Siemens Energy
Business Conduct Guidelines

We make real what matters



SIEMENS energy

Preface 3, 4

We energize society 5

Our motivation and common values

Our basic principles 6

A We behave correctly 7

B We respect each other 8

C We create trust 9

D We protect our company 9

E As managers, we have a special responsibility 10

Our responsibility 11

F We look after each other and ourselves 12

F1 Basic working conditions 12

F2 Health, occupational safety, and personal security 13

G Our markets: we act fairly and reliably 14

G1 Fair competition: we place integrity at the heart of everything we do 14

G2 We are successful in fair competition: antitrust law and fair competition 18

G3 We comply with trade and export control regulations 20

G4 Collective Action: our commitment to clean markets pays off 20

H Our company: we create trust and protect what makes Siemens Energy valuable 21

H1 The Siemens Energy brand: a promise of innovation and quality 21

H2 Conflicts of interest – we only make business decisions in the interest of Siemens Energy 22

H3 Money laundering and the funding of terrorism – not with us! 24

H4 Financial integrity – this is how we strengthen the trust placed in us 25

H5 Insider trading – neither for us, nor for others! 26

H6 How we responsibly protect our corporate assets 27

H7 Data protection and privacy – we are aware of our responsibilities 29

I Our portfolio: world-class products, services, and industry solutions 30

J Our partners: we work with responsible partners 31

K Our responsibility to society and the environment 32

K1 Our commitment to international agreements and recommendations 32

K2 Human rights 33

K3 Environment 34

Our reporting procedures 35

What to do if there are signs of possible misconduct

Index 37

Imprint 38

“We energize society.”

Business Conduct Guidelines | September, 2020

Dear colleagues,

Compliance is about adhering to all laws and rules in our business transactions. This may read as a commonly accepted definition. However, I strongly believe that living the spirit of compliance goes beyond fulfilling official requirements, rules, and regulations.

At Siemens Energy, we are tackling one of the most exciting tasks a company can have. Our purpose is to shape energy transitions worldwide: We energize society – this is what we stand for. Our products, solutions, and services should help our customers for the greater good of our communities.

A society worth living in requires ceaseless commitment to personal responsibility. In a constant process of interaction, we have choices to make – choices that either contribute to or undermine the common good. We at Siemens Energy choose the former.

We can accomplish a great deal for society if we stay true to our values: We are caring, respectful, and accountable. These values shape our company culture and actions. They call on us to comply with laws and regulations, always and wherever we operate. There is zero tolerance for violations. We will be successful because we take compliance seriously.

You can find the principles and values for compliance and integrity in our Business Conduct Guidelines. The rules compiled here apply to relationships with our customers, business partners, and the societies in which we live and work. Without exception, these rules are mandatory for all of us.

Siemens Energy operates in more than 90 countries. We know there are significant compliance risks in many of them. This brochure offers you guidance for your actions. I therefore ask you to carefully study the content. Whenever you have the slightest doubt about what you should do, please contact the Compliance Department. Our colleagues are there to help you with advice and support.

Siemens Energy aims to become the world’s most valued energy technology company. Compliance is the base to reach that goal.

Kind regards,



President and CEO Siemens Energy

“Compliance is everybody’s responsibility.”

Munich, September 2020

Dear Colleagues,

We energize society. Our purpose emphasizes the deep impact that our business has on society and the quality of life across the globe. For us to fulfill this purpose, our partners and communities need to place their trust in us. Compliance with the law in each country where we do business is one of the basic conditions to earn this trust.

The Siemens compliance crisis in 2006 has taught us how easily this trust can be destroyed and the terrible damage that can arise from compliance violations. As a consequence, Siemens built a Compliance System now recognized as one of the best in the world.

Siemens Energy is building on this strong foundation. The Business Conduct Guidelines are the heart of our Compliance System. They represent the framework in which we operate. All employees, managers, and Managing Board members must live the content of our Business Conduct Guidelines in their daily business. Even more than ten years after the compliance crisis, we must stay vigilant towards any risks and challenges to our integrity that may arise in our day-to-day business, especially in uncertain situations.

The rules of the Business Conduct Guidelines are brought to life by our values and the way we adhere to them. Our Siemens Energy values Caring, Agile, Respectful, and Accountable define our culture and the way we behave: We focus on the customer, we decisively move forward, we are open and inclusive, and we build strong partnerships. Compliance is a non-negotiable part of this culture.

Acting in compliance with the law and the Business Conduct Guidelines is the core responsibility of each of us at Siemens Energy. We, as the Legal and Compliance organization of Siemens Energy, are here to support you and help you find solutions to challenging situations. If you have questions regarding the application or interpretation of the Business Conduct Guidelines, or if you notice any potential violation of the Business Conduct Guidelines, please do not hesitate to contact us at any time. In addition, you can report any information regarding possible misconduct to our **“Speak Up” Hotline** or our **Ombudsperson**. Whichever option you choose, you can be sure that your report will be followed up professionally, promptly, and fairly.

Kind regards,



Anton Steiger
General Counsel and Head of Legal and Compliance



Dr. Anita Schieffer
Chief Compliance Officer

We energize society

Our motivation and common values



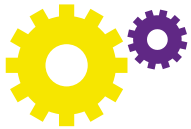
Our passion for technology drives us to set standards and create added value in the long-term for our customers, society and every individual.

We make real what matters.



We provide the single most essential element for growth and prosperity: electricity. We keep the lights on for more than 800 million households across the globe.

Werner von Siemens, would have called this "inventiveness."





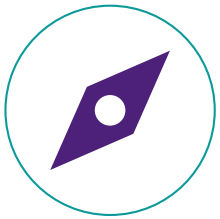
5 Our success is based on a strong corporate culture. That is why we drive an Ownership Culture that consists of five components:



Values, Behavior, Leadership, People Orientation, and Equity.

Our guiding principle is:

Always act as if it was your own company.



The Business Conduct Guidelines provide us with orientation.

They set forth our behavioral expectations and obligations.





The Business Conduct Guidelines help us apply our values: caring, agile, respectful, and accountable

- We are caring. We listen to our customers and adapt to their needs.
- We are agile, move fast with simplicity and focus.
- We are respectful, open and inclusive.
- We are accountable and deliver on our promises.

This is how we jointly make real what matters.

Our basic principles

Our basic principles guide our decisions and overall conducts as employees of Siemens Energy

- **A** We behave correctly
- **B** We respect each other
- **C** We create trust
- **D** We protect our company
- **E** As managers, we have a special responsibility



A We behave correctly

We comply with the applicable laws of the countries in which we operate and ensure the implementation of all company guidelines, processes, and controls.

What laws must we obey?

We must be aware of and comply with the laws and regulations that apply to our daily work. These laws and regulations may vary from country to country. If we are uncertain or have questions, we contact Legal and Compliance.

What are the consequences of violations for our company and for us as employees?

Violations of the law or failure to comply with the Business Conduct Guidelines can have serious consequences for our company and us.

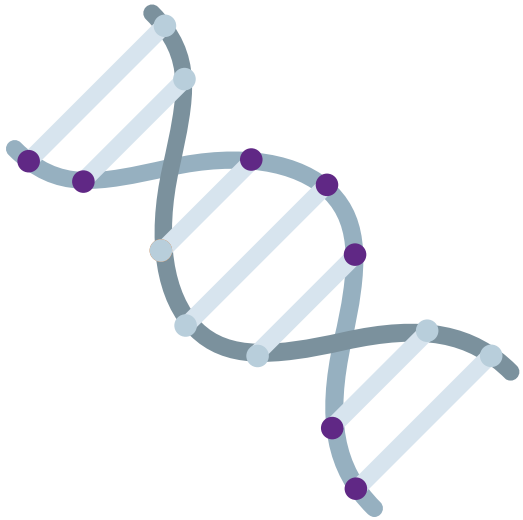
These consequences can be,

for each of us:

- Disciplinary action
- Fines and damages
- Imprisonment

for our company:

- Damage to Siemens Energy's reputation, brand, and market value
- Significant fines and damages
- Disgorgement of profit
- Exclusion from public and private contracts



We ask ourselves the following questions when making decisions for Siemens Energy:

- Is it right for Siemens Energy? Is it in line with Siemens Energy's values and our values?
- Is it legal?
- Could it affect our brand if our decision becomes the subject of media coverage?
- What would the people we care about think of our decision?
- Are we prepared to take responsibility for our decision?

B We respect each other

We respect the personal dignity, privacy, and rights of each individual. We believe diversity enriches our workplace. We work together without regard to ethnic origin, culture, religion, age, disability, skin color, gender, sexual identity and orientation, or worldview.

We do not tolerate discrimination, sexual or any other form of harassment, or inappropriate behavior toward individuals or groups.

We apply these principles of respect to each other and third-parties with whom we interact, including our suppliers, customers, and business partners.

What does this mean in practice? What behavior is unacceptable? Here are a few examples:

- Racially offensive or xenophobic material is placed on a colleague's desk;
- Innuendo or comments hostile to the disabled;
- Gender-specific harassment or violence, including assaults, unwanted advances, or improper remarks or jokes; or
- Display improper images or objects, including those with sexual content.



We interact with each other in a respectful and reliable manner

C We create trust

We are open and honest. We take our responsibility seriously, we are reliable, and we only make promises we can keep.

We are sincere. We help clarify and eliminate potential deficiencies, problems, and misunderstandings.
We do everything to fulfill the trust placed in us by our customers and the users of our products, services, and industry solutions.

? What do we do when we make a mistake?

We all make mistakes at work. We foster a culture where we learn from our mistakes. We deal openly with them to prevent them from recurring. This is the only way to learn from mistakes and help prevent them from recurring. While most mistakes are minor, others could have serious consequences and should be reported.



? What do we do if we observe a violation of the Business Conduct Guidelines?

We do not look away when we recognize possible violations of the Business Conduct Guidelines, even if they do not involve us personally. The company has numerous outlets to report possible violations of the Business Conduct Guidelines (see chapter “Our reporting procedures”). In many cases, timely reporting is important to avoid or minimize negative consequences to the company.

D We protect our company

We protect and promote Siemens Energy’s reputation and values. They are essential for our business success and ensure the sustainable future of our company. If we act illegally or inappropriately, we can cause considerable damage to the company.

Our managers lead by example and set the appropriate tone from the top

As managers, we have a special responsibility

As managers, we bear a special responsibility and we take seriously our duty of care for the employees entrusted to us.

We create a trusting working environment and are always available to discuss with our employees uncertainties, compliance with legal requirements, questions, or professional and personal concerns with our employees.

We set a good example and ensure our teams understand the importance of acting in accordance with the Business Conduct Guidelines.

We take every indication of possible misconduct seriously and report it to Legal and Compliance. We protect the identity of employees who report potential misconduct and protect them from retaliation or other negative impact.

We fulfill our organizational and supervisory duties.

What are our organizational and supervisory duties?

- We carefully select employees based on their personal and professional qualifications and suitability. The duty of care increases with the importance of the task the employee has to perform (Duty of Selection).
- We define binding tasks precisely and completely, especially with regard to compliance with legal requirements (Duty to Issue Instructions).
- We ensure that compliance with legal requirements is constantly monitored (Duty to Monitor).
- In our day-to-day business, we clearly communicate the importance of responsible business conduct, compliance with legal requirements, and the consequences of our misconduct (Duty to Communicate).



Managers' special responsibilities and duties do not release them from their own responsibilities as employees. We must work together to comply with the law and Siemens Energy guidelines.

Our responsibility

We make real what matters

F We look after each other and ourselves

G Our markets: we act fairly and reliably

H Our company: we create trust and protect what makes Siemens Energy valuable

I Our portfolio: world-class products, services, and industry solutions

J Our partners: we work with responsible partners

K Our responsibility to society and the environment



F We look after each other and ourselves

Siemens Energy protects our fundamental rights as employees, our health, our personal security, and occupational safety at all locations throughout the world and when we are on business travel.

F1 Basic working conditions

Siemens Energy fosters fair cooperation among management, employees, and employee representatives, and protects the fundamental rights of its employees.

No discrimination or intimidation

The principles of equal opportunity and equal treatment are guaranteed without regard to skin color, ethnic or social origin, religion, age, disability, sexual identity, worldview, or gender. In accordance with the labor laws of the countries in which Siemens Energy operates, discrimination based on these characteristics, sexual harassment, or other inappropriate behavior toward individuals or groups will not be tolerated.

Prohibition of child labor

Child labor is strictly prohibited.



Free choice of employment

No one should be employed or forced to work against their will. All forms of forced labor are prohibited.

Adequate compensation

Siemens Energy pays fair wages for labor and adheres to all applicable wage and compensation laws globally. Siemens Energy observes “equal pay” principles and does not discriminate on the basis of gender.

Working hours

Siemens Energy adheres to all applicable working-hours regulations globally.

Freedom of association and collective bargaining

Siemens Energy recognizes the legal rights of workers to form or join existing trade unions and to engage in collective bargaining. Members of employee organizations or trade unions are neither disadvantaged nor preferred. Siemens Energy constructively cooperates with employees, employee representatives, and trade unions.
Even in the event of disputes, Siemens Energy strives to ensure sustainable and constructive cooperation in the long term and for solutions that reflect the interests of the company and the interests of its employees.

F2 Health, occupational safety, and personal security

Siemens Energy cares about us as part of its corporate responsibility.

Our health

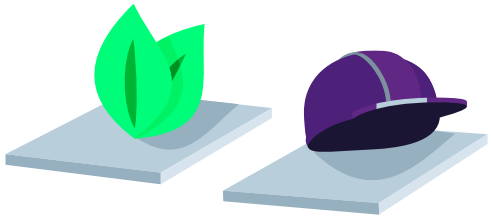
Siemens Energy protects and promotes our health and well-being, guards against the risk of work-related accidents, and offers a wide-range of support to maintain and promote our physical and mental health.

Our occupational safety

Siemens Energy provides a safe work environment to ensure employees return home healthy and unharmed at the end of the working day. We ourselves contribute to this:

! This is what we do:

- We observe the safety regulations at our workplace.
- We avoid risky behavior.
- When we recognize dangerous situations, we take appropriate action.



We set a good example.

Our personal security

Siemens Energy is active worldwide, including in areas and situations where the security situation is critical. To protect our employees, the company, and our business in the best possible way, Siemens Energy identifies and analyzes global security risks and assesses their potential impact.

! This is what we do:

- We educate ourselves in advance about the security risks in the countries to which we will be traveling and comply with prescribed security procedures and requirements.
- We do not expose ourselves or our colleagues to unnecessary hazards through reckless behavior or by ignoring security regulations.
- We react quickly in a critical situation, contact the **emergency hotline at +49 (89) 636 – 12345** (staffed 24 hours a day), and follow the relevant security instructions.
- We report security incidents promptly to our security officer and/or use the security incident reporting tool "IncidentReporting@Siemens"(IR@S).

Our employees are our most valuable asset. Health and safety are our top priority.

G Our markets: we act fairly and reliably

Fair competition is in line with our values: caring, agile, respectful, and accountable. Siemens Energy stands for fair competition in which only market economy criteria (quality, price, innovation, service, etc.) are the decisive factors for business decisions. Competition should not be distorted by unfair methods or means.

G1 Fair competition: we place integrity at the heart of everything we do

We reject all forms of corruption and bribery.

We do not tolerate any form of corruption in our business dealings anywhere in the world. This includes our business dealings through our external partners.

Corruption

Corruption is dishonest or illegal behavior, especially by people in power, typically involving bribery. It can also include other acts, such as fraud, embezzlement, favoritism, and nepotism.

The most common form of corruption is bribery. Siemens Energy does not tolerate any form of bribery.

Bribery is the act of offering, promising, or giving money, gifts, or other benefit to a public official or public or private employee with the aim of receiving improper advantages. Bribery is a criminal offense worldwide.

The term "public official" or "member of the public sector" covers any person employed by or commissioned by a public authority. This includes all government officials and employees of non-governmental institutions who are regarded as public officials in accordance with applicable law.

! This is what we do:

- We do not actively or passively engage in any form of corrupt conduct.
- We report all suspected corrupt activity to our Legal and Compliance organization.

We do not tolerate any form of bribery

! This is what we do:

We do not

- Give or accept excessive gifts or entertainment;
- Give or accept excessive travel expenses;
- Give or accept inappropriate donations, sponsorship, or memberships;
- Give or accept inappropriate monetary payments;
- Use third-parties to bribe on Siemens Energy's behalf; or
- Give or accept improper facilitation payments.

What are facilitation payments?

A facilitation payment is the payment of a relatively small amount of money, or the granting of any other benefit, usually to low-ranking public officials, for their personal benefit or to expedite the performance of a routine governmental action.

Facilitation payments are prohibited and can be prosecuted.



Gifts and hospitality – yes, but only to a reasonable extent

In many cultures, gifts and invitations to entertainment events are important for developing and deepening business relationships. However, some gifts and invitations may unreasonably influence the recipient's decision-making or create the appearance of improper influence.

! This is what we do:

- We do not provide or accept overly generous gifts or hospitality.
- We do not provide or accept gifts or hospitality in exchange for business or other benefits.

Gifts and hospitality must:

- be in accordance with applicable laws and regulations,

Regulations

Our business counterparts, especially government officials, often have their own internal rules that restrict their ability to accept gifts and hospitality. These rules can be very strict and we must be aware of and adhere to them.

- Be transparent and correctly recorded in the company's books and records;
- Be appropriate in terms of type, value, and frequency to the occasion and the position of the recipient;
- Not be offered, provided, demanded, or accepted with the expectation of any type of advantage; and
- Never give the appearance of dishonesty or inappropriateness.

Sponsorships, donations, charitable contributions, and memberships – yes, but only to promote corporate goals

Sponsorships, donations, charitable contributions, and memberships are important to our social commitment and the pursuit of our corporate goals.

! This is what we do:

Sponsorships, donations, charitable contributions, and memberships:

- Must be carefully examined to determine whether they promote the company's legitimate objectives;
- May not be promised, offered, or made to obtain improper business advantages or for other unethical purposes;
- Must be religiously and politically neutral; and
- Must strengthen our brand and our social commitments. It is not enough to consider legal requirements alone.



Political engagement

Continuous dialog with political decision-makers is highly relevant for the success of a global company. We are committed to political neutrality. Siemens Energy activities with respect to politicians, parties, and positions will be non-partisan; and solely in support of Siemens Energy business goals. We comply with the law and Siemens Energy guidelines.

Payment of travel expenses – yes, but only when reasonable and allowable

Siemens Energy may be required to pay third-party travel expenses in certain business transactions. However, excessive reimbursement can inappropriately influence the recipient or at least create the appearance of influence.

! This is what we do:

- We only pay justified and appropriate travel expenses.
- We adhere to the aforementioned regulations for gifts and hospitality.



Outgoing payments – yes, but only if used lawfully
Payments to third-parties are made every day in the course of business at Siemens Energy. Processes and tools help us ensure these payments are properly documented and provided for proper purposes.

! This is what we do:

- We only maintain accounts or funds for legitimate purposes.
- We only make payments to third-parties that are legal and have legitimate purposes.
- We only make payments when there is proper documentation.

Involvement of third-parties – yes, but without bribery
There are many legitimate reasons for involving third-parties in business relationships. However, using third-parties to unlawfully or improperly influence public officials or private individuals is prohibited. We therefore scrutinize business partners at the beginning of our business relationships and monitor the relationships as they develop.

! This is what we do:

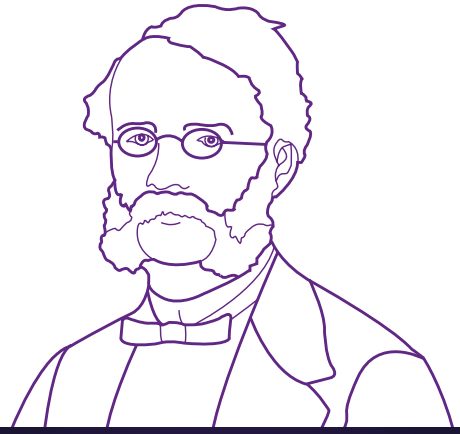
- We scrutinize and monitor business partners and take into account their respective risks.
- We are committed to ensuring that our partners in our value chain know and adhere to our values and compliance standards.
- We insist on contract provisions that require our business partners to act in compliance with all applicable rules and regulations.

Here are some red flags we must critically question and clarify:

- Inconsistencies in records and payments;
- High prices with deep discounts or unduly high profit margins;
- Contractual partners with unclear responsibilities or questionable qualifications;
- Suspicious personal relationships or business arrangements;
- Unusually high fees, commissions, gifts, entertainment, or hospitality;
- The rejection of anti-corruption contract clauses;
- The demand for prepayment without plausible business reasons; and
- Demands for cash payments or transfers to offshore bank accounts or third-parties.

“I will not sell the future for instant profit.”

Werner von Siemens



G2 We are successful in fair competition: antitrust law and fair competition

Antitrust law protects free, undistorted, and effective competition for the benefit of customers, companies, and society as a whole.

Antitrust violations can have serious consequences for our company and the employees involved, such as imprisonment, high fines, exclusion from public tenders, claims for damages and damage to reputation.

! This is what we do:

- We never enter into anticompetitive agreements with competitors.

? What are anticompetitive agreements?

Anticompetitive agreements include price fixing, market, customer, or territory allocations, and bid rigging with competitors. Abusing a dominant position (indicator: more than 30 to 50 percent market share) is also prohibited.

! This is what we do:

- We only talk to competitors if we have a compelling business reason and there are no antitrust concerns.

We never talk to competitors about:

- Prices, price components, or other conditions;
- Market, customer, or territory allocation;
- Business opportunities or incoming orders;
- Capacities, production volumes, or quotas;
- Corporate strategies or future market behavior; for example, sales strategies, current and future product developments, investments, and boycotts;
- Offers and tenders; and
- Conduct during tenders or the submission of bogus offers.

! This is what we do:

- We also support open competition in our relationships with customers, sales partners, and suppliers.
- We never talk to customers, sales partners, or suppliers about:
  - Adherence to resale prices. In many cases, however, non-binding recommendations, without pressure or incentives, regarding resale prices and the establishment of maximum sale prices are permissible; or
  - Obstruction of exports or re-imports.
- We respect third parties’ trade secrets and other information they wish to keep confidential.



What is confidential information that deserves special protection?

Trade secrets and other information that third parties wish to keep confidential is not intended to be made public. This may include non-public information from or about Siemens Energy, suppliers, customers, employees, agents, consultants, or other third-parties that is protected under legal and contractual requirements.

This can include, for example:

- Prices, sales, profits, markets, customers, and other business matters;
- Offer documents;
- Information on manufacturing, research, and development processes;
- Technical information; and
- Internal reporting figures.

A few examples of what we do not do:

- We do not gather such information in a problematic manner.
- We do not use information if we have reason to believe that it constitutes a trade secret of a third party and has been illegally obtained or disclosed.
- We do not use confidential documents from previous employers or store them on Siemens Energy networks.

! This is what we do:

- For products where Siemens Energy may have a dominant position (indicator: greater than 30 to 50 percent market share), we contact Legal and Compliance before engaging in the following types of conduct:
  - Exclusivity agreements or loyalty discounts;
  - Excessively high or low "competitive prices";
  - Bundled sale of a "strong market" product with other products;
  - Unequal treatment of business partners (except where there is an objective justification, such as, for example, different sales prices due to a volume discount); or
  - Refusal of delivery or license (without an objective justification).
- We have certain proposed collaborations examined in advance by Legal and Compliance, such as:
  - Working/bidding partnerships, consortia;
  - Joint research and development;
  - Specialization/joint production;
  - Standardization and harmonization;
  - Joint purchasing;
  - Exclusive distribution/exclusive procurement;
  - Market information systems/benchmarking; and
  - Exclusivity agreements and exclusive territory allocation in distribution and licensing agreements.
- We only participate in association meetings if there is a written invitation with an agenda, representatives of the association are present, and minutes are kept. Further information can be found in the "Trade Association Activities - Antitrust Guidance."

G3 We comply with trade and export control regulations

As a company with international operations, it is essential for Siemens Energy to comply with the export control and customs regulations applicable to national and international trade.

! This is what we do:

- We carefully ensure that the applicable customs and foreign trade regulations, including regulations on security in the supply chain, are checked, implemented, and complied with when goods are traded or transported, services are provided, or other technical know-how or software is transferred.
- We thoroughly audit business in sanctioned countries.
- We ensure that all applicable export control regulations (such as those of the European Union and the United States) are checked and complied with in Siemens Energy's business activities, even outside the respective territories.
- We distance ourselves from a transaction and alert Export Control when there are indications of possible infringements or unauthorized use of our products, services, or industry solutions.



G4 Collective Action: our commitment to clean markets pays off

Siemens Energy faces significant compliance risks in numerous markets. Collective Action is our strategic response to this challenge. Together with other companies, the public sector, and civil society, we enter into integrity and compliance pacts with our partners for business cooperation and support binding agreements for individual sectors and markets. Through these joint efforts, we aim to create fair, level, and clean market conditions for all participants.

“A strong brand reflects not only a company’s offerings but also what it stands for. And a strong brand opens doors and keeps them open. We must not underestimate the importance of being a trustworthy brand to our stakeholders, as this is the key to fulfilling our purpose to energize society.”

Dr. Christian Bruch, President and CEO of Siemens Energy

H Our company: we create trust and protect what makes Siemens Energy valuable

H_1 The Siemens Energy brand: a promise of innovation and quality

The Siemens Energy brand is an integral part of our business and, therefore, has significant strategic importance. It is one of our major corporate assets and competencies, generates trust, and has a positive effect on all our business activities. With the Siemens Energy brand, we distinguish ourselves from the competition.

! This is what we do:

- We are innovative and constantly working on new business ideas. However, we always make decisions to protect or strengthen the Siemens Energy brand, not in favor of a particular business alone.
- When in doubt and before making a decision regarding the Siemens Energy brand, we contact the Brand Design Hotline (design-support@siemens-energy.com).

In addition to the Siemens Energy brand, intellectual property rights, patents, copyrights, and confidential know-how, and their protection, are essential for our business success.

! This is what we do:

- We, as inventors, support Siemens Energy by filing for intellectual property rights in a timely manner.
- We report suspected violations of our intellectual property rights.
- We use computer software only in accordance with applicable license terms and ensure compliance with all license requirements of integrated third-party software, commercial, and open source software, in our products and solutions.
- We respect the intellectual property rights of third-parties.



Handling of the Siemens Energy brand and other intellectual property rights

? What makes the Siemens Energy brand so valuable?

The brand:

- Provides focus to our stakeholders, such as customers, employees, etc.;
- Distinguishes us from the competition; and
- Ultimately generates trust.

? Why are intellectual property rights so important to Siemens Energy?

If our innovations are not protected, third-parties can copy our products, which leads to a loss of competitive advantage. When our innovations are infringed, we lose the value of our investments in research and development.

H_2 Conflicts of interest – we only make business decisions in the interest of Siemens Energy

We are not influenced by personal interests when making business decisions. Such conflicts of interest can hinder Siemens Energy's success in that decisions are made contrary to Siemens Energy's interest, customers are driven away, or important information is disclosed.

Conflicts of interest may, for example:

- Harm Siemens Energy if contracts are awarded on the basis of personal relationships that contain inferior terms from those of competitors; and
- Lead to reputational damage if they are made public; dissatisfied employees or former customers could communicate conflicts to the outside world.

There is a conflict of interest in day-to-day business if our personal interests differ from those of Siemens Energy.

! This is what we do:

- We make business decisions in the best interest of our company and not on the basis of personal interests.
- We anticipate and avoid situations in which the appearance of a conflict of interest may arise.
- We do not, as part of our work for Siemens Energy, engage companies with which we have a personal interest if it could personally benefit us, whether or not we have or can exert direct or indirect influence on Siemens Energy's business decision.
- We inform our managers of any personal interest that might exist in connection with the performance of our official duties.

To protect ourselves and our company, we pay close attention to possible conflicts of interest. The following questions help us assess whether there is a conflict or an appearance of a conflict:

- Is the decision we make for Siemens Energy influenced by personal interests?
- What impression would the situation leave on third-parties, such as customers, business partners, and investors?
- How would the public react to my business decision?

? Here is a classic example of an internal conflict of interest:

There is an intimate relationship between an employee and a manager. The manager is obliged to disclose the conflict of interest at an early stage and change the reporting relationship.

Competition with Siemens Energy

A conflict of interest may also arise in business relationships with or through investments in a competitor or customer of Siemens Energy.

! This is what we do:

- We do not operate or work for a company that competes with Siemens Energy.
- We do not engage in any activity that competes with Siemens Energy.

Typical examples of a competitive situation:

- The employee also works for or advises a competitor of Siemens Energy.
- The employee himself competes directly with Siemens Energy.
- There are personal or family ties to competitors.

Secondary employment

A conflict may also arise in the performance of secondary employments that prevent us from properly performing our duties at Siemens Energy.

! This is what we do:

- Before we engage in paid secondary employment, we consult with our managers. We inform the Human Resources department in writing that we would like to take up paid secondary employment and will only do so after obtaining written consent.

Secondary employment can only be prohibited, and previously granted permission can be revoked, if it leads to an impairment of the employee's work performance, interferes with his or her duties within the company, or if there is a risk of a conflict of interest. Occasional writing, lecturing, and similar activities, and temporary seasonal or clerical work are not regarded as secondary employment.

Investment in third-party companies

Conflicts of interest can also arise through investments in third-party companies.

! This is what we do:

We inform the Human Resources department in writing of any direct or indirect investment in companies:

- That are business partners of Siemens Energy if we are engaged in business with the company or have a board or management role in the company. With respect to publicly traded companies, this only applies if the investment exceeds three percent of the total capital; or
- That compete with our company if we can influence the management of the competitor through this investment. This is presumed if the interest exceeds three percent of the total capital of the company.

H_3 Money laundering and the funding of terrorism – not with us!

Delivery and supply activities entail the risk of being abused for money laundering or terrorist financing.

Siemens Energy strives to maintain business relationships only with reputable customers, partners, and companies whose business activities comply with legal requirements and whose financial resources are of legitimate origin.

Money laundering is the disguising of the origin of money or other assets from criminal activities and moving them into the legitimate economy. In addition to monetary support, the funding of terrorism may include other assets such as goods or merchandise.



! This is what we do:

- We use a risk-based approach to verify the identity and economic background of customers, business partners, and other third-parties, and the origin of payments to ensure they come from legitimate sources.
- We immediately inform Legal and Compliance or our manager in the event of suspicious activity. When necessary, Siemens Energy reports suspicious activity to law enforcement authorities.

H4 Financial integrity – this is how we strengthen the trust placed in us

As an international company, Siemens Energy is committed to accurate and truthful reporting to investors, employees, customers, business partners, the public, and all government agencies. We follow all applicable laws, regulations, standards, and practices.

! This is what we do:

- We ensure our books and records are kept completely, accurately, and truthfully. They are prepared on time and in accordance with the applicable rules and standards.
- We comply with the Financial Reporting Guidelines and follow internal control processes.
- We provide correct and complete information for financial reporting purposes.

Our accounts and records include all data, certificates, and other written materials provided for financial reporting and disclosure purposes, and materials collected for other purposes.

! This is what we do:

- When applying tax laws, or in the event of conflicts between tax regulations, we ensure the tax result is consistent with the relevant economic and legal circumstances and our business models.
- We do not use artificial structures or letterbox companies whose sole purpose is to obtain unlawful tax advantages.
- We provide tax authorities with transparent information on our tax strategy and business activities in accordance with existing regulations.



? Am I responsible for tax matters even if I do not work directly in the Finance or Tax Department?

Yes. We are all responsible for tax matters in the context of our business activities. The correct fiscal representation of a business activity is not only the responsibility of the Finance or Tax Department. All transactions must be reflected correctly for tax purposes. For example, a customer invoice must contain, among other things, accurate information about the content of the service provided and the correct VAT.

? I am planning a business transaction with a customer abroad. What do I have to do from a tax perspective?

If you are unsure about the tax consequences of the transaction, contact the Tax Department for advice.

H5 Insider trading – neither for us, nor for others!

Insider information may not be used or disclosed without authorization.

What is insider information?

In our work, we often come into contact with confidential information. If it becomes known, some of this information may even be important enough to have a material effect on the share price of Siemens Energy or another company, such as, for example, one of our publicly traded customers or suppliers, one of our publicly traded subsidiaries, or a joint venture partner. This is called "insider information" as long as it has not yet been published. Insider information can also consist of many individual pieces of information that we have gained, for example, from discussions and documents inside and outside the company or received incidentally. Our individual knowledge of the situation always matters.

What is an insider and what are the consequences of being an insider?

An insider is someone who has inside information. This person is subject to strict legal requirements. In almost all countries in which Siemens Energy operates, there are severe sanctions for the prohibited use of insider information. Such misuse could have considerable consequences for the company concerned, and result in personal and criminal liability.

! This is what we do:

- We do not engage in transactions based on insider information, such as the purchase or sale of a share or option or the cancellation of a share purchase order, for us or for others.
- We do not induce others, such as friends or bank advisors, to engage in securities transactions on the basis of insider information, and we do not recommend such transactions to them.
- We treat insider and potential insider information with strict confidentiality and ensure that unauthorized persons cannot gain access to it.

? How do we know if we are an insider?

We must consider whether information we receive can have a significant impact on our share price such that, if disclosed, it represents insider information. Ultimately, Siemens Energy cannot make this decision for us. Furthermore, it is not the formal inclusion in an insider list that is decisive, but whether we are actually aware of insider information. Whether an insider list is opened and who is included in it should be viewed as a separate decision to be made by the company. This also applies to insider information that concerns another company.

? Can we be sure we are not violating the ban on insider trading when participating in employee stock ownership programs?

Siemens Energy strives to enable us to participate in employee stock ownership programs with the lowest possible risk of violating the insider trading prohibition. However, this does not rule out the possibility that we may have knowledge of insider information in individual cases. Therefore, when actively participating in employee stock programs, we should always ask ourselves whether we can make the purchase or sale decisions without being influenced by possible insider information.

H6 How we responsibly protect our corporate assets

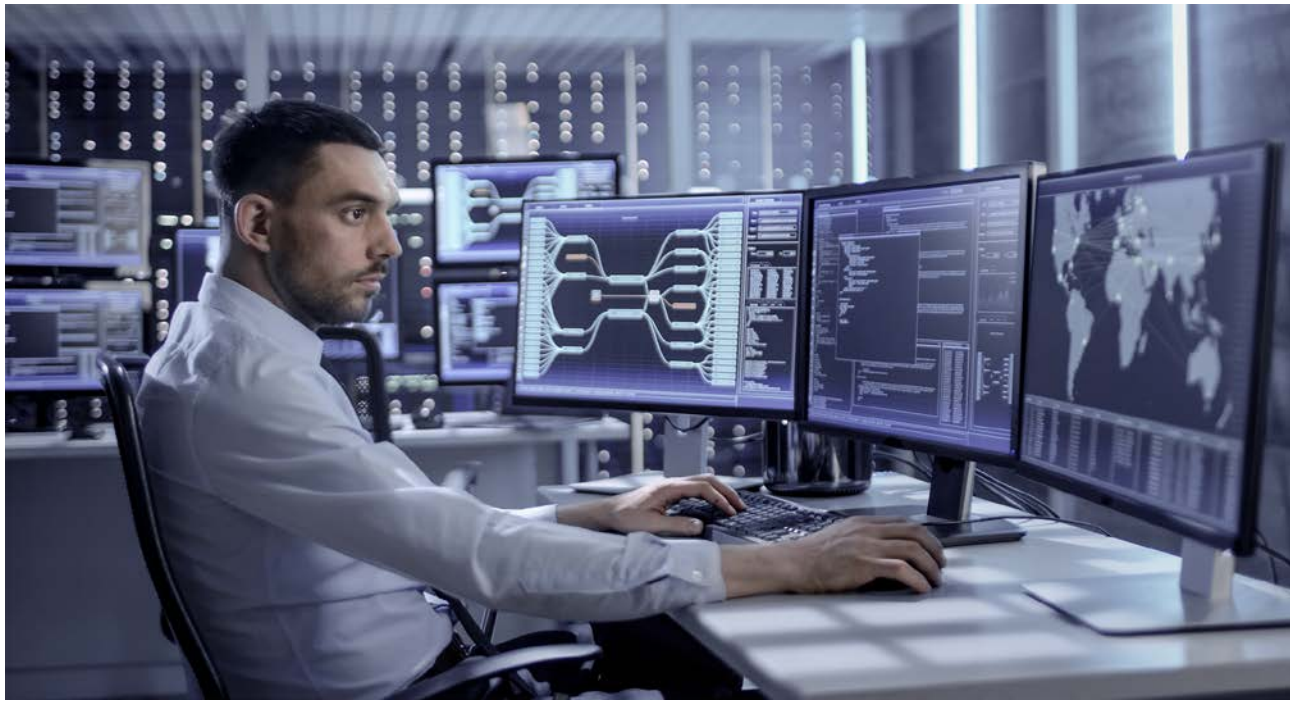
Our corporate assets are essential to our business success. For this reason, we ensure that these assets are handled responsibly and fully protected. As employees, we play a decisive role in achieving this goal.

We identify our critical corporate assets and implement protection measures to adequately protect them

In order to adequately protect our corporate assets, we need to know and evaluate them.

! This is what we do:

- We identify critical business assets in our respective areas of responsibility and classify them according to their potential impact in the event of a security incident.
- We develop and implement holistic protection measures based on the classification of corporate assets.
- We ensure the sustainable protection of our corporate assets by regularly reviewing the classifications and protection measures.

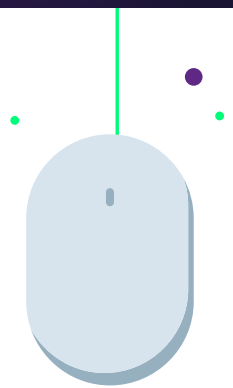


We treat company information with due care

Siemens Energy attaches great importance to ensuring that sensitive company information cannot fall into the hands of unauthorized persons or third-parties. In this way, we create the trust required for worldwide cooperation with customers and partners.

! This is what we do:

- We classify information according to company specifications and treat it according to its protection class. This means we do not use information and documents marked “restricted”, “confidential”, or “strictly confidential” externally. This also applies to internal social media platforms, unless the terms of use permit otherwise.
- We only send confidential or critical business content in encrypted form and store it accordingly.
- We do not share personal passwords and access codes with third-parties.
- We do not disclose confidential information.
- We always adhere to the Basic Principles of Communication when dealing with company information. This also applies to business and personal use of social media.



Basic Principles of Communication

- We take the confidentiality of internal company information into account in all communications.
- We check non-public information for its potential status as insider information prior to publication.
- We adhere to the defined core messages to ensure the company-wide consistency and reliability of the messages.
- We are particularly cautious with forecasts and other forward-looking statements.
- We respond to rumors and speculation with “No comment”.
- We are careful during our private conversations.
- We do not communicate within the “quiet period”.

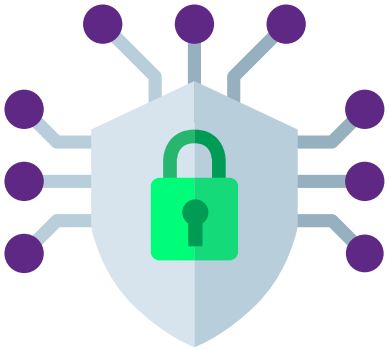
Examples of confidential information can be found in the chapter on free competition (chapter G2).

We handle company equipment and facilities with due care

We treat with care the company equipment and facilities at our disposal for our daily work.

! This is what we do:

- We take responsibility that the facilities and materials provided to us, such as telephones, laptops, e-mail and intranet, internal social media platforms, copiers, mailrooms, and tools, are only used for business purposes consistent with local company policy.
- We are permitted to use corporate Internet access for private purposes – including external social media – consistent with local company policy.
- When we privately publish content on social media platforms and identify ourselves as Siemens Energy employees, we make it unmistakably clear, through a disclaimer or otherwise, that we are expressing our personal opinion and that it does not necessarily reflect the position of our company.
- We do not retrieve or share information that supports or encourages racial hatred, glorification of violence or other crimes, or content that is sexually offensive to a particular culture.
- We ensure that no recordings, files, images, or sound reproductions are made using our company’s equipment, unless it directly relates to our professional activity and our manager approves.



H7 Data protection and privacy – we are aware of our responsibilities

The protection of personal data plays an important role in our digitized world. We handle it carefully and responsibly and respect everyone's privacy.
The loss or improper use of personal data can have serious consequences for the individuals concerned. It is therefore very important for Siemens Energy to ensure that this data is effectively protected and used only for legitimate purposes.

All of us who handle the personal data of employees, customers, or third-parties bear a high level of responsibility.

Personal data is information about specific or identifiable natural persons, such as name and address, photos, personnel number, bank data, digital identifiers, or health data.

! This is what we do:

- We collect and process personal data confidentially, only for legitimate, predetermined purposes, and in a transparent manner.
- We only process personal data if it is protected against loss, modification, and unauthorized use or disclosure by appropriate technical and organizational measures.
- We will immediately inform our company's local Data Protection Organization of possible data protection violations.

I Our portfolio: world-class products, services, and industry solutions

Siemens Energy stands for world-class quality and wants to inspire its customers with excellent and innovative products, services, and industry solutions.

Our top priority is the security of our portfolio for customers and all those who come into contact with it, and its legal conformity, quality, and environmental compatibility. Products and services sold by Siemens Energy do not pose unacceptable risks to life, health, or property. Compliance with applicable technical regulations for approval and marketing in our market countries is a fundamental requirement for the design and distribution of our products and services. We keep our technical promises (technical compliance).

In a world of "smart products" and ever-increasing digitalization, our aim is to fulfill the trust placed in Siemens Energy and in us.



! This is what we do:

- In our areas of responsibility, we ensure that our products, services, and industry solutions are safe and comply with applicable legal requirements in our market countries for their safety, approval, marketing, and use.
- We keep our technical promises.
- If we become aware of any quality, safety, or other conformity defects in our area of responsibility, or if there are any indications of such defects, we will follow-up and report them.
- We observe the ten principles of cybersecurity in everything we do.

? Where can violations occur in the area of technical compliance?

- **Active deception:** Making declarations that contain false product information.
- **Deception by omission:** Omitting information about product defects at any point in their development, marketing, or use.

The ten principles for cyber security (Charter of Trust) are:

01 Responsibility for cyber and IT security

02 Responsibility for the digital supply chain

03 Cyber security as the plant standard

04 Focusing on the needs of users

05 Innovation and co-creation

06 Making cyber security an integral part of training

07 Certification of critical infrastructures and IoT solutions

08 Increasing transparency and responsiveness

09 Regulatory framework

10 Promoting joint initiatives

More information about the Charter of Trust can be found at: www.charter-of-trust.com

J Our partners: we work with responsible partners

Business relationships with our customers, suppliers, and other business partners are fundamental to Siemens Energy.

We maintain business relationships only with reputable partners who comply with the law.

We protect the interests of our customers through the careful selection of suppliers and other business partners and through the standards we set for our own actions. That is why we cooperate with excellent partners worldwide.

! This is what we do:

- We carefully select our suppliers and other business partners.
- We contractually oblige our suppliers and business partners to adhere to a uniform Siemens Energy Group Code of Conduct for Suppliers and Third-Party Intermediaries.
- Sustainability is a core element of our supplier management.



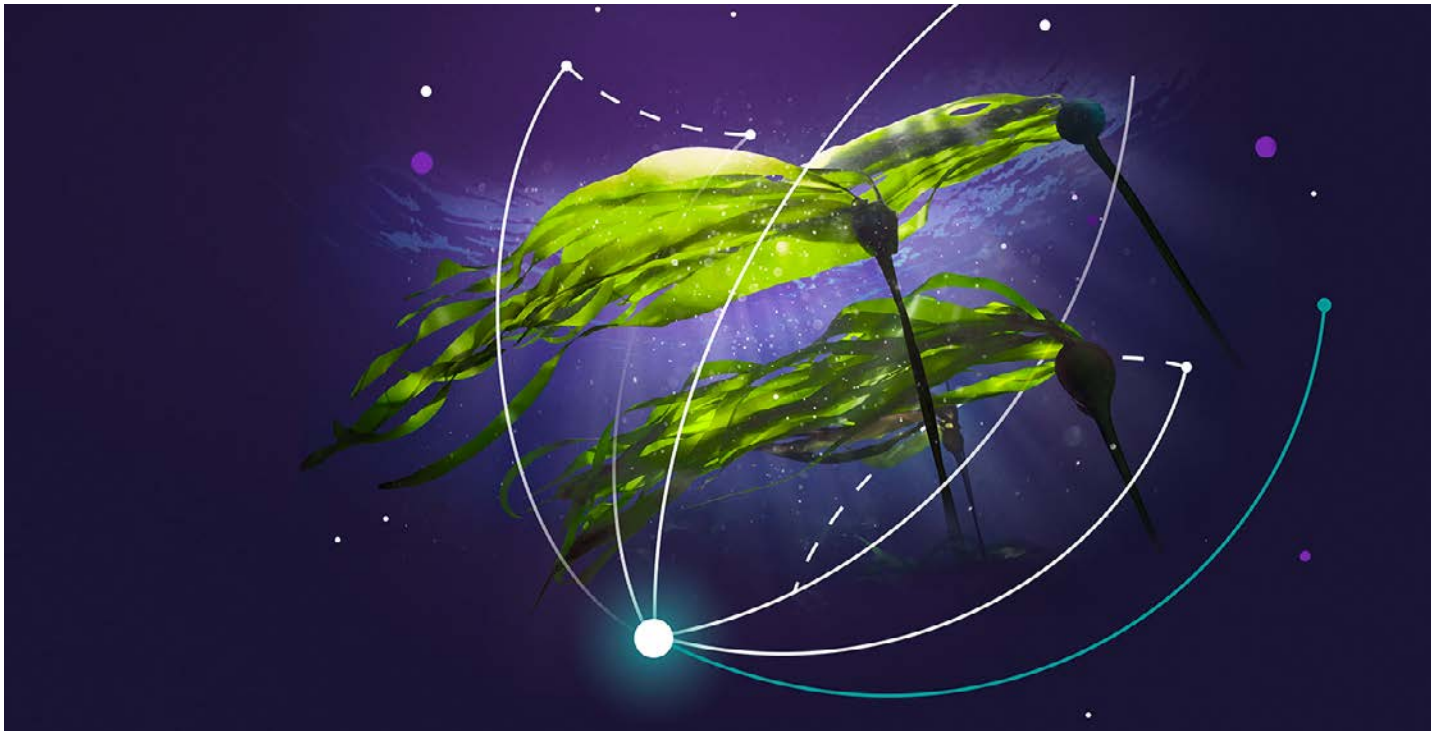
The Code of Conduct is based, among other things, on the UN Global Compact and the principles of the International Labor Organization, and it reflects the Siemens Energy Business Conduct Guidelines, which apply to the entire company.

The following principles apply to cooperation with our partners:

- We work closely with our suppliers and business partners.
- We partner with our suppliers and help them improve.
- We constantly analyze our current business relationships and react immediately to emerging risks.
- We only work with suppliers who are prepared to eliminate problems or implement risk reduction measures.
- We conduct appropriate due diligence reviews, including compliance with export controls and anti-money laundering laws.
- We assess project risks when deciding whether to bid on a project.

K Our responsibility to society and the environment

Siemens Energy serves society wherever we operate. As a globally active company with innovative and investment capabilities, Siemens Energy shares responsibility for sustainable development worldwide and makes a variety of contributions to it. In addition, Siemens Energy is voluntarily and purposefully committed to promoting social concerns and needs.



K1 Our commitment to international agreements and recommendations

Siemens Energy is participant of the United Nations Global Compact. Its ten principles are binding on the entire company.

We are committed to promoting these principles within our sphere of influence. Respect for human rights, fundamental employee rights, environmental protection, and the ban on corruption are an integral part of our business.

In line with its commitment under the Global Compact, Siemens Energy expects us and our suppliers and business partners worldwide to comply with the following guidelines:

- International Bill of Human Rights, consisting of:
  - Universal Declaration of Human Rights;
  - International Covenant on Civil and Political Rights; and
  - International Covenant on Economic, Social and Cultural Rights.
- European Convention on Human Rights;
- ILO (International Labour Organization) Tripartite Declaration of Principles on Multinational Enterprises and Social Policy and ILO Declaration on Fundamental Principles and Rights at Work, (in particular, on the following topics: elimination of child labor, abolition of forced labor, prohibition of discrimination, freedom of association, and the right to collective bargaining), and fundamental freedoms;
- OECD Guidelines for Multinational Enterprises;
- Agenda 21 on sustainable development (final document of the fundamental UN Conference on Environment and Development, Rio de Janeiro);
- UN Convention against Corruption; and
- OECD Convention against Bribery of Foreign Public Officials.

K_2 Human rights

Siemens Energy proclaims human rights are a core element of responsible business conduct and advocate for human rights in its value chain. Siemens Energy operates in close alignment with the United Nations' guiding principles for business and human rights.

Compliance with the human rights laws and regulations is essential. Siemens Energy expects us to act in accordance with the principles of the Global Compact.



Key principles of the Global Compact

- Principle 1:
  Businesses support and respect the protection of internationally recognized human rights.
- Principle 2:
  Businesses should ensure that they are not complicit in human rights abuses.
- Principles 3 to 6:
  Businesses recognize the essential requirements regarding workers' rights.

! This is what we do:

- We examine the decisions that we make on behalf of our company at an early stage for possible adverse effects on the human rights of others inside and outside Siemens Energy.
- We strive to avoid or mitigate negative effects on human rights that occur in connection with our business activities, regardless of whether Siemens Energy has caused or contributed to these effects.
- We respect the human rights of local communities and of people who are particularly vulnerable.

Which groups are particularly in need of protection?

These include – depending on the specific facts and legal circumstances – members of indigenous peoples, children, people with disabilities, and people who are disadvantaged or exposed to special risks because of their skin color, ethnic or social origin, religion, age, disability, sexual identity, worldview, or gender.



K3 Environment

Environmental protection is a corporate responsibility, social responsibility, and an important success factor for Siemens Energy. In all units of the company and in all countries in which we operate, it is our goal to protect the environment and conserve resources.

We work on environmental protection within the company and together with our customers, for example, by continuously improving energy and resource efficiency.

Siemens Energy expects us to engage in environmentally conscious behavior every day. We should be aware of our exemplary roles when it comes to the environment.

What environmental programs does Siemens Energy have?

The Siemens Energy environmental programs are designed to conserve resources throughout the entire product life-cycle, reduce waste for disposal, and make our own business activities CO_2-neutral. The Siemens Energy Environmental Portfolio is our and our company's response to climate change, resource scarcity, and threats to the environment.

Our company meets the ecological demands of its partners by developing future-oriented and resource-efficient solutions, products, and business models. Consistent and innovative environmental protection management is an integral part of our business processes and goes beyond legal requirements. We exert an influence on environmental impacts at an early stage in product and production planning, not only in the manufacturing phase, but also in the design, sales, utilization, service, and disposal phases. Climate protection plays a particularly important role for our company.

! This is what we do:

- Climate protection is closely linked to energy consumption. We use energy rationally and efficiently.
- We try to avoid or recycle waste.
- We design our processes to achieve the best possible environmental compatibility of products and plants and avoid unnecessary emissions and noise pollution.

Our reporting procedures

What to do if there are signs of possible misconduct?



Siemens Energy expects us to report possible violations of the Business Conduct Guidelines. In so doing, we help to identify and eliminate misconduct and grievances and protect ourselves and the company against risks or damages that may result.

We may report circumstances that indicate a violation of the Business Conduct Guidelines to the following persons or entities:

- Managers;
- Chief Compliance Officer;
- Compliance department and Legal department;
- Human Resources personnel;
- "Speak Up" Hotline;
- Siemens Energy Ombudsperson;
- Employee representatives.

Information on possible violations of the Business Conduct Guidelines can be provided confidentially and anonymously as needed. Siemens Energy will examine all reports and take appropriate measures. Siemens Energy does not tolerate any retaliation against complainants or whistleblowers. Violations of this prohibition will be punished as compliance violations.

All allegations of possible violations of the Business Conduct Guidelines are responded to in accordance with formal company-wide processes. These processes take into account the presumption of innocence and the participation rights of employee representatives where required by local policy. Siemens Energy will take appropriate disciplinary action in the event of demonstrable violations.

Siemens Energy will apply the same principles to allegations of wrongdoing brought by third-parties.



Index

A

Agenda 21 32
Anticompetitive agreements 18
Antitrust law 18
Association meetings 19

B

Basic principles 6-10
Basic Principles of Communication 28
Basic working conditions 12
Books and records 15
Brand Design Hotline 21
Brand Siemens Energy 2-4, 7, 9, 12-17, 19-37
Bribery 14, 15, 17, 32
Business decisions 14, 22
Business partners 3, 8, 17, 19, 22-25, 31, 32

C

Charitable contributions 15, 16
Charter of Trust 30
Chief Compliance Officer 4, 36, 37
Child labor 12, 32
Collective Action 20
Company equipment and facilities 28
Company information 27, 28
Company violations 4, 36
Computer Software 21
Confidential information 19, 26, 28
Conflict of interest 22, 23
Copyrights 21, 37
Corporate assets 21, 27
Corruption 14, 17, 32
Customs 20
Cyber security 30

D

Damages 7, 18, 36
Data protection 29
Data Protection Organization 29
Dominant position 18, 19
Donations 15, 16

E

Employee representatives 12, 36
Employee stock ownership programs 26
Environmental compatibility 30, 34
Environmental programs 34
Environmental protection 32, 34
Equal treatment 12
European Convention on Human Rights 32
Export Control 20

F

Facilitation payments 15
Fair competition 14, 18
Financial integrity 25
Financial Reporting Guidelines 25
Fines 7

G

Gifts and hospitality 15, 16

H

Health 12, 13, 29, 30
Hotline “Speak Up” 36
Human rights 32, 33

I

Insider 26, 28
Insider information 26, 28
Insider list 26
Insider trading 26
Integrity 3, 4, 14, 20, 25
Integrity and compliance pacts 20
Intellectual property rights 21, 22
International agreements and recommendations 32
International Labour Organizations (ILO) 32
Investment in third-party companies 23
Involvement of third-parties 17
IT security 30

L

Legal and Compliance 7, 10, 14, 19, 24, 37

M

Managers 10, 22, 23, 26
Memberships 15, 16
Money laundering 24, 31

O

Occupational safety 12, 13
OECD Convention against Bribery of Foreign Public Officials 32
OECD Guidelines for Multinational Enterprises 32
Ombudsperson 36
Open competition 18
Organizational and supervisory duties 10
Outgoing payments 17

P

Patents 21
Personal data 29
Personal security 12, 13
Portfolio 30, 34
Privacy 8, 29
Proper documentation 17

Q

Quality 14, 21, 30
Quiet period 28

R

Reporting procedures 9, 36
Reputational damage 22
Responsibility 10-24, 32

S

Secondary employment 23
Social media 28
“Speak Up” 36
Sponsorships 15, 16
Suppliers 8, 18, 19, 26, 31, 32

T

Tax regulations 25
Technical compliance 30
Terrorism funding 24
Trade and export control regulations 20
Travel expenses 15, 16
Trust 18, 19, 21, 22, 25, 27, 30

U

UN Convention against Corruption 32
UN Global Compact 31, 32
Universal Declaration of Human Rights 32

V

Value chain 17, 33
Violations of the law 7

W

Whistleblowers 36
Working hours 12

Siemens Energy

Siemens Energy AG
Legal and Compliance
Otto-Hahn-Ring 6
81739 München

For the publisher:
Dr. Anita Schieffer, Chief Compliance Officer

Edition: 2020

Copyrights:
All rights, also that of translation, reprint and copy, or parts thereof, are reserved.

This document will not be recalled in the event of any alterations.

© Siemens Energy, 2020

Siemens Energy is a registered trademark licensed by Siemens AG.

www.siemens-energy.com/compliance