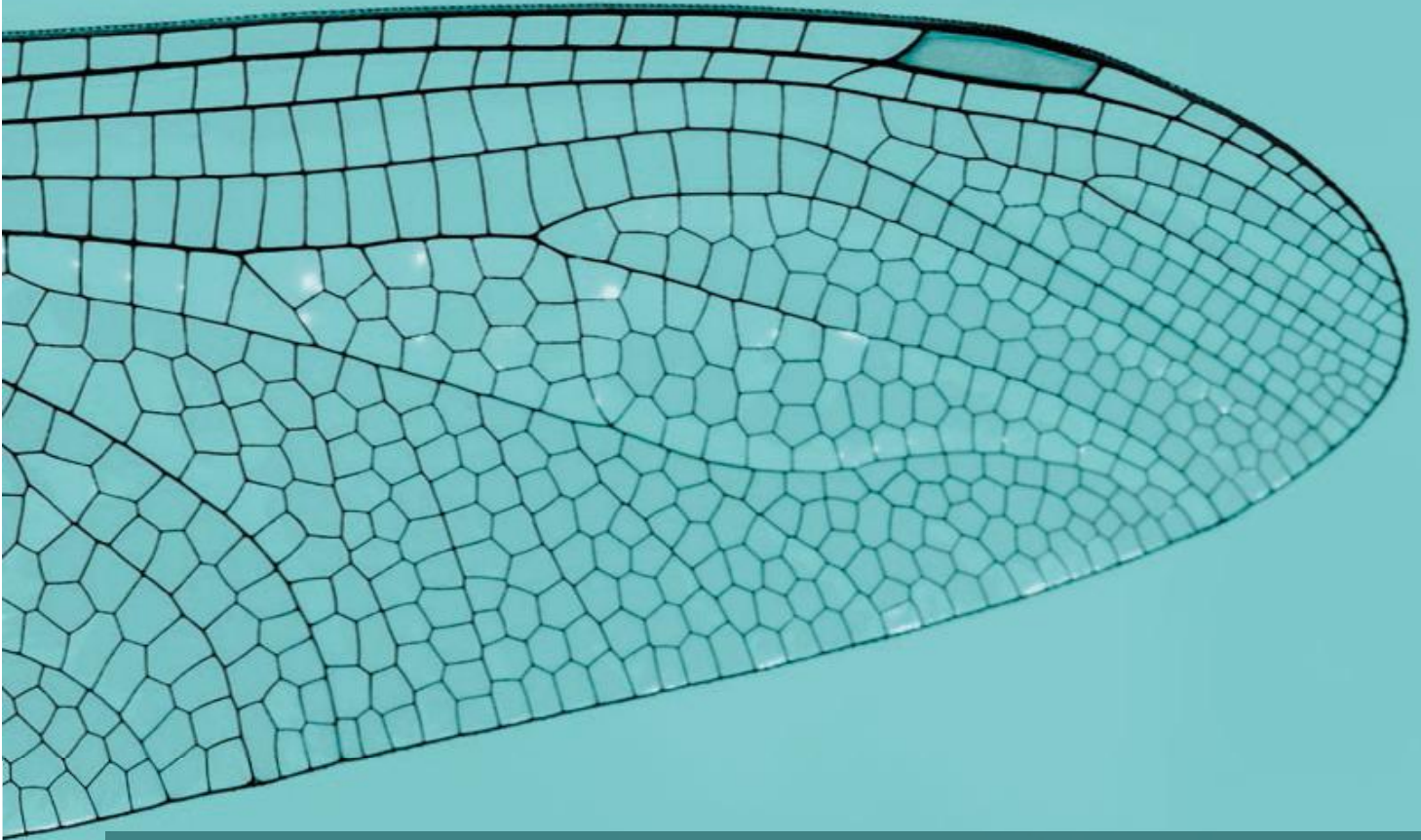


SIEMENS



Information for Business Partners

Compliance with laws, regulations and conventions

Transparent in business

www.siemens.com/compliance



“The culture of a company and its values make the difference. People rightly associate Siemens with reliability, fairness and integrity.”

*Joe Kaeser,
President and CEO of Siemens AG*

Clean and transparent – together

Doing business means being responsible. And fairness, transparency and compliance are not only obligations. In the long run, they benefit everyone.

Why is clean business so important?

Only clean business is sustainable business. It guarantees that the best solution can prevail in fair competition. It enables companies to invest in future-oriented products.

Corruption, on the other hand, is a dead end that hinders technological progress.

Corruption blocks sustainable development and undermines markets; compliance is the only way to combat corruption effectively.

The Siemens message concerning clean business is authentic, clear, and uncompromising.

With the Siemens Compliance System, we have the tools and methods to fight corruption and promote compliance – worldwide.

At Siemens, compliance is a must. For this reason, we hold ourselves and our business partners to the highest standards of behavior.

The Siemens Compliance System comprises three action levels: Prevent – Detect – Respond. The activities at these action levels are aimed at ensuring that our business complies with all applicable laws and regulations, and is in line with Siemens principles and rules.

Prevent	Detect	Respond
Management responsibility		
<ul style="list-style-type: none">• Compliance risk management• Policies and procedures• Training and communication• Advice and support• Integration in personnel processes• Collective Action	<ul style="list-style-type: none">• Whistle blowing channels “Tell us” and Ombudsman• Compliance controls• Monitoring and Compliance reviews• Compliance audits• Compliance investigations	<ul style="list-style-type: none">• Consequences for misconduct• Remediation• Global case tracking

Anti-corruption and antitrust principles

Because Siemens does business internationally, Siemens and its business partners have to comply with national and international laws and conventions.

Clear rules, clean business

Siemens competes fairly for orders with the quality and the price of its innovative products and services, not by offering improper benefits to others.

Likewise Siemens expects its business partners to comply with all applicable anti-corruption laws and regulations.

This is why Siemens strictly prohibits its business partners from directly or indirectly offering, promising, granting or authorizing the giving of money or anything else of value to a government official or to a counterparty in the private sector to influence official action or obtain an improper advantage for Siemens.

Any offer, promise, grant or gift made by a business partner in connection with Siemens business must comply with applicable laws and Siemens policies, and must not create an appearance of bad faith or impropriety.

This means that no such offer, promise, grant or gift may be made if it could

reasonably be understood as an effort to improperly influence a government official or as a bribe to a commercial counterparty to grant Siemens a business advantage.

The term government official must be understood broadly to include officials or employees of any government or other public body, agency or legal entity at any level, including officers or employees of state-owned enterprises and public international organizations. It also includes candidates for political office, political party officials and employees as well as political parties.

Fair competition is also protected by antitrust law in many countries. Antitrust law prohibits agreements between companies that restrict competition, e.g. price fixing, market or customer allocation, market sharing or bid rigging with competitors, or the abuse of a dominant position in the market.

Siemens has a strict policy to act in compliance with antitrust law and expects its business partners to do the same.



Anti-corruption laws do not tend to differentiate between acts done by you and acts done by someone acting on your behalf.

Building sustainable partnerships

All third party intermediaries engaged by Siemens are to be selected following a thorough, documented due diligence process designed to assure that Siemens and the business partner establish a long-term, collaborative relationship.

Common challenges, convincing answers

Siemens' global activities entail collaboration with many different business partners. Mutual trust is essential to these relationships. All dealings must be fair and transparent – after all, Siemens may be held liable for third-party actions.

Our compliance due diligence process is structured and straightforward and applicable for certain types of business partner relationships, including those with sales agents, customs brokers, distributors, and consortium partners (business partners). It supports the selection of business partners subject to the necessary care and in line with compliance requirements and ensures that the relationship with a business partner is responsibly evaluated and managed. This will ensure that we establish a long-term collaboration with reputable and qualified business partners.

Siemens' compliance due diligence process

Prior to engaging a business partner, the Siemens entity concerned has to perform a compliance due diligence.

Based on a risk assessment of the proposed business relationship, the due diligence questionnaires include internal information obtained from the potential business partner as well as publicly available external information from independent sources. The required information varies depending on the type and content of the planned business relationship and provides a transparent overview of the proposed business relationship.

Finally, the contract between Siemens and the business partner will require the business partner to act in compliance with all applicable rules and regulations. The due diligence process is repeated at defined intervals.



Our structured compliance due diligence process ensures long-term and collaborative relationships with our trusted business partners.

Working with suppliers

With external spends of approximately half of the total revenue, Supply Chain Management plays a crucial role at Siemens. The principles of environmental, social and economic sustainability are of paramount importance to us and applied along the entire supply chain. For this reason, we expect our suppliers not only to contribute to our economic success, but also to strictly adhere to the 'Code of Conduct for Siemens Suppliers'.

Siemens suppliers must subscribe to our company values. It is furthermore obligatory for all suppliers to act in full accordance with the following principles concerning responsibilities vis-à-vis employees, external stakeholders and the environment. These principles are based on – among others – the UN Global Compact and the principles of the International Labour Organization but also reflect the Siemens 'Business Conduct Guidelines'.

Our suppliers are obliged to sign the Code of Conduct and

- comply with all applicable laws,
- prohibit corruption and bribery,
- respect basic human rights of their employees,
- prohibit child labor,

- implement a management system to take responsibility for the health and safety of their employees,
- implement a management system in order to protect the environment, and
- take active steps to promote adherence among their suppliers with the requirements of the 'Code of Conduct for Siemens Suppliers'.

The ongoing compliance with these requirements is monitored via a comprehensive set of measures which ranges from supplier self-assessments to specific sustainability audits conducted by external providers.

More detailed information can be found at www.siemens.com/scm/sustainability



Our 'Code of Conduct for Siemens Suppliers' ensures sustainability along the entire supply chain.

Collective Action

Collective Action describes various methods of combating corruption. It is a matter of acting collectively and forming alliances against corruption. Collective Action calls for cooperation on the part of participants from the worlds of politics, business and society at large.

In the face of the widespread and deep-rooted corruption problem that affects society in general, governments and their procuring entities and the private sector in equal measure, it seems highly unlikely that individual activities alone will be sufficient to bring about significant ethical changes and improve the transparency of business processes.

This is precisely where Collective Action methods become important: Collective Action enables corruption to be fought collectively, with various interest groups working together and building an alliance against corruption so that the problem can be approached and resolved from multiple angles.

Within our wider sphere of influence, Siemens is engaged in close cooperation with partners like the United Nations Global Compact, the World Economic Forum, the International Chamber of Commerce or Transparency International in various multi-stakeholder and cross-sector initiatives aimed at jointly combating corruption.

In addition, Siemens and the World Bank announced in 2010 the 100 million USD Siemens Integrity Initiative to promote clean markets.

The ultimate goal is to create fair and equitable market conditions, a “level playing field”, for all marketplace participants.

Detailed information about Collective Action can be found at www.siemens.com/collective-action



We will all benefit from collectively creating fair market conditions. Siemens invites you to join in the international Collective Action activities by participating at both the global and the local level.

Further information about the
Siemens Compliance System is available at:
www.siemens.com/compliance

Possible non-compliant behavior by Siemens
can be reported to our Ombudsman or to our
HelpDesk "Tell us" at
www.siemens.com/tell-us

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