

ESG REQUIREMENTS

Challenges and Roles for Legal and Compliance

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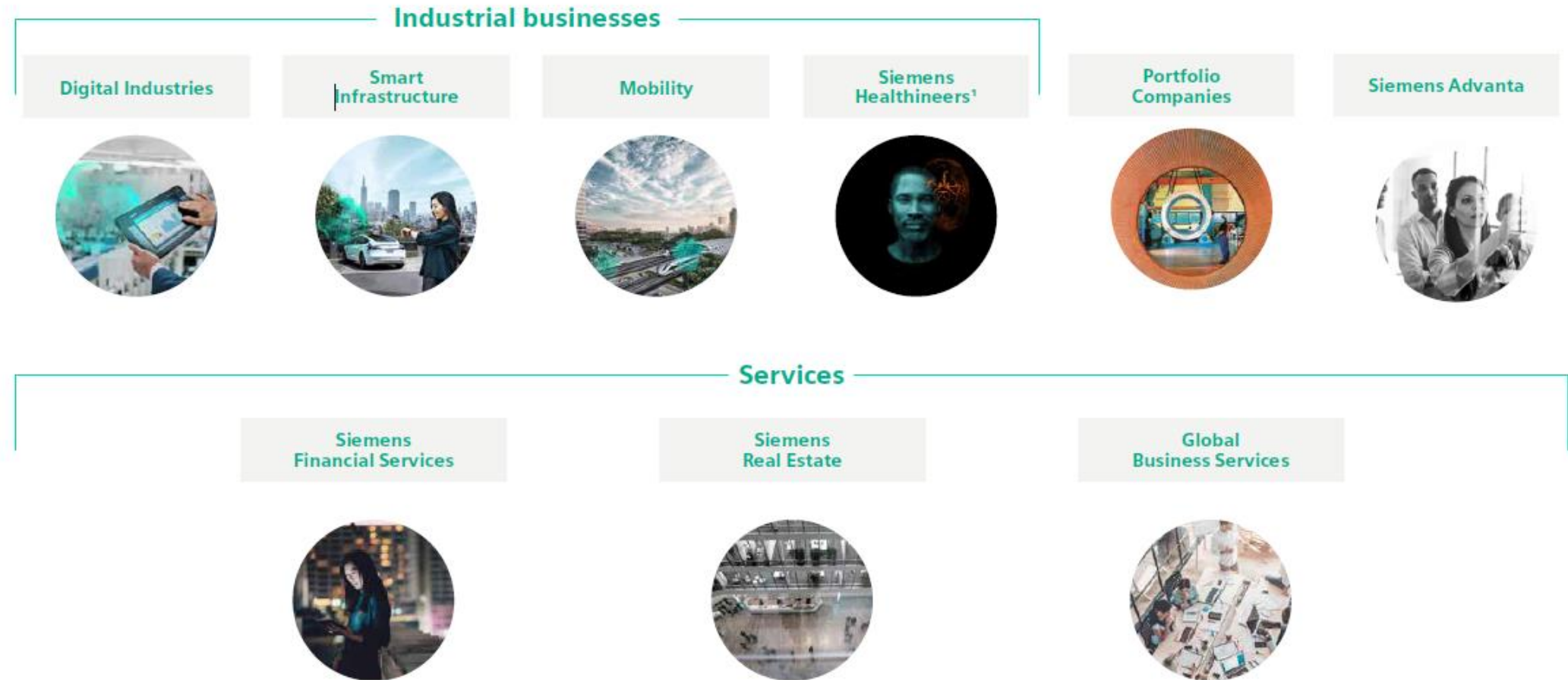
Siemens Canada

Presentation to Toronto Metropolitan University's CSR Institute "in-conversation" session

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Siemens AG - Global Businesses

Businesses and services



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

Siemens Canada at a glance....



Manufacturing Locations

- Peterborough, Ontario**
Manufacturer of measurement instruments for the process industries
- Drummondville, Quebec**
Manufacturer of low voltage products
- Concord, Ontario**
Manufacturer of communications products

R&D Locations

- Fredericton, New Brunswick**
Smart Grid Centre of Competence, Cyber Defense Centre and Cybersecurity R&D, and Global Grid Software R&D Centre.
- Saskatoon, Saskatchewan**
Provides variation analysis software used by companies that make chips for electronic devices.
- Kitchener, Ontario**
Enlighted
- Calgary, Alberta**
RuggedCom



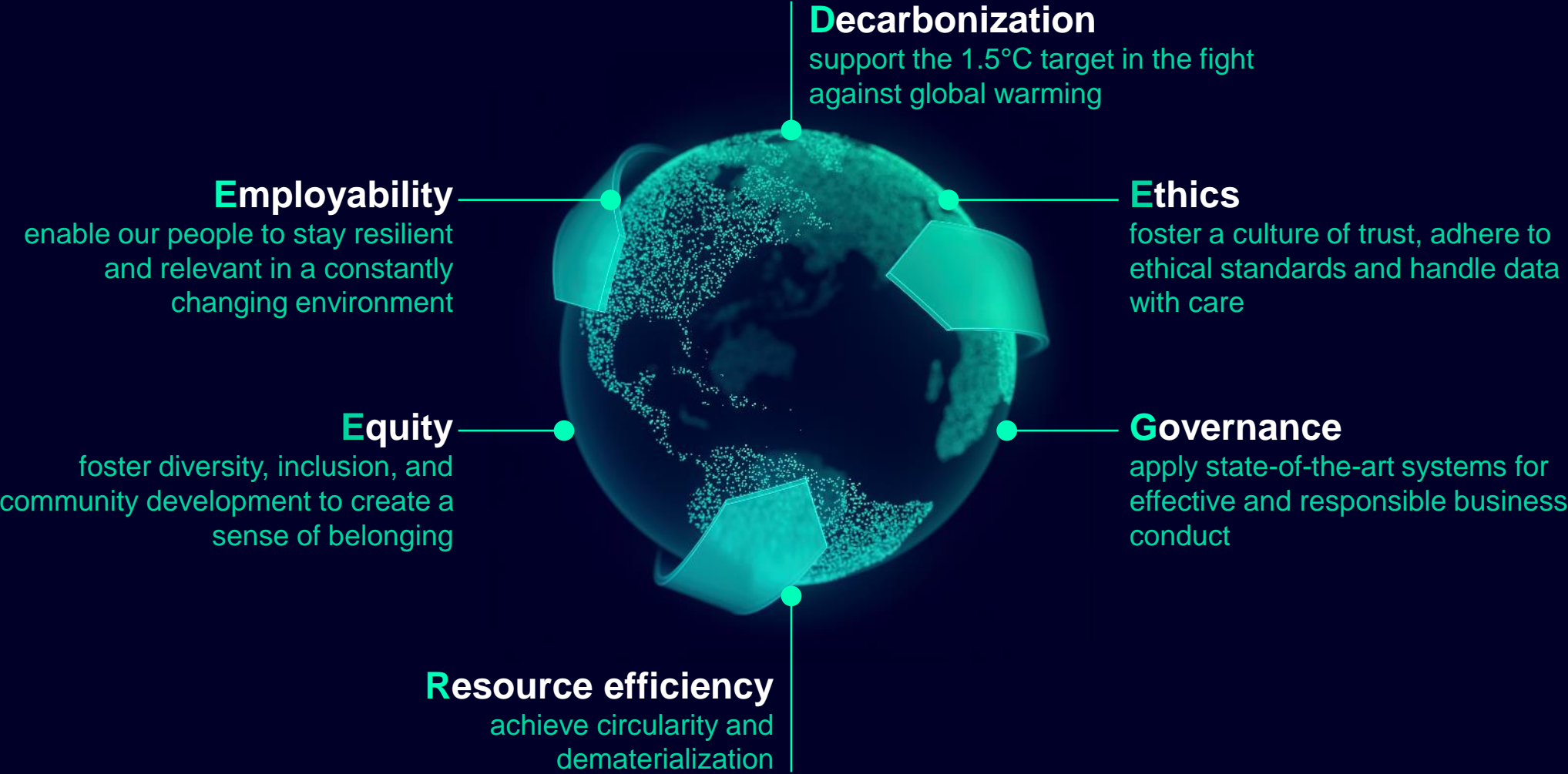
The Siemens Compliance System

The Siemens Compliance System is an overarching corporate initiative, implementation of which encompasses all Operating Groups, Regions and Corporate Functions worldwide. It is based on the three dimensions “**Prevent**” (prevention of incidents), “**Detect**” (early recognition of issues) and “**Respond**” (appropriate response to suspicious circumstances) as well as a systematic continuous improvement process.



Siemens' commitment to sustainability

Our DEGREE framework sets clear and measurable ambitions

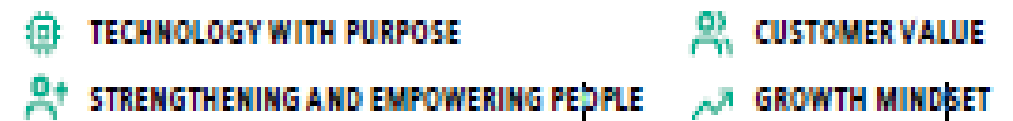


Dimension		Sustainability topics	SDGs	Strategic priorities	DEGREE
Shared value		Climate protection ¹	7 9 11 12 13		DECARBONIZATION
		Sustainable product design and life-cycle management ¹	6 7 9 11 12 13 14 15		RESOURCE EFFICIENCY
		Innovation and business model ²	6 7 9 11 12 13 14 15		DECARBONIZATION 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

Sustainability at Siemens

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

Four strategic priorities:

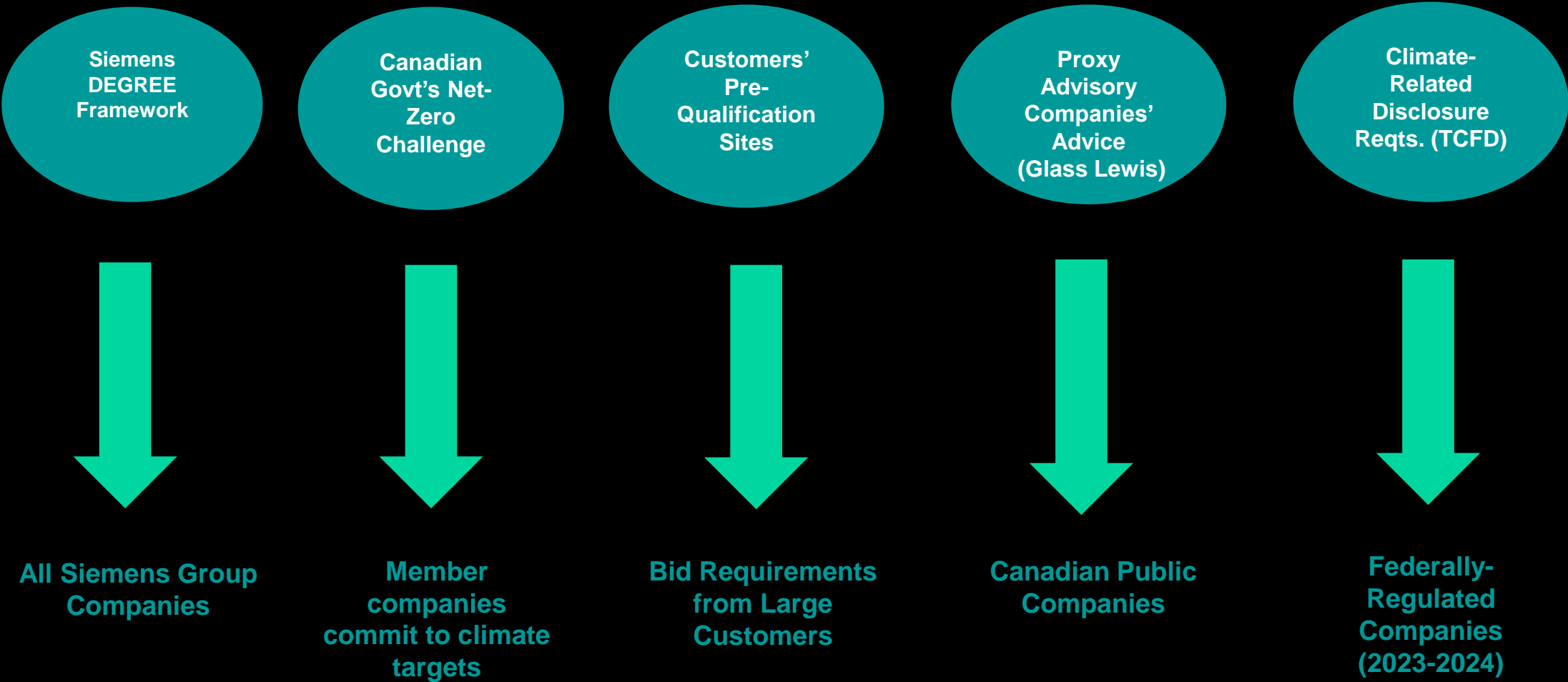


¹ Top 3 material sustainability topics.




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)

SOURCES OF ESG REQUIREMENTS INCLUDING METRICS



What is typically in scope for ESG consideration:

					
Environmental: Sustainability and resource efficiency		Social: More Equitable societies and respect for human rights		Governance: Accountable governance and transparent operations	
Pollution and Waste		Gender & Diversity Policies		Corporate Behavior	
Climate Change		Safety & Quality Controls		Corporate Governance	
Energy Efficiency		Human Rights & Labor Standards		Accounting Practices	
Natural Resources		Privacy & Data Security		Board Practices	
Example Issues					
Greenhouse Gas Emissions	Energy Efficiency	Health & Safety	Labor Rights	Board Independence	Executive Pay
Example Metrics					
CO2 Emissions per Unit Produced	Energy Use Per Square Meter	Employee Accidents Relative to Total Hours Worked	Number of Active Controversies	Independent Members Relative to Affiliated Members	Executive Pay Ratio & Disclosures