, improve people's quality of life, and protect the planet.

DEGREE – Clear action fields and ambitions for sustainability

- D for **Decarbonization**
- E for **Ethics**
- G for **Governance**
- R for **Resource Efficiency**
- E for **Equity**
- E for **Employability**

The 17 UN's Sustainable Development Goals are just some of the targets that have become fixtures of our everyday business.





Our key success factors

We regard the achievement of the highest level of customer satisfaction, based on deep trust in our portfolio as one of our core tasks. With all our customers, partners and suppliers around the globe, we strive for constructive and long-standing relationships based on trust, respect and honesty. We cultivate personal engagement of our staff and create a culture of trust and learning. And we are aware of ecological and economic responsibility for sustainable development. These principles support us on the road to success based on the following commitments:

- To meet or exceed the standards and expectations of our customers and increase the competitive advantage of their businesses.
- To protect the lives and health of our employees, contractors and all other business partners. Our Zero Harm Culture approach supports us to achieve this target.
- To design, develop, manufacture, market, and refurbish high-quality products, systems, solutions and services that are safe, reliable, economically compliant and efficient. They protect the environment and human health in a manner that meets or exceeds any applicable regulations and to minimize the impact on our natural resources.

- To support an ownership culture and the commitment of our employees to quality as a management task.
- To constantly monitor and optimize processes to achieve the highest customer benefits in connection with efficiency by utilizing key performance indicators (KPIs).
- To ensure the effective and efficient implementation of statutory requirements and standards.
- To conduct business transactions with our business partners correctly, everywhere and at all times, and provide first-class service at the highest ethical level.
- To ensure exemplary conduct on the part of our management, ensuring that their staff receives the information, support and training needed to achieve their targets.
- To conduct and share lessons learned with employees, customers, suppliers and other business partners in order to improve our products, systems, solutions and services as well as our processes continuously.

In realizing these commitments, Smart Infrastructure strives to secure its leading position in the global market on a long-term basis.



Integrated Management System

The Integrated Management System (IMS) – which covers quality (ISO 9001), environment (ISO 14001), occupational health and safety (ISO 45001), for selected units also energy (ISO 50001) and information security (ISO 27001) – provides the framework to realize our intentions successfully and to achieve and deliver on our overall objectives.

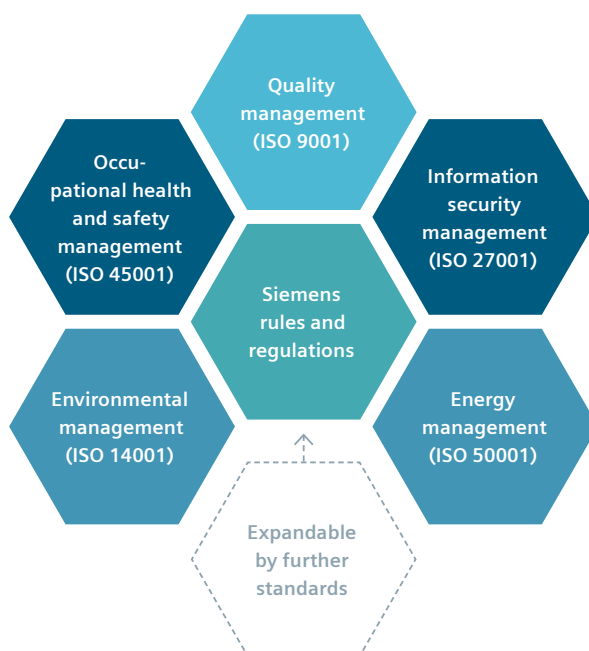
Furthermore, the additional requirements of Siemens internal rules and regulations such as Siemens quality management, EHS principles, product & solution security, information security, principles of product safety and risk-based asset classification and protection are integrated in the management system.

Based on customer and business needs, the Business Units with their assigned locations are certified according to applicable standards. Thereby, we increase trust and security of our customers in our processes and our portfolio.

The effectiveness of the IMS is approved by internal self-assessments and audits as well as by mandatory external audits of certified bodies in all Smart Infrastructure organizations and locations where applicable.

The implementation and efficiency of the IMS is continuously monitored and reviewed by management. If required, improvements for the IMS are derived. The Management Policy and the Smart Infrastructure regulations apply to all employees of the Business including affiliated companies and regional units.

This Smart Infrastructure Management Policy, is available to customers and other stakeholders. The associated management system documentation, including methods and procedures, is available in a structured form to all members of staff and personnel working on behalf of Siemens in the organizational units.



Ownership and responsibility

Responsibility for the Integrated Management System at Siemens is defined at the corporate level. Siemens is committed to an open and constructive highest quality and Zero Harm Culture that drives full transparency and improvement actions. The CEO of Smart Infrastructure assumes ownership and responsibility for the pursuit of the Business's objectives relating to the IMS and ensures that the system is developed and put into practice, including:

- A clear direction and motivation to work consistently in a customer-oriented manner. Compliance with customer and regulatory requirements is mandatory.
- A definition of the Management Policy with the objective to increase both customer benefits and economic value.
- Regular management reviews to assess the adequacy, effectiveness and efficiency of the management system and initiation of improvement measures, thereby also improving quality of products and services.

The heads of the organizational units are responsible for all activities associated with the IMS. They define the objectives for the IMS more speci-

fically and in greater detail, and determine the respective areas of responsibility and authority. They also assume responsibility for the quality of their processes and portfolio to the same extent as their compliance with the requirements of environmental protection, occupational health and safety, as well as security.

They take decisions and implement actions that improve the quality and environmental compatibility of the portfolio, reduce the environmental impact of products, and ensure occupational health and safety in the workplace. They are committed to consult with and leverage inputs from their employees to ensure their participation in the decision and implementation process.

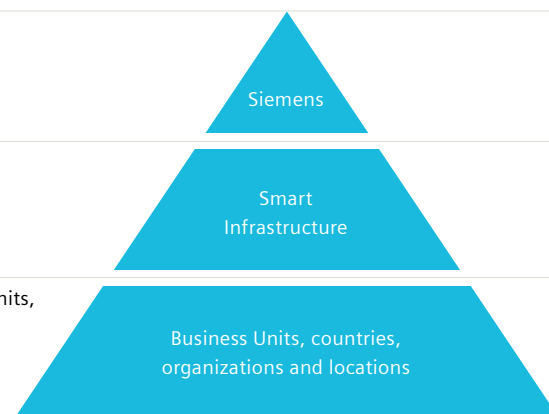
Every manager is required to enable and encourage their staff to work with an awareness of IMS requirements. They also ensure that necessary skills, knowledge, tools and other resources are available. Managers create a working environment that enables employees to deliver results based on the company's core values. They praise, reward and take action if necessary. With this guidance and cultural environment, each employee at Siemens is responsible for all areas of the IMS.

Responsibility

Siemens CEO

Business CEO

CEO/Head of Business Units,
countries, organizations
and locations



Technical authority

Service & governance:

Quality management, environmental protection and occupational health and safety

Quality management officers, environmental protection officers / coordinators, safety specialists, process owners, etc.

Product and process performance

How do quality, environmental protection, occupational health and safety, information security, and further IMS elements translate into our products and processes?

Product requirements are determined, evaluated and developed in close contact with the customer. They form the basis for product development and project execution. Ecodesign principles are applied to ensure that products are developed in an environmentally conscious and circular way. Functional and technical solutions are derived from specifications. These are laid down in explanatory notes (e.g. performance specifications) for realization. The results are evaluated, confirmed and validated.

Released specifications and additional technical documents are sent to qualified suppliers whenever products are purchased. Compliance of the delivered products with the purchasing requirements is ensured by means of predetermined inspections, testing, or other appropriate measures. Our manufacturing, assembly, commissioning and service activities are planned and performed under defined

and reproducible conditions, and they include selective monitoring and measurement procedures.

All necessary monitoring and measuring equipment is deployed – as are appropriate calibration and tracking systems. This procedure serves to systematically guarantee product quality as well as energy-efficient production.

Preventive measures, including monitoring and testing activities, are factored in throughout the entire value chain. They are implemented and documented accordingly. Project quality and project EHS managers are called in for complex projects. The experience and expertise of the project quality and EHS managers is ensured through special training.

Besides the regulations on information security and product and solution security, the necessary product safety aspects for proper functioning are taken into consideration for all products. This underscores the high priority attached to product quality and environmental performance within Smart Infrastructure.



Process and **documentation management**

Our processes are structured and organized towards the production and provision of high-quality products, systems, solutions and services in an economical manner. We design, develop, manufacture, market, and refurbish our portfolio so as to protect the environment and human health in a manner that meets or exceeds any applicable regulations, and to minimize the impact on our natural resources. The framework for business activities is designed and controlled with the aid of the management processes.

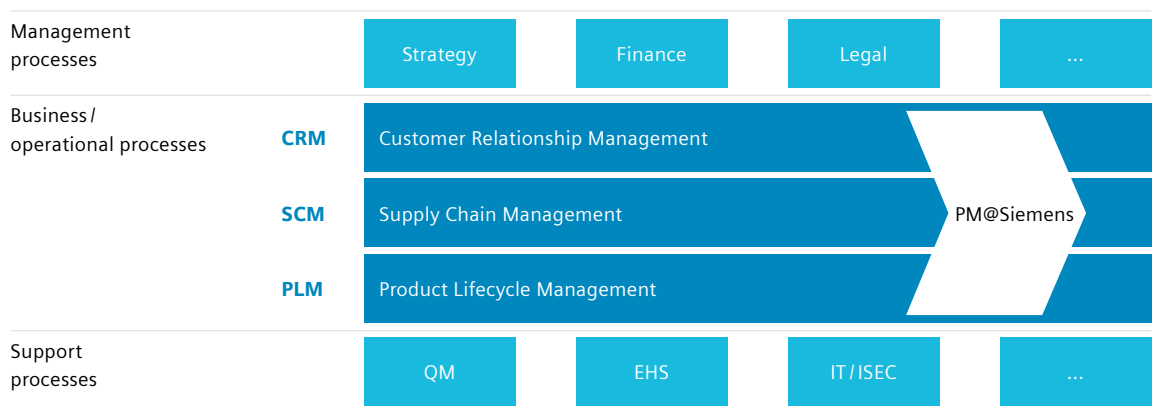
The business/operational processes are all aligned and described within the framework in the overarching categories: Customer Relationship Management (CRM), Supply Chain Management (SCM), Product Lifecycle Management (PLM) and Project Management (PM).

The requirements of the support processes (e.g. QM and EHS) are integrated into the business/operational processes. Related rules and regulations, circulars, guidelines, process descriptions, methods, etc. are stored in a structured way and available to all internal stakeholders. Rules and regulations are generally structured on several levels to reduce and avoid risks: Siemens, Businesses, Business Units, countries, organizations and locations.

Documentation management at all levels ensures that rules and data are checked, classified and released, according to defined procedures. The same applies to the distribution, filing, retention, archiving, amendment, or deletion of such documents and data, as well as their listing in directories according to their respective status. Our objective is to design and redesign flexible, continually improved and easy-to-use processes for all employees. Additional customer- and product-specific requirements are considered. Elements of the IMS are integral components of all these processes.

The function and effectiveness of the processes is ensured by consistent application of well-defined quality gates. Appropriate methods (e.g. assessments, audits) and KPIs are used to control and monitor the processes within the organizational units. Our goal is to make all processes lean, transparent, easy to understand and apply for our employees and reproducible at all times. The optimal integration of our partners is an additional requirement. Every process in the company must be robust in order to fulfill all the expectations of subsequent processes as well as the customer and other interested parties. In order to be able to offer our customers world-class quality, we need to address problems quickly and effectively.

Process framework



Continuous improvement

Strategy and implication for processes

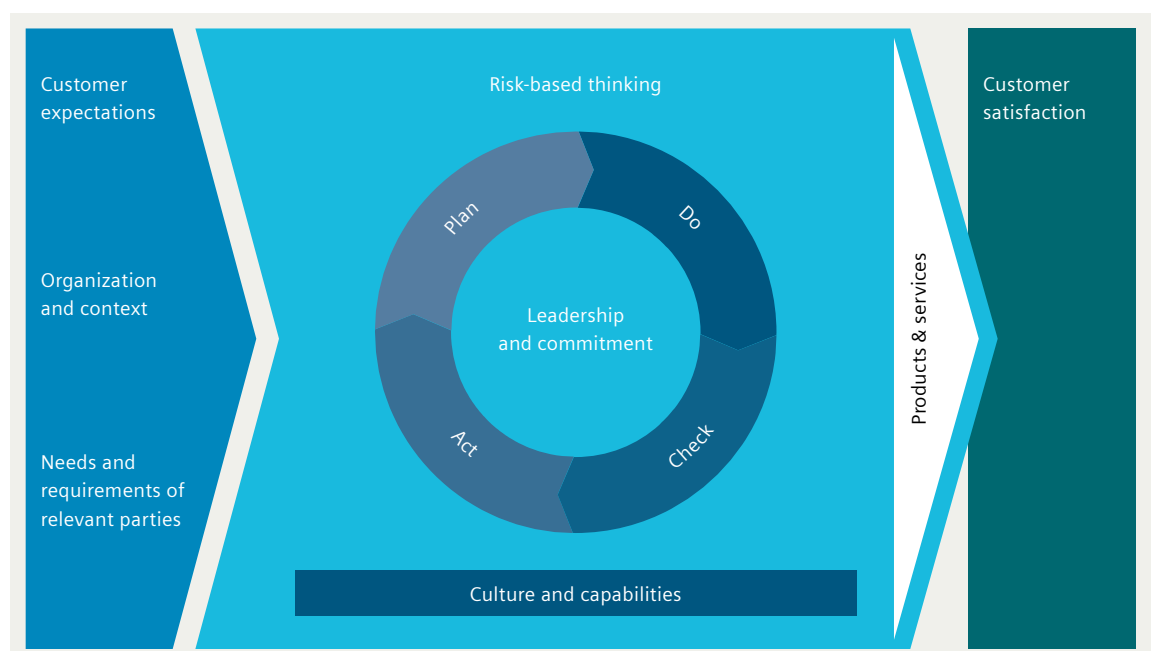
With our Siemens strategy we set the course for a successful future, perceiving change as an opportunity in an ever- and faster-changing world. We drive the change through a systematic continuous improvement process applying short iteration cycles with prompt results. In this context clear goals, specific measures and definite consequences are key to a successful continuous improvement.

Target setting

Target discussions are conducted periodically with the organizational units. The discussions include fundamental issues of the IMS and are permanently oriented towards achieving the company's overall targets. Targets are clearly defined and measurable, and they are agreed upon and updated regularly within the organizational units. The related measures and actions are implemented within the organizational units and progress is tracked via KPIs.

Risk-based thinking

We employ a process approach which incorporates the Plan-Do-Check-Act (PDCA) cycle and risk-based thinking. Risk-based thinking is essential for operating an effective Integrated Management System (IMS). The PDCA cycle coupled with risk-based thinking is also applied when managing non-conformities, e.g. to prevent their recurrence. This enables us as an organization to use the process approach to align and integrate our quality management system with the requirements of other management system standards such as EHS and ISEC. Addressing both risks and opportunities establishes a basis for increasing the effectiveness of the IMS, achieving improved results and preventing negative effects.



Learning culture

This demands a correspondingly high level of commitment by every employee as well as a culture that embraces learning. We also apply this method to further improve our IMS.

Customer feedback

An essential element of our strategy is customer centricity and the awareness that our success depends on customer satisfaction. We regularly collect customer feedback and measure customer satisfaction with the Net Promotor Score (NPS), a mandatory company-wide KPI that indicates whether customers would recommend us to colleagues or business partners. The methodology has strong support across Siemens. It provides valuable sources of information and opportunities to improve customer satisfaction by constantly developing customer relationships. Results are systematically reviewed by the Siemens Managing Board.

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Smart Infrastructure
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Switzerland
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800 North Point Parkway
Suite 450
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United States

Smart Infrastructure combines the real and digital worlds across energy systems, buildings and industries, enhancing the way people live and work and significantly improving efficiency and sustainability.

We work together with customers and partners to create an ecosystem that both intuitively responds to the needs of people and helps customers achieve their business goals.

It helps our customers to thrive, communities to progress and supports sustainable development to protect our planet for the next generation.

Transforming the everyday to create a better tomorrow.
[siemens.com/smart-infrastructure](https://www.siemens.com/smart-infrastructure)

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