

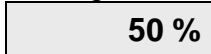
The Change Agent



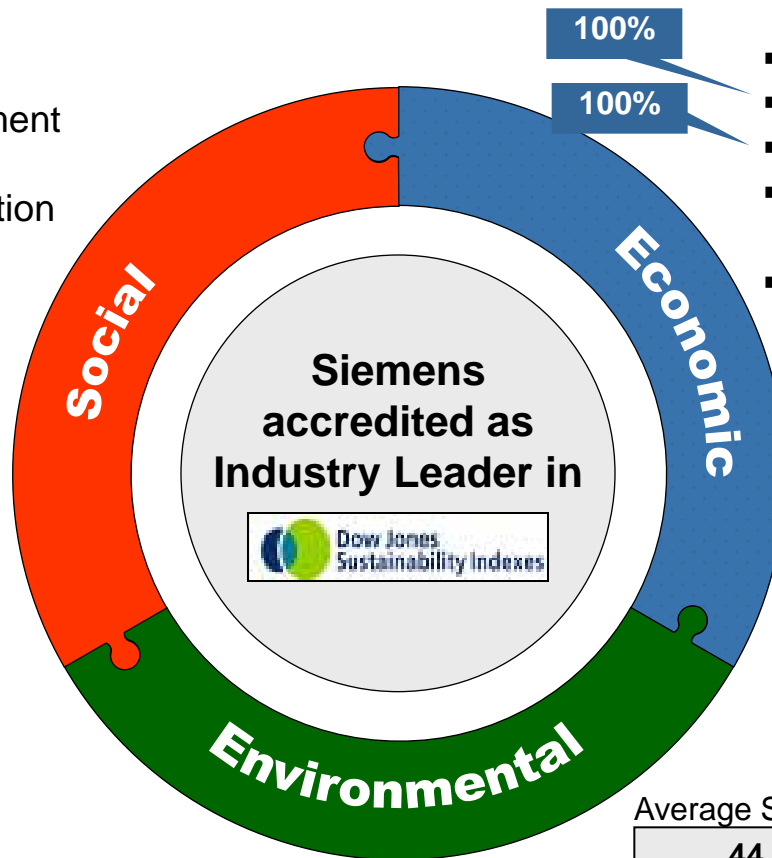
Siemens has fundamentally changed and is now seen as an industry benchmark in compliance and sustainability

- Corporate Citizenship
- Labor Practice Indicators
- Human Capital Development
- Social Reporting
- Talent Attraction & Retention

Average Score*

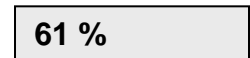


Siemens Score



- Corporate Governance
- Risk & Crisis Management
- Codes of Conduct /Compliance
- Customer Relationship Management
- Innovation Management

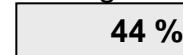
Average Score*



Siemens Score



Average Score*



Siemens Score



- Eco-Efficiency
- Environmental Reporting

*Average score of all assessed companies in the sector
Source: sam 2009, Corporate Sustainability Assessment – The Yearbook

Siemens has no tolerance for non-compliant behavior



What exactly is ... compliance?

Compliance is about acting in accordance with the rules that govern the way we behave. These rules can be externally imposed through laws or regulations, or internally defined through policies, procedures and controls

The internal rules will be governed by the external law and will also take into account the values of the organization

Siemens values:

- Responsible
- Excellent
- Innovative

Compliance with what?

Anti-corruption legislation

Anti-trust legislation

Anti-discrimination legislation

Environmental legislation

Labour law

Human rights legislation

Privacy law

....

Business Conduct Guidelines

...

Siemens Compliance Program aims at the synergy of all three dimensions

Prevent

Detect

Respond

"Tone from the Top"

Compliance Organization

- Training
- Policies, Procedures and Compliance Tools
- Program communication
- Centralization



- Compliance investigations
- Compliance reviews
- Compliance controls

- Consequences for misconduct
- Global case tracking
- Monitoring effectiveness

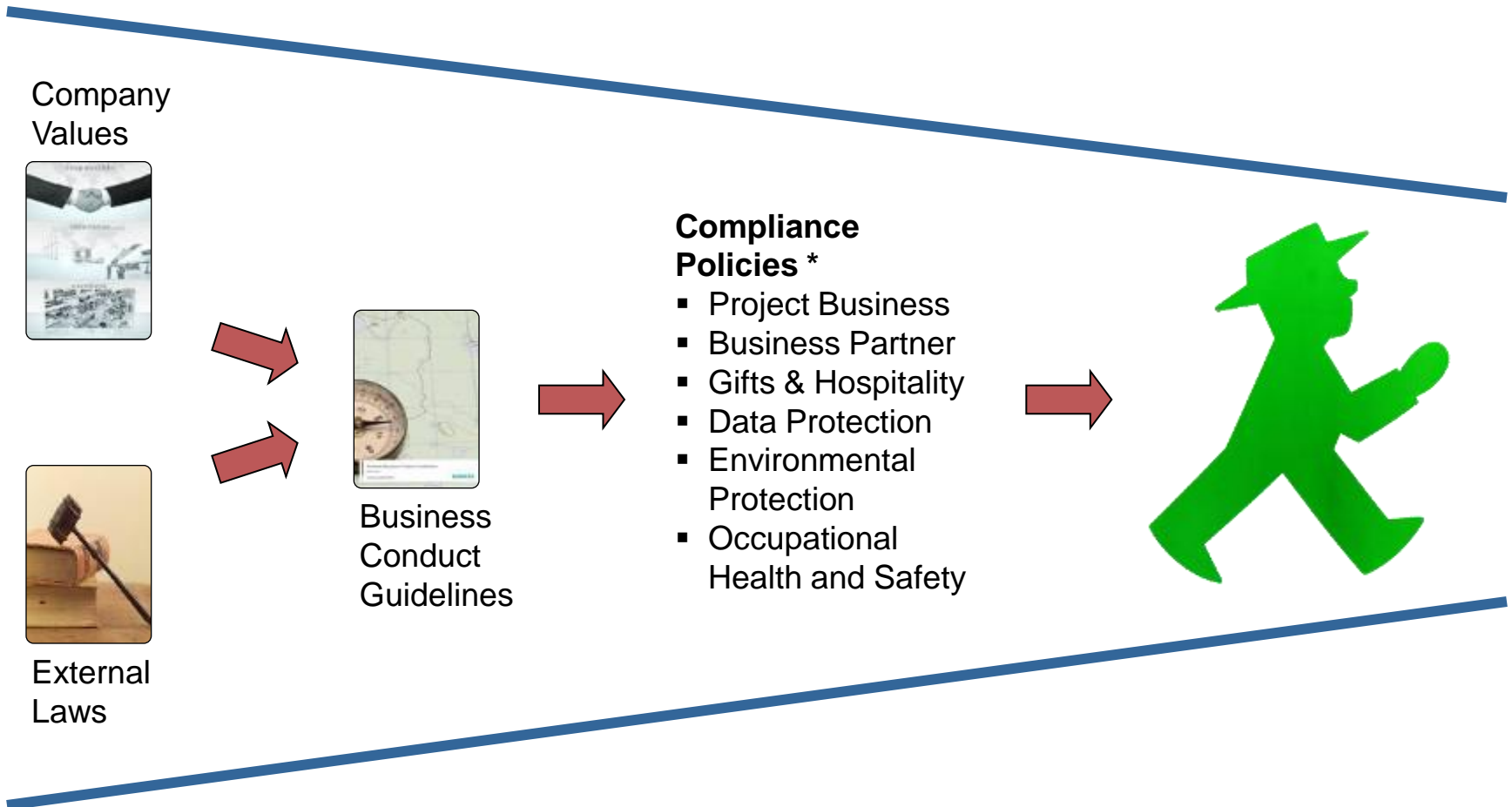
Compliance Helpdesk ¹⁾

- Integration in personnel processes



1) Incl. Global Ombudsman function

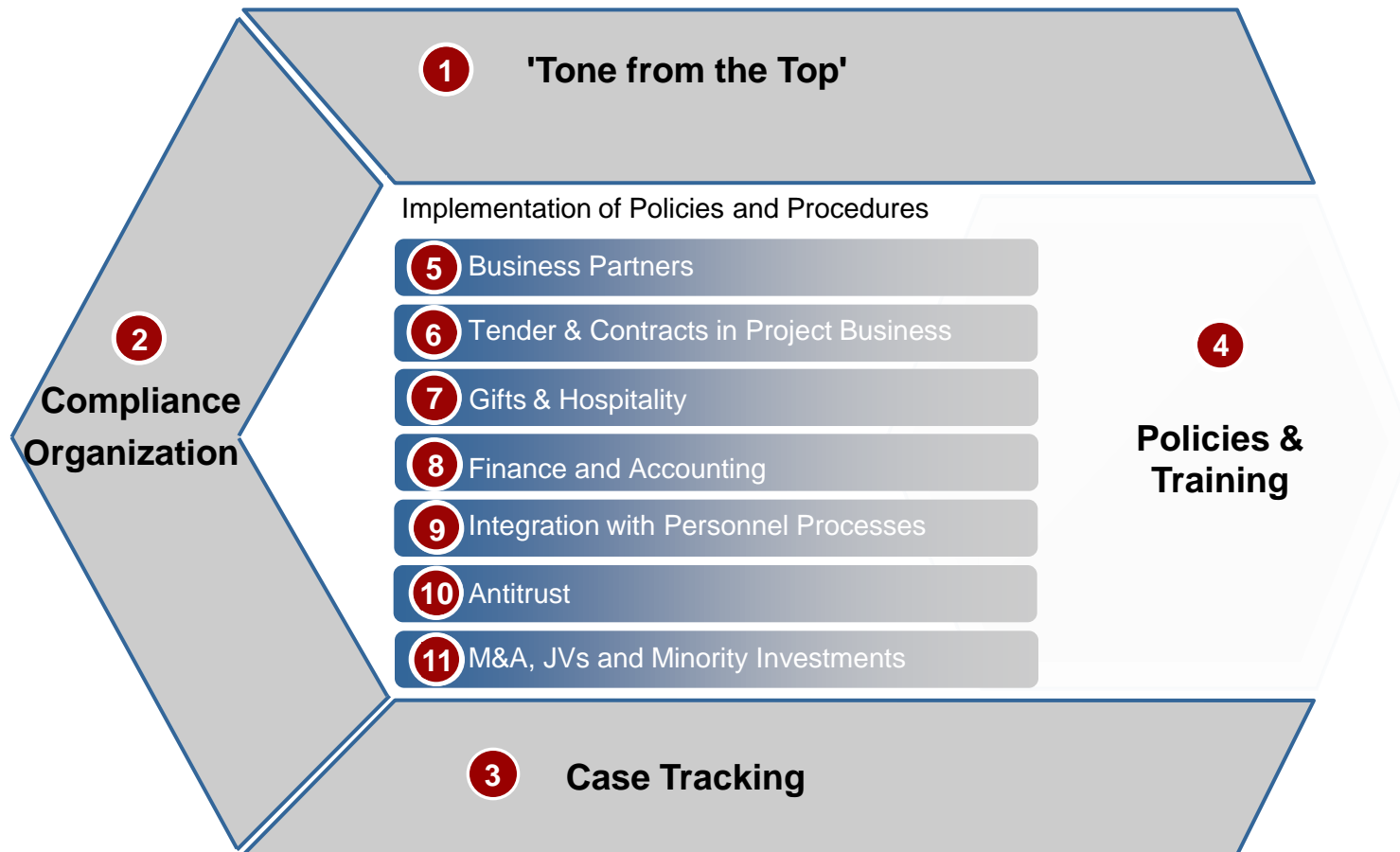
Employees get guidance for their daily work through policies that are based on external laws and internal values & guidelines **SIEMENS**



* Examples of Compliance Policies

New Compliance Control Framework (CCF) reflects best implementation and testing practices

11 focus areas



Based on an Internal Control Remediation (ICR) kit controls and policies were implemented and audited in over 1000 Siemens entities, started in Q1 FY2008

**... however, ultimately, controls are not enough.
We need to continue fostering an integrity culture**

Questions to guide Siemens employees towards compliant and responsible behavior

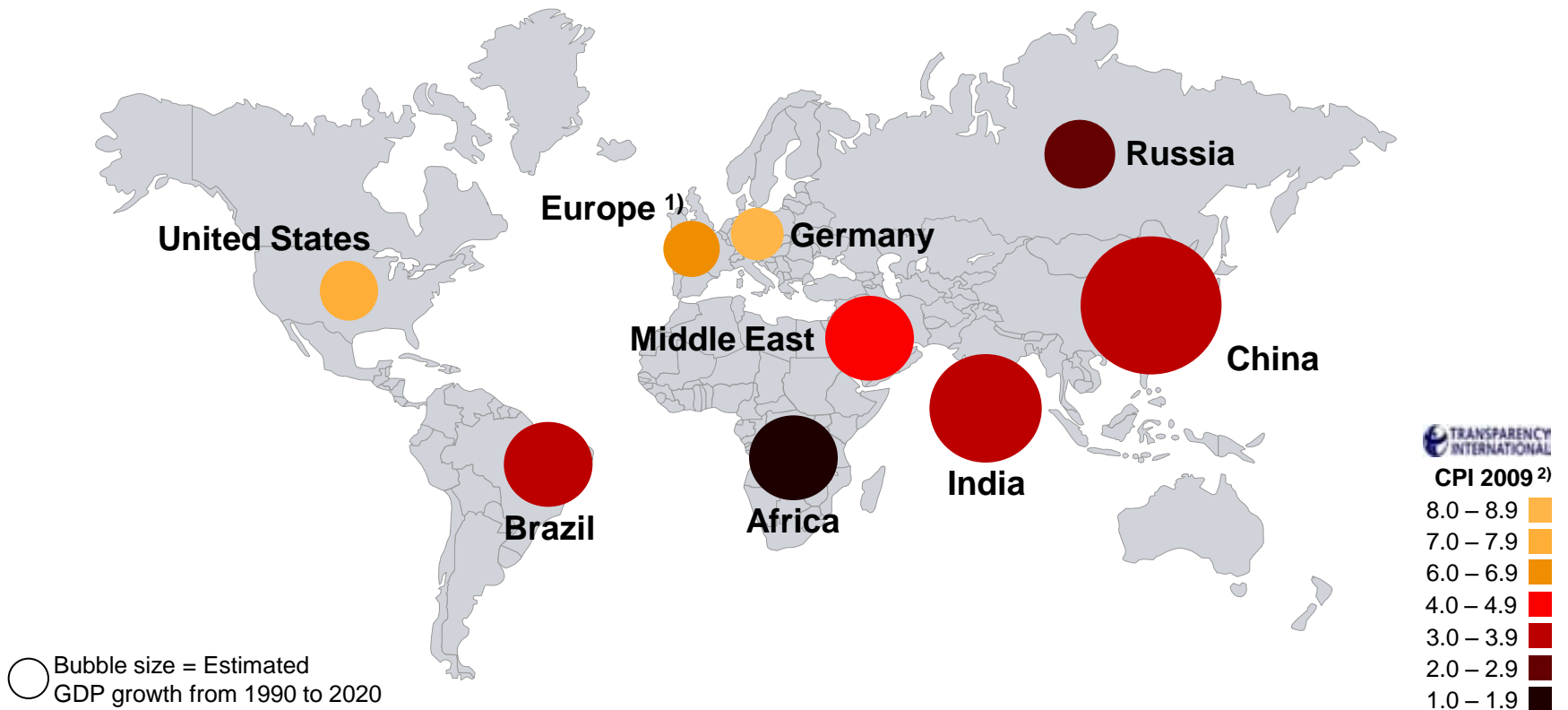
- 1 Is it the right thing for Siemens?**
- 2 Is it consistent with Siemens core values and mine?**
- 3 Is it legal? Is it ethical?**
- 4 Is it something I am willing to be held accountable for?**

**If the answer is YES to all of those questions,
DON'T WORRY, BE CONFIDENT!**



Tapping future growth in emerging markets requires a proper implementation of compliance at the same time

Strengthening local presence in fast-growing markets to gain market share...



...is as important as implementing compliance to protect against the high corruption risk

1) Europe = EU 15 w/o Germany 2) Source: Transparency International – Corruption Perceptions Index 2009

Compliance Helpdesk Consists of Five Parts

"Ask Us"



Do you have any questions about compliance? You can ask them at any time via the Compliance HelpDesk "Ask Us."

"Find It"



Use "Find It" to search for compliance related information, such as FAQs, policies & guidelines or training material.

"Tell Us"



The Compliance HelpDesk "Tell Us" function provides global, round-the-clock facilities for making statements on compliance-related breaches.

"Approve It"



"Approve It" is the platform for approval requests regarding gifts and hospitality

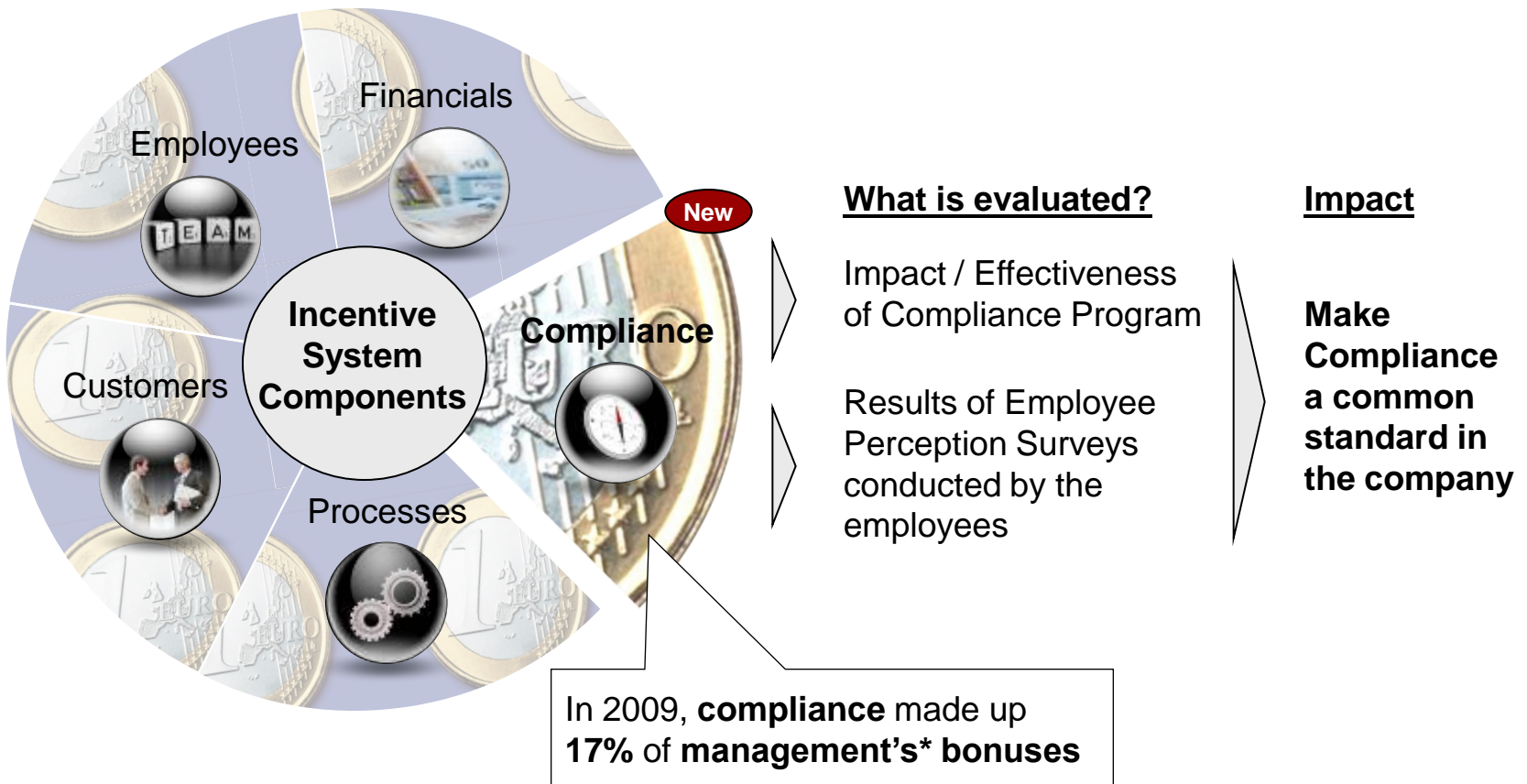
"Improve It"



With "Improve It" you can help to improve the Compliance program by adding your ideas and suggestions.

Compliance Helpdesk
&
Monitoring

Establishing compliance as an integral part of management's incentive system makes compliance an everyday standard



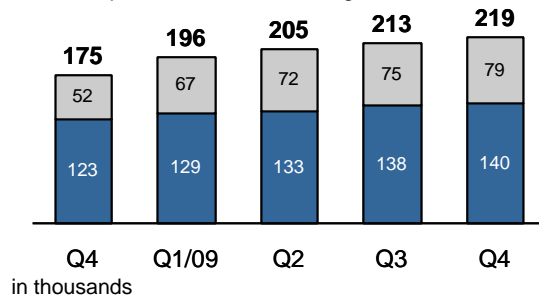
* Relevant for Siemens' Senior and Top Management

Compliance – Progress Report Q4 FY 2009

Prevent

Training ¹⁾

- Participation in person training
- Participation web-based training

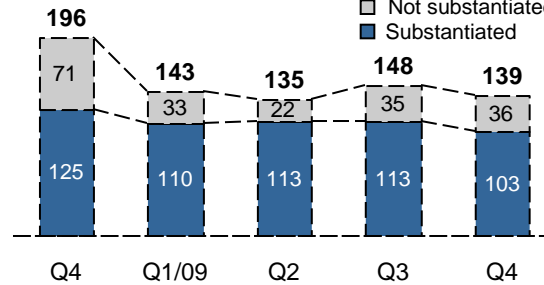


Detect

Helpdesk

"Tell Us" & Ombudsman

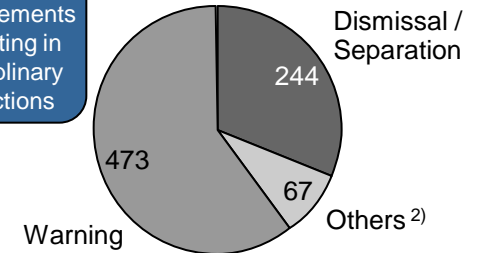
- Not substantiated
- Substantiated



Respond

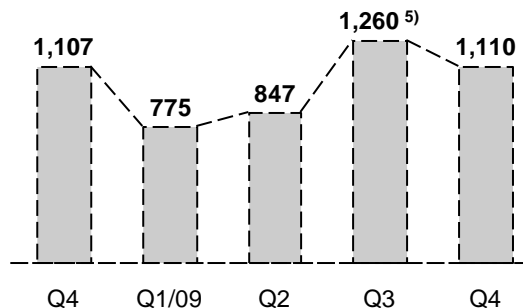
Disciplinary Sanctions in FY 2009

784 infringements resulting in disciplinary sanctions



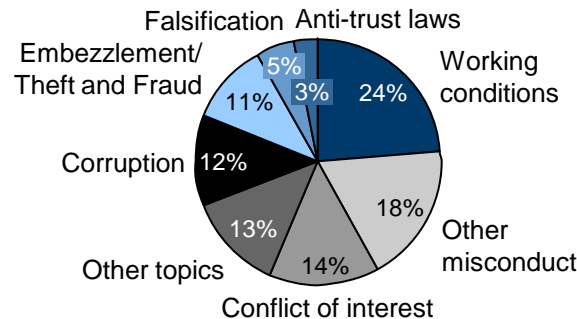
Helpdesk

"Ask Us"

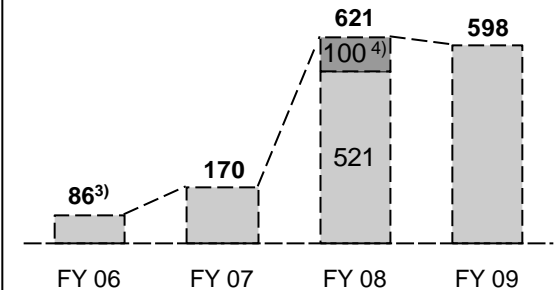


Helpdesk

"Tell Us" Topics FY 2009



Compliance Staff Worldwide



1) Cumulative 2) Forfeiture of variable payment elements, transfer to another position, suspension 3) Compliance only one area of responsibility
4) Including Implementation Management 5) Rollout of the enhanced Compliance Control Framework

Collective Action: What we do to drive fair market conditions

Continuous stakeholder dialogue



Collective Action project



- Fight corruption in joint agreement with industry peers and other stakeholders
- Promote Integrity and Compliance Pacts as well as Long-Term Initiatives in order to foster fair competition in public sector
- www.siemens.com/integrity-initiative to fight fraud and corruption (US\$ 100 million over next 15 years)

Project Compliance Learning Initiative



- Increase compliance awareness of current and future business leaders
- Share compliance best practices with stakeholders by www.siemens.com



1) **NGO**: Non-Government Organization

IO: International Organization

IBLF: International Business Leaders Forum

TI: Transparency International

PACI: Partnering Against Corruption Initiative

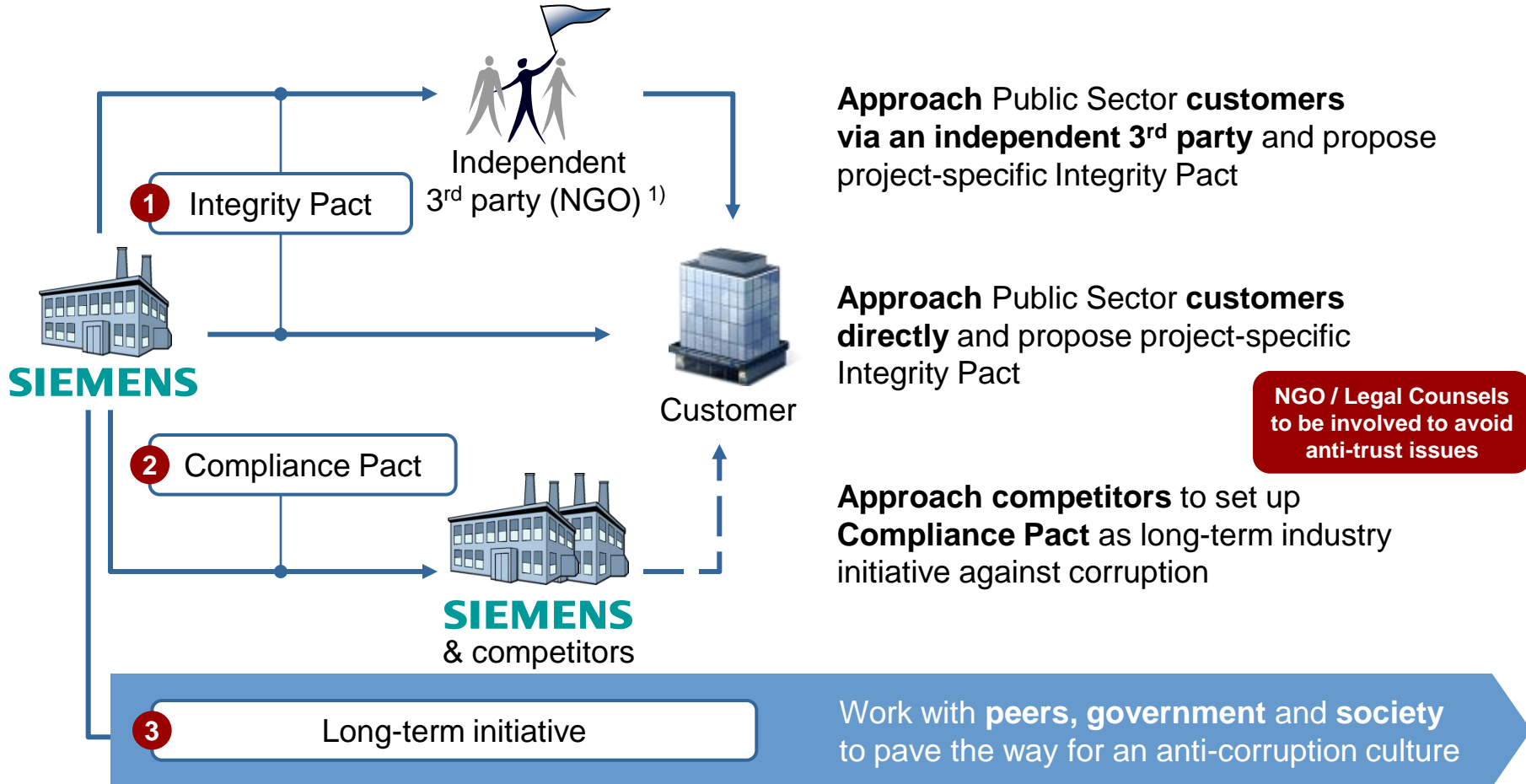
ICC: International Chamber of Commerce

CIPE: Center for International Private Enterprise

2) Is designed for class room discussions in university and highlights the importance of business integrity and compliance. Final draft will be presented by Harvard in Q2 FY 2010

Siemens can drive Collective Action through different channels

Channels to drive Collective Action



Approach Public Sector customers via an independent 3rd party and propose project-specific Integrity Pact

Approach Public Sector customers directly and propose project-specific Integrity Pact

Approach competitors to set up Compliance Pact as long-term industry initiative against corruption

--> Optional approach

1) Non-Governmental Organization, e.g. Transparency International

Siemens already participates in several Collective Action initiatives globally



Collective Action examples

