SIEMENS energy

Green Bond Reporting

2022/23



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Introduction

In January 2023, Siemens Energy developed a Green Bond Framework (the "Framework") along with a Second-Party Opinion from Sustainalytics, under which we can issue green bonds to (re)-finance, in whole or in part, existing and future projects that are expected to facilitate the clean energy transition.

The Framework defines eligible expenditures under the ICMA green projects category "Renewable Energy" as follows:

Eligible green expenditures under the Framework include majority acquisitions of companies or minority equity participations in entities that derive 90% or more of their revenues from activities meeting the eligibility criteria described in the table above, also called 'pure player companies', as well as the re-financing of existing debt of pure player companies.

On March 29, 2023, Siemens Energy Finance B.V. placed a dual-tranche green note with an aggregate principal amount of EUR 1,500 million under the Framework.

Eligible categories	Eligibility Criteria	EU environmental objectives	EU Taxonomy mapping
Renewable energy	Expenditures related to the design, development, manufacturing and installation of onshore and offshore wind turbines	Climate change mitigation	3.1 Manufacture of renewable energy technologies
	Expenditures related to the operation and maintenance of onshore and offshore wind farms		7.6 Installation, maintenance and repair of renewable energy technologies

Status	Currency	Notional-amount (min.)	Coupon	Issuance	Maturity	Issuer	Info
Green Notes due 2026	EUR	750	4.000%	5.4.2023	5.4.2026	Siemens Energy Finance B.V., Zoeterwoude. The Netherlands	ISIN: X52601458602 Guarantor: Siemens Energy AG
Green Notes due 2029	EUR	750	4.250%	5.4.2023	5.4.2029	Siemens Energy Finance B.V., Zoeterwoude. The Netherlands	ISIN: X52601459162 Guarantor: Siemens Energy AG

Allocation Report

With its inaugural Green Bond, Siemens Energy re-financed the existing debt of Siemens Gamesa, defined as a pure-player company under the Framework.

Siemens Gamesa reports over ninety-nine percent (99.28%) of its revenues in fiscal year 2022 as EU-Taxonomy eligible. Of this, 76.9% corresponds to the wind turbine manufacturing activity (3.1 Manufacture of renewable energy technologies), and 22.4% to the Service activity (7.6 Installation, maintenance, and repair of renewable energy technologies). Only 0.7% of total revenue, which corresponds to the sale of gearboxes and electric cabinets to third parties in different sectors, is reported as non-eligible, resulting in Siemens Gamesa to be considered as a pure player company.

- **Overview of the Green Bond(s) outstanding:** Siemens Energy has two Green Bonds outstanding with an aggregate principal amount of EUR 1,500 million (in two tranches of EUR 750 million each).

Green Bond (2026)	**m €**
Amount Issued	750,0
Term	3 years
Security Codes	ISIN: XS2601458602

		Refinancing share	**Borrower**	**paid out**	**Term**	**Amount**
Total Allocated Proceeds	750,0	100%	SGRE	11. Apr 23	3 years	750,0
Total Unallocated Proceeds	–	0%				–
Total Funding	**750,0**	**100%**				**750,0**

Green Bond (2029)	**m €**
Amount Issued	750,0
Term	6 years
Security Codes	ISIN: XS2601459162

		Refinancing share	**Borrower**	**paid out**	**Term**	**Amount**
Total Allocated Proceeds	750,0	100%	SGRE	11. Apr 23	6 years	750,0
Total Unallocated Proceeds	–	0%				–
Total Funding	**750,0**	**100%**				**750,0**

Impact Reporting

- **Share of refinancing vs new financing:** As per April 11, 2023, an amount of EUR 1,500 million has been on-lend to SGRE to re-finance existing debt by repaying existing debt (Revolving Credit Facility) on June 21, 2023 – an amount equivalent to 100% of the proceeds of the EUR 1,500 million Senior Bond (Green Bond) has now been allocated to the mentioned transaction. Thus, 100% of the proceeds have been allocated to refinancing eligible green expenditures.

- **Balance of unallocated proceeds invested in cash and/or cash equivalents if any:**
  100% of the net proceeds have been allocated; there are therefore no unallocated proceeds invested in cash or cash equivalents.

Allocation

Green Bond(s) outstanding	EUR 1,500mn
Amount of Eligible Green Expenditures identified	EUR 1,500mn
Share of refinancing vs new financing	100% re-financing
Unallocated Proceeds	0

Siemens Energy's economic interest in Siemens Gamesa was diluted by minority shareholders. By using the proceeds of the Green Bonds to re-finance the existing debt of Siemens Gamesa, which was a pre-condition for the acquisition of the remaining minority shares of Siemens Gamesa, Siemens Energy resolved this dilution. The owners of Siemens Energy are now able to immediately invest more net economic resources into Wind Power.

The most substantial and tangible environmental benefits from the full integration of Siemens Gamesa within Siemens Energy will come over time through cost synergies and unified business strategy. However, the impact can already be measured based on the following Key Performance Indicators:

- Installed Wind Power capacity, net to Siemens Energy (MW):
  Total capacity installed:
  136,893 MW (includes a positive impact of 45,626 MW)
  Total number of turbines:
  64,191 units (includes a positive impact of 21,394 units)

- R&D related to Wind Power, net to Siemens Energy (thousand Euros):
  Research and development expenses:
  €426,324.00 (includes a positive impact of €142,093.00)

- CAPEX invested in Wind Power, net to Siemens Energy (million Euros):
  Additions to intangible assets and pp&e:
  €723,643.47 (includes a positive impact of €241,190.00)

Impact has been calculated based on SGRE shareholding:

SGRE-Shareholding	66,67%	100%	positive impact
Installed Wind Power capacity, net to Siemens Energy (MW)	91,266.56	136,893	45,626.44
Total number of turbines	42,796.14	64,191	21,394.86
R&D related to Wind Power, net to Siemens Energy (thousand Euros)	284,230.21	426,324	142,093.79
CAPEX invested in Wind Power, net to Siemens Energy (million Euros)	482,452.79	723,643	241,190.21

Confirmation of external reviewer

Independent auditor's report on a limited assurance engagement

To Siemens Energy AG,

We have performed a limited assurance engagement on the Allocation report for the Green Bonds (ISIN XS2601458602 and ISIN XS2601459162) of Siemens Energy Finance B.V., guaranteed by Siemens Energy AG, Munich, Federal Republic of Germany (hereinafter the "Company" or "Siemens Energy") according to the Green Bond Framework of Siemens Energy as of January 2023 for the period of 5 April 2023 to 30 September 2023 (hereinafter: Allocation report). The Allocation report is a component of the "Green Bond Reporting 2022/23" of Siemens Energy. Not subject to our assurance engagement are references to disclosures made outside the Allocation Report and Section 3 "Impact Reporting" of the "Siemens Energy Green Bond Reporting 2022/23".

A. Responsibilities of the executive directors

The executive directors of the Company are responsible for the preparation of the Allocation report in accordance with the Green Bond Framework of Siemens Energy as of January 2023 (hereinafter SE Green Bond Framework).

This responsibility includes the selection and application of appropriate methods to prepare the Allocation report and making assumptions and estimates that are reasonable in the circumstances. Furthermore, the executive directors are responsible for such internal control as the executive directors consider necessary to enable the preparation of the Allocation report that is free from material misstatement, whether due to fraud (manipulation of the Allocation report) or error.

B. Independence and quality assurance of the auditor's firm

We have complied with the German professional requirements on independence as well as other professional conduct requirements.

Our audit firm applies the national legal requirements and professional pronouncements – in particular the BS WP/vBP ["Berufssatzung für Wirtschaftsprüfer/vereidigte Buchprüfer": Professional Charter for German Public Accountants/German Sworn Auditors] in the exercise of their Profession and the IDW Standard on Quality Management issued by the Institute of Public Auditors in Germany (IDW): Requirements for Quality Management in the Audit Firm (IDW QS 1) and accordingly maintains a comprehensive quality management system that includes documented policies and procedures with regard to compliance with professional ethical requirements, professional standards as well as relevant statutory and other legal requirements.

C. Responsibilities of the auditor

Our responsibility is to express a conclusion on the Allocation report based on our assurance engagement.

We conducted our assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised): Assurance Engagements other than Audits or Reviews of Historical Financial Information, issued by the IAASB. Those standards require that we plan and perform the assurance engagement to obtain limited assurance about whether any matters have come to our attention that cause us to believe that the company's Allocation report is not prepared, in all material respects, in accordance with the SE Green Bond Framework. Not subject to our assurance engagement are references to disclosures made outside the Allocation Report and Section 3 "Impact Reporting" of the "Siemens Energy Green Bond Reporting 2022/23".

In a limited assurance engagement, the procedures performed are less extensive than in a reasonable assurance engagement, and accordingly, a substantially lower level of assurance is obtained. The selection of the assurance procedures is subject to the professional judgment of the auditor.

In the course of our assurance engagement we have, among other things, performed the following assurance procedures and other activities:

- Inquiries of employees involved in the allocation of proceeds, the reporting process and the internal control system in relation to this process, to assess the use of proceeds and the reporting process and the internal controls to the extent relevant for the assurance engagement on the disclosures in the Allocation report,
- Inspection of the relevant documentation of the systems and processes for classifying projects ("eligible projects") in accordance with the SE Green Bond Framework and review thereof,
- Inspection of the relevant documentation of the systems and processes for the allocation of proceeds,

- Reconciliation of the quantitative and material qualitative disclosures in the Allocation report with the supporting documentation,
- Assessing the presentation of the information in the Allocation report for internal consistency of overall presentation, structure and content,
- Assessing whether the Allocation report contains all material disclosures, and the Allocation report as a whole provides a suitable view.

D. Assurance Conclusion

Based on the assurance procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the Allocation report for the Green Bonds (ISIN XS2601458602 and ISIN XS2601459162) of Siemens Energy Finance B.V., guaranteed by Siemens Energy AG, Munich, for the period of 5 April 2023 to 30 September 2023 is not prepared, in all material respects, in accordance with the Green Bond Framework of Siemens Energy as of January 2023. Not subject to our assurance engagement are references to disclosures made outside the Allocation Report and Section 3 "Impact Reporting" of the "Siemens Energy Green Bond Reporting 2022/23".

E. Restriction of use

We draw attention to the fact that the assurance engagement was conducted for the Company's purposes and that the report is intended solely to inform the Company about the result of the assurance engagement. As a result, it may not be suitable for another purpose than the aforementioned. Accordingly, the report is not intended to be used by third parties for making (financial) decisions based on it. Our responsibility is to the Company alone. We do not accept any responsibility to third parties. Our assurance conclusion is not modified in this respect.

F. General Engagement Terms and Liability

The "General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungs-gesellschaften [German Public Auditors and Public Audit Firms]" dated 1 January 2017 are applicable to this engagement and also govern our relations with third parties in the context of this engagement (www.de.ey.com/general-engagement-terms). In addition, please refer to the liability provisions contained there in no. 9 and to the exclusion of liability towards third parties. We accept no responsibility, liability or other obligations towards third parties unless we have concluded a written agreement to the contrary with the respective third party or liability cannot effectively be precluded.

We make express reference to the fact that we will not update the report to reflect events or circumstances arising after it was issued, unless required to do so by law. It is the sole responsibility of anyone taking note of the summarized result of our work contained in this report to decide whether and in what way this information is useful or suitable for their purposes and to supplement, verify or update it by means of their own review procedures.

Munich, 8 January 2024

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