



Siemens Business Conduct Guidelines

January 2009

Corporate Compliance Office



Business Conduct Guidelines 2009

Foreword



In the more than 160 years of its existence, our Company has built an excellent reputation around the world. Technical performance, innovation, quality, reliability, and international engagement have made Siemens one of the leading companies in electronics and electrical engineering. It is top performance with the highest ethics that has made Siemens strong. This is what the Company should continue to stand for in the future.

These **Business Conduct Guidelines** provide the ethical and legal framework within which we want to maintain successful activities. They contain the basic principles and rules for our conduct within our Company and in relation to our external partners and the general public.

They set out how we meet our ethical and legal responsibility as a company and give expression to our corporate values of being “responsible – excellent – innovative.”

These Business Conduct Guidelines have been adapted in line with new legal requirements and are based on international treaties on human rights, anti-corruption and sustainability. They are intended to strengthen awareness of the law and moral standards as an integral part of our entrepreneurial actions. The key message is that only clean business is Siemens business.

I call on all employees to live and breathe the Business Conduct Guidelines.

Peter Loescher
President and CEO

January 2009

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A. Basic Behavioral Requirements



A.1. Behavior which Complies with Law

Observing the law and the legal system in every country where we do business is a fundamental principle for Siemens¹. All employees must obey the laws and regulations of the legal systems within which they are operating in addition to applicable Siemens policies. Violations of the law must be avoided under all circumstances.

Regardless of the sanctions that could be imposed by law, all employees guilty of a violation will be subject to disciplinary consequences because of the violation of their employment duties.

A.2. Mutual Respect, Honesty and Integrity

We respect the personal dignity, privacy, and personal rights of every individual. We work together with individuals of various ethnic backgrounds, cultures, religions, ages, disabilities, races, sexual identity, world view and gender. Consistent with our corporate principles and with the employment laws of numerous countries in which we work, we do not tolerate discrimination against anyone on the basis of any of these characteristics or harassment or offensive behavior, whether sexual or otherwise personal.

These principles apply to both internal cooperation and conduct towards external partners. We make decisions about those we work with – including personnel, suppliers, customers and business partners – based only on appropriate considerations, not on the basis of inappropriate considerations such as discrimination or coercion.

We are open, honest and stand by our responsibilities. We are reliable partners and make no promises we cannot keep. And we expect our employees to act with integrity.

¹ References to "Company" or "Siemens" are to Siemens AG and its subsidiaries.

A.3. Responsibility for the Reputation of Siemens

To a substantial degree, the reputation of Siemens is determined by our actions and by the way each and every one of us presents and conducts himself/herself. Illegal or inappropriate behavior on the part of even a single employee can cause the Company considerable damage.

Every employee should be concerned with maintaining and promoting the good reputation of Siemens in the respective country.

A.4. Management, Responsibility and Supervision

The culture of integrity and compliance in an organization starts at the top. All managers must fulfill their duties of organization and supervision. All managers bear responsibility for all employees entrusted to them. All managers must earn respect by exemplary personal behavior, performance, openness, and social competence. This means, among other things, that each manager must emphasize the importance of ethical conduct and compliance, make them regular topics of everyday business and promote them through personal leadership and training. Each manager must also set clear, ambitious and realistic goals and lead by example.

Managers should permit their employees as much individual responsibility and leeway as possible, while making it clear that compliance is required under all circumstances, at all times. All managers shall also be accessible in case employees wish to raise compliance concerns, ask questions or discuss a professional or personal problem.

These responsibilities of managers do not relieve employees of their own responsibilities. We must all work together to comply with applicable laws and Siemens policies. These specific manager responsibilities are listed here to give employees an idea of the leadership and support they should expect from their superiors.

It is the responsibility of all managers to see to it that there are no violations of laws within their area of responsibility

that proper supervision could have prevented. They still remain responsible, even if they delegate particular tasks.

In particular, the following duties apply to managers:

1. The manager must carefully select employees based on their personal and professional qualifications and suitability. The duty of due care increases with the significance of the task the employee must perform (duty of selection).
2. The manager must give precise, complete and binding instructions to employees, especially with regard to compliance with the law (duty to give instructions).
3. The manager must ensure that compliance with the law is continuously monitored (duty of monitoring).
4. The manager must clearly communicate to employees the importance of integrity and compliance in everyday business. He/she must also communicate that violations of the law are unacceptable and will have employment consequences (duty of communication).



B. Treatment of Business Partners and Third Parties



B.1. Fair Competition and Anti-Trust Laws

Fair competition permits markets to develop freely – with attendant social benefits. Accordingly, the principle of fairness also applies to competition for market share.

Every employee is obliged to abide by the rules of fair competition.

Anti-trust evaluation can be difficult, particularly because the rules can differ from country to country and from case to case. For example, in many places special anti-trust law requirements apply to large companies.

Here are examples of the types of behavior that can lead to a violation of anti-trust laws. Employees may not:

- talk to competitors about prices, output, capacities, sales, bids, profits, profit margins, costs, methods of distribution or any other parameter that determines or influences the Company's competitive behavior with the aim to solicit parallel behavior from the competitor,
- enter into an agreement with a competitor not to compete, to restrict dealings with suppliers, to submit bogus offers for bidding or to divide up customers, markets, territories or production programs,

- have any influence on the resale prices charged by our purchasers, or attempt to make them restrict the export or import of goods supplied by Siemens.

Moreover, employees may not obtain competitive intelligence by using industrial espionage, bribery, theft or electronic eavesdropping, or communicate knowingly false information about a competitor or its products or services.

B.2. Anti-Corruption: Offering and Granting Advantages

We compete fairly for orders with the quality and the price of our innovative products and services, not by offering improper benefits to others. As a result, no employee may directly or indirectly offer, promise, grant or authorize the giving of money or anything else of value to a government official to influence official action or obtain an improper advantage. The same applies to a private commercial counterparty in a business transaction in consideration for an improper advantage. Any offer, promise, grant or gift must comply with applicable laws and Siemens' policies, and must not raise an appearance of bad faith or unsuitableness. 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* is defined 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.

In addition, employees may also not give money or anything of value *indirectly* (for example, to a consultant, agent, intermediary, business partner or other third party) if the circumstances indicate that all or part of it may possibly be directly or indirectly passed on to a government official to influence official action or obtain an improper advantage or to a private commercial counterparty in consideration for an unfair advantage in a business transaction.

For that reason, employees responsible for hiring consultants, agents, partners in joint ventures or comparable entities must take action as appropriate to:

- ensure that those third parties understand and will abide by Siemens' anti-corruption policies or comparable equivalents,
- evaluate the qualifications and reputation of such third parties, and
- include appropriate provisions in agreements and contracts designed to protect Siemens.

This applies in particular, but not only if they have contact with government officials on behalf of Siemens.

Finally, each investment decision made by the Company – whether it is the purchase of a controlling interest in a company or a minority interest, or a joint venture arrangement – must be based on a prior compliance check.





B.3. Anti-Corruption: Demanding and Accepting Advantages

Employees are not permitted to use their jobs to solicit, to demand, accept, obtain or be promised advantages. This does not apply to the acceptance of occasional gifts of purely symbolic value or meals or entertainment reasonable in value that are consistent with local customs and practices and Siemens policies. Any other gifts, meals or entertainment must be refused.

B.4. Political Contributions, Charitable Donations and Sponsoring

Siemens does not make political contributions (donations to politicians, political parties or political organizations).

As a responsible member of society, Siemens makes monetary or product donations for education and science, art and culture, and social and humanitarian projects. Sponsorships for which Siemens receives advertising are not considered donations, nor are contributions to industry associations or fees for memberships in organizations that serve business interests.

Some donations are always prohibited, including donations

1. to individuals and for-profit organizations,
2. paid to private accounts,
3. to organizations whose goals are incompatible with Siemens' corporate principles, or
4. that would damage Siemens' reputation.

All donations must be transparent. This means, among other things, that the recipient's identity and planned use of the donation must be clear and the reason and purpose for the donation must be justifiable and documented. Quasi-donations, meaning donations which appear to be compensation for a service but are substantially larger than the value of the service, are prohibited as violating the principles of transparency.

Sponsoring means any contribution in money or in kind by Siemens towards an event organized by a third party in return for the opportunity to advertise the Siemens brands by, for example, displaying the Siemens logo, being mentioned in the opening or closing addresses, or the participation of a speaker on a discussion panel, as well as tickets to the event.

All sponsoring contributions must be transparent, pursuant to written agreement, for legitimate business purposes, and commensurate with the consideration offered by the event host.

Contributions may not be promised, offered or made to secure unjustified competitive advantages for Siemens or for other improper purposes, and they may not be made towards events organized by individuals or organizations that have goals incompatible with Siemens' corporate principles or that would damage Siemens' reputation.

B.5. Government Procurement

Siemens competes for contracts from government entities and government-owned businesses around the world. In all of Siemens' dealings and interactions with governments, we act in a manner that is transparent, honest and accurate.

We comply with all applicable laws and regulations related to government procurements, including laws prohibiting efforts to improperly influence government officials.

B.6. Anti-money Laundering

Money laundering is the process of disguising the nature and source of money connected with criminal activity – such as terrorism, drug trafficking or bribery – by integrating dirty money into the stream of commerce so that it appears legitimate or its true source or owner cannot be identified.

It is Siemens' objective to conduct business with reputable customers, consultants and business partners who are involved in lawful business activities and whose funds are derived from legitimate sources. We do not facilitate money laundering. All employees must abide by applicable anti-money laundering laws and Siemens' procedures, such as *finavigate*[®], designed to detect and deter suspicious forms of payment or customers or other transactions that could involve money laundering. To avoid problems in this area, employees must be attentive to and report suspicious behavior by customers, consultants and business partners. Employees must also follow all accounting, record-keeping and financial reporting requirements applicable to cash and payments in connection with other transactions and contracts.





B.7. Trade Controls

Siemens complies with applicable export controls and customs laws and regulations in the countries where it does business. Export controls generally apply to the transfer of goods, services, hardware, software or technology across certain national borders, including by email. Export control laws may be triggered in connection with direct or indirect exports to or imports from sanctioned countries or parties, who, for example, may be designated based on national security grounds or because of participation in criminal activity. Violations of these laws and regulations may lead to serious penalties, including fines and governmental withdrawal of simplified import and export procedures (interruption of seamless supply chain).

Employees involved in the import and export of goods, services, hardware, software or technology as described above must follow applicable economic sanctions, export control and import laws and regulations and any related policies and procedures established by the business in which they work.

B.8. Working with Suppliers

Siemens as a company expects its suppliers to share Siemens' values and comply with all applicable laws. Furthermore, Siemens expects its suppliers to act in accordance with the following principles, similarly adopted by Siemens, concerning responsibilities vis-à-vis stakeholders and the environment:

- Comply with all applicable laws,
- prohibit corruption,
- respect basic human rights of employees,
- comply with laws prohibiting child labor,
- take responsibility for the health and safety of their employees,
- act in accordance with applicable statutory and international standards regarding environmental protection, and
- promote compliance among their suppliers with Siemens' *Code of Conduct for Suppliers*.



C. Avoiding Conflicts of Interest



It is the duty of Siemens employees to make business decisions in the best interest of Siemens, not based on their own personal interests. Conflicts of interest arise when employees engage in activities or advance personal interests at the expense of Siemens' interests.

Employees must inform their supervisor of any personal interest they could possibly have in connection with the execution of their professional duties.

Employees are not permitted to use, for their own personal contracts or orders, companies with which they have business dealings as part of their activities for Siemens if they could derive any advantage from the personal contract or order. This is particularly applicable if the employee exercises or is capable of exercising a direct or indirect influence upon whether that company receives a contract from Siemens.

A conflict can take the form of a business relationship with, or an interest in, a competitor or customer of Siemens, or participation in sideline activities that prevent employees from being able to fulfill their responsibilities at Siemens. It is important that all employees recognize and avoid conflicts of interest, or even the appearance of a conflict of interest, as they conduct their professional activities.

C.1. Competing with Siemens

An employee may not operate or assist a company that competes with Siemens or engage in any competing activities.

C.2. Sideline Work

Employees may not engage in sideline work that competes with Siemens. Before employees may engage in other sideline work for remuneration they must notify Siemens and seek written permission. Occasional writing activities, lectures, and comparable occasional activities are not considered sideline work. Permission will not be granted if it is detrimental to the interests of Siemens. Permission may be refused if employees have dealings in the course of their official Siemens' duties with the company in question. Previously granted permission may be revoked on these grounds as well.

C.3. Interests in Third Companies

Employees who directly or indirectly hold or acquire a stake in a competitor company, must disclose this fact to their personnel department if this stake gives them the opportunity to exert influence on the management of that company. It can be assumed, as a general rule, that the possibility of exerting influence on the management exists when a stake exceeds 5% of a competitor company's total capital.

Employees who directly or indirectly hold or acquire an interest in a Siemens business partner or a company in which Siemens has ownership shares also have to disclose this fact to the personnel department responsible, if they have dealings with the business partner or company in the course of their official duties or if they will hold a position in that company. For shares in listed companies, this applies only if the interest exceeds 5% of total equity.

Once an interest in a third company has been disclosed, the Company may take suitable measures to eliminate any conflict of interest.



D. Handling of Company Property



There are many devices and pieces of equipment in Siemens offices and workshops, such as telephones, copying machines, computers, software, Internet/Intranet, machines and other tools, including e-mail and answering machine systems. These are only to be used for Company business and not for personal gain. Exceptions, and payment if applicable, can be agreed upon locally, provided that the use of Siemens property does not:

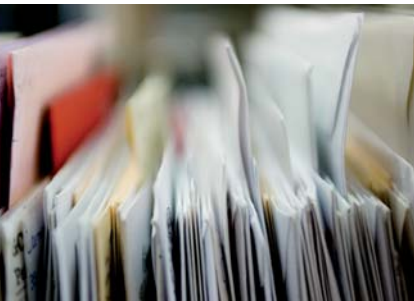
- relate to any illegal activity,
- cause an actual or perceived conflict of interest, or
- lead to significant added costs, disruption of Siemens business or other adverse effects for the Company, including by interfering with an employee's assigned duties or the assigned duties of other employees.

In no case may information be retrieved or transmitted that furthers or incites racial hatred, glorification of violence or other criminal acts, or contains material which is sexually offensive within the respective culture.

Employees are not permitted without the consent of their supervisor to make records, files, video or audio recordings, or reproductions using Siemens equipment or facilities if the activity is not directly related to Company business.



E. Handling of Information



E.1. Records and Financial Integrity

Open and effective communication requires accurate and truthful reporting. This applies equally to relationships with investors, employees, customers and business partners, as well as with the public and all governmental offices.

Siemens is also required to maintain sound processes and controls so that transactions are executed according to management's authorization. Siemens must also prevent and detect unauthorized use of Siemens assets. All Siemens employees are required to make sure that the Siemens books and records they create or are otherwise responsible for are:

- complete,
- accurate,
- honestly reflect each transaction or expenditure, and
- are timely and in accordance with applicable accounting rules and standards

whether or not the information will be included in a public filing or provided to a government agency. Such books and records include all data, certifications and other written materials provided for financial reporting and disclosure purposes as well as materials collected for

other purposes. These also include internal expense records (such as expense account reports).

E.2. Confidentiality

Confidentiality must be maintained with regard to Siemens' internal confidential or proprietary information that has not been made known to the public. Non-public information from or concerning suppliers, customers, employees, agents, consultants and other third parties must also be protected in accordance with legal and contractual requirements.

Confidential or proprietary information may include, in particular:

- details concerning a company's organization and equipment, prices, sales, profits, markets, customers and other matters of business,
- information on manufacturing or research and development, and
- internal reporting figures.

The obligation to maintain confidentiality extends beyond the termination of the relevant relationship, since the disclosure of confidential information could cause harm to Siemens' business, clients or customers no matter when it is disclosed.

E.3. Data Protection and Data Security

Access to the Intranet and Internet, worldwide electronic information exchange and dialogue, and electronic business dealings are all crucial to the effectiveness of each and every one of us, and for the success of the business as a whole. However, the advantages of electronic communication are tied to risks in terms of personal privacy protection and data security. Effective foresight with regard to these risks is an important component of information technology management, the leadership function, and also the behavior of each individual.

Personal data may only be collected, processed, or used insofar as it is necessary for pre-determined, clear, and legitimate purposes. In addition, personal data must be maintained in a secure manner and appropriate precautions should be taken when transmitting it. High standards must be ensured with regard to data quality and technical protection against unauthorized access. The use of the data must be transparent for those concerned and the rights of those concerned must be safeguarded with regard to use and correction of information and, if applicable, to objections pertaining to blocking, and deletion of information.

In some jurisdictions (such as the European Union) there are strict laws and regulations pertaining to the collection and use of personal data, including data on others, such as customers or business partners. All employees must abide by such laws, to the extent they are applicable, to protect the privacy of others.

E.4. Insider Trading Rules

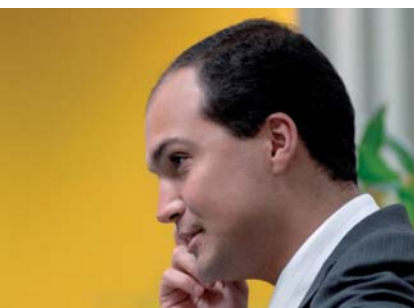
People who have inside information with regard to Siemens or another company, such as a customer, supplier or joint venture partner whose securities are admitted to trading on a stock exchange or an organized securities market, are not allowed to trade in these companies' securities or in financial instruments the prices of which depend directly or indirectly on these companies' securities (insider securities).

Inside information is any specific information which is not public knowledge relating to Siemens or such other issuer of insider securities, which, if it became publicly known, would likely have a significant effect on the price of the insider security. Such likelihood exists if a reasonable investor would view the information as likely to have an impact on the price of the security. It would also exist if a reasonable investor would take the information into account in making an investment decision.

Inside information may be acquired as a result of an employee's position and responsibilities or inadvertently, and includes non-public information about such things as:

- financial results,
- financial plans or budgets,
- dividend changes,
- significant mergers or acquisitions,
- divestitures,
- particularly important contract awards or strategic plans,
- major developments in litigation,
- technical or product developments,
- major management changes, joint ventures and major business agreements, or
- business relationships.

In order to avoid even the appearance of a violation of the insider trading rules by the members of the uppermost management level, these individuals may generally effect no transactions in Siemens' securities in the time from two weeks prior to the end of a quarter or fiscal year until two days subsequent to publication of quarterly or fiscal-year-end results.





The same applies to employees of Siemens whose activities or function gives them access to financial results or other material information that is not yet public. Inside information must not be disclosed or made available to a third party without authority to do so.

The disclosure of inside information is unauthorized whenever it is made outside the normal scope of an insider's work functions or professional duties, or in fulfilling other duties on behalf of the issuer. This applies both to information disclosed within Siemens and to information disclosed outside Siemens, including to journalists, financial analysts, customers, consultants, family members, or friends. Furthermore, employees must always make sure that insider-relevant information is secured or kept under lock and key so that unauthorized persons cannot gain access to it.

Persons who have inside information are not allowed to recommend that a third party acquire or dispose securities for which that information is relevant, or to otherwise induce a third party to do so.

Managers can be held personally liable for damages in some cases if an employee violates insider trading rules and proper supervision could have prevented the violation.

Additional or special insider trading rules and local law have to be complied with, as applicable.



F. Environment, Safety and Health



F.1. Environment and Technical Safety

Protecting the environment and conserving natural resources are high priorities for our Company. Through management leadership and employee commitment, Siemens strives to conduct its operations in a manner that is safe for the environment and continually improves environmental performance. A worldwide environmental management system has been implemented by Siemens to ensure observation of the law and sets high standards for this purpose. Beginning at the product development stage, environmentally compatible design, technical safety and health protection are fixed as targets.

All employees must contribute to these goals through their own behavior.

F.2. Work Safety

Protecting the health and safety of employees in the workplace is a high priority for Siemens. It is the responsibility of everyone to foster Siemens' efforts to conduct its operations in a safe manner. The responsibility vis-à-vis employees requires the best possible accident-prevention measures, and applies to:

- the technical planning of workplaces, equipment and processes,
- safety management, and
- personal behavior in the everyday workplace.

The work environment must conform to the requirements of health-oriented design.

All employees must constantly be attentive to work safety.



G. Complaints and Comments



All employees may lodge a complaint with their supervisor, their compliance officer, personnel manager or some other person/unit designated for this purpose or with an existing internal works council.

Circumstances which point to a violation of the Business Conduct Guidelines are to be reported to the Chief Compliance Officer, the Compliance Officer responsible for the Sector, Division, Regional or Corporate Units, the *Tell Us* Helpdesk or the Siemens Ombudsman.

There is a special process for handling complaints related to accounting practices.

All complaints can be submitted both confidentially and anonymously, and all complaints will be investigated. Corrective measures will be implemented if necessary.

All documentation will be kept confidential to the extent permitted by law. No reprisal of any kind against complainants will be tolerated.

H. Compliance Implementation and Monitoring



The management of Siemens throughout the world shall actively foster the widespread distribution of the Business Conduct Guidelines and see to it that they are implemented.

Compliance with the law and observance of the Business Conduct Guidelines shall be monitored worldwide in all Siemens companies on a regular basis. This shall be done in accordance with applicable national procedures and legal provisions.

An extensive compliance organization is in place at the level of Siemens, the Sectors, Divisions and Regions to ensure that the Siemens compliance program is enforced.

Further Information and Contacts

Integrity is at the heart of all our actions. These Guidelines define what integrity means for our business. But they can't tell the whole story or answer every question.

Siemens' **Compliance Intranet** Web Site [▶ *https://cpps.eps.siemens.com/irj/portal/ep/public/en/compliance*](https://cpps.eps.siemens.com/irj/portal/ep/public/en/compliance) provides additional information – including company-wide, frequently asked questions, training materials and other aids – that add content-related specifics to these Guidelines.

If a Siemens employee is not sure what the right thing to do is in a specific case, there are many sources of information available to help, including the employee's supervisor, Sector, Division, Regional or Corporate Compliance Officer and the **Compliance Helpdesk's Ask Us**, which is available on the Siemens Intranet [▶ *https://xenios.os.fth.sbs.de/compliance/question.do?dispatchAction=new*](https://xenios.os.fth.sbs.de/compliance/question.do?dispatchAction=new).

Moreover, if an employee has discovered a case of possible misconduct, various options are available to report it. These include not only an employee's supervisor and compliance officer but also the **Compliance Helpdesk's Tell Us**, now available 24/7 by phone and external Internet, and the **Siemens Ombudsman**. [▶ *http://w1.siemens.com/responsibility/en/compliance/detect/index.htm*](http://w1.siemens.com/responsibility/en/compliance/detect/index.htm)

Appendix

Conventions and Recommendations of International Organizations

In addition to the laws and regulations of individual countries, there are a number of Conventions and Recommendations from international organizations which are noteworthy. Although these documents are primarily addressed to Member States and not directly to companies, they nevertheless function as important guidelines for the conduct of multinational companies and their employees. Siemens supports the requirements of these conventions and recommendations.

Siemens is a member of the United Nations Global Compact and regards its ten principles, as well as the rules laid down in the framework agreement of the International Metalworkers' Federation (IMF), as binding for the entire Company. Otherwise, the Company's internal arbitration arrangements apply.

Siemens is also committed to embracing, supporting and enacting, within its further sphere of influence, the set of core values in the areas of human rights, labor standards, the environment, and anticorruption included therein as an integral part of its business strategy and operations.

In line with its Global Compact commitment Siemens therefore expects its employees, suppliers and business partners around the globe to recognize and apply particularly the standards of the:

- Universal Declaration of Human Rights (1948) and European Convention for the Protection of Human Rights and Fundamental Freedoms (1950)
- ILO (International Labor Organization) Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (1977) and ILO Declaration on Fundamental Principles and Rights at work (1998) (specially with following issues: elimination of child labor, abolition of forced labor, prohibition of discrimination, freedom of association and right to collective bargaining)
- OECD Guidelines for Multinational Enterprises (2000)
- Agenda 21 on Sustainable Development (final document of the basic UN-conference on environment and development, Rio de Janeiro (1992)
- UN Convention Against Corruption (2005)

Business Conduct Guidelines

January 2009

Glossary

Note

The following definitions explain key terminology from the Business Conduct Guidelines, with the aim of ensuring better understanding of the Business Conduct Guidelines.

However, the definitions given are not legal definitions applicable as such throughout Siemens. It should be noted that terminology may also be applied differently in different countries and cultures, which is why local conditions must also always be taken into consideration.

Definitions

"Agenda 21" on Sustainable Development
Anti-trust laws
Ask us helpdesk
Award procedure
Bribery
Business partners
Cartel
Child labor
Competition law
Compliance
Confidentiality
Conflict of interest
Corruption
Data protection
Data security
Delegation
Discrimination
Donation
Environmental protection
Export controls
Financial reporting
Government official
Human rights
Insider securities
Integrity
International Labour Organization (ILO)
International Metalworkers' Federation
Money laundering
Occupational health and safety
OECD Guidelines for Multinational Enterprises
Ombudsman
Personal data
Personal rights
Price agreement
Secrecy
Sideline work
Siemens Business Conduct Guidelines
Sponsorship
Suppliers
Technical safety
Tell us helpdesk
Trade controls
UN Convention against Corruption
UN Global Compact
Whistleblower hotline
Work safety

Definitions

"Agenda 21" on Sustainable Development

Agenda 21 is a plan of action in environment and development policy, adopted at the United Nations Conference on Environment and Development held in Rio de Janeiro in 1992. It covers all major policy areas of environmentally compatible and sustainable development. Agenda 21 is applicable for both industrial and developing countries. It contains important stipulations in areas such as the combating of poverty, population policy, trade, the environment, waste, chemicals, climate and energy policy, agricultural policy, and the financial and technological cooperation between industrial and developing countries.

Siemens backs and supports the stipulations set out in Agenda 21 and expects its employees, suppliers, and business partners to comply therewith.

[Up](#) ↑

Anti-trust laws

Anti-trust laws are rules of competition that apply for restrictive agreements and business practices, and prohibit the improper exploitation of a dominant market position.

[Up](#) ↑

Ask us helpdesk

One of the two compliance helpdesks run by Siemens. Siemens employees can contact this helpdesk 24/7 with queries on compliance issues. Consulting with other experts, the helpdesk team makes sure the queries are answered competently. This service gives employees the chance to seek clarification on compliance-related issues in advance.

[Up](#) ↑

Award procedure

Procedure to be adhered to when awarding contracts particularly public contracts, and defined by the corresponding rules and provisions in legislation governing the award of con-

tracts. This is a way to ensure that the resources are deployed as economically as possible and the interested companies are given the opportunity to be granted public contracts in a fair competition. Certain infringements of competition rules, such as → [bribery](#), infringement of the obligation of non-disclosure, and → [price agreements](#) are criminal offences and may lead to significant damage on the part of the contractor as well as customer.

[Up](#) ↑

Bribery

Bribery is the prohibited offering, promising or granting of advantages (e.g. gifts of money) to government officials or people in comparable positions, so that they carry out an official act in return and thus violate their official duties (referred to as active bribery). Influencing an official act, without official duties being violated, is also punishable in most legal systems, e.g. as offering an undue advantage. If a government official demands, accepts, or secures the promise of advantages in return for performing an act that violates their official duties, they are guilty of passive bribery or accepting an advantage. Bribery and corruption in business transactions at home or abroad (private sector employees) are likewise liable to be punished.

[Up](#) ↑

Business partners

Business partners as referred to in the Business Conduct Guidelines are third parties for whose actions Siemens may be held liable where applicable under individual legal systems. Examples include sales representatives, sales-related consultants, customs agents, and consortium partners. Siemens is therefore required to carry out careful checks on the integrity of business partners. Detailed definitions and rules are set out in Circular V 16/2008 (Cooperation with business partners – Integrity review and contract provisions).

<https://circulars.siemens.com/content/circulars/ca/DocLib/CircularsDocLib/V-CR-16-2008.pdf>

Up ↑

Cartel

Refers to agreements between competitors with the aim of restricting competition, e.g. by controlling prices or carving up markets.

Up ↑

Child labor

Child labor is the deployment of children as workers. Siemens is guided by the age limits defined by the → [International Labour Organization \(ILO\)](#). Siemens only accepts the deployment of workers who are at least 15 years of age, or if a higher age limit applies in a country, then this age limit is complied with. Siemens only accepts a minimum age of 14 years by way of exception, if a statutory minimum age of 14 years applies in the country in which the work is being performed, based on ILO Convention no. 138.

Up ↑

Competition law

General generic term for the law against unfair acts of competition (= traditional competition law in its narrowest sense, governed in Germany by the Unfair Competition Act (UWG)) and the law against restrictive practices (= anti-trust law, governed in Germany by the Act against Restraints on Competition (GWB)).

Up ↑

Compliance

Compliance at Siemens means complying with all regulations that govern our behavior – including vis-à-vis external stakeholders. These can be external laws and regulations and/or internal guidelines, procedures and controls. Internal guidelines correspond to external provisions, but also take the values of the company into consideration. It therefore involves instilling Siemens values and turning ethical conduct into a competitive advantage. These values are: Responsible – excellent – innovative.

Up ↑

Confidentiality

Confidential information is only provided for a restricted group of persons. It is prohibited to publish and forward such information to unauthorized parties. For Siemens internal confidential or proprietary information secrecy is required.

Confidential or proprietary information includes:

- Details concerning a company's organization and equipment, prices, sales, profits, markets, customers, and other matters of business,
- Information on manufacturing or research and development; and
- Internal reporting figures.

The obligation to maintain secrecy shall extend beyond the termination of the employment relationship.

Up ↑

Conflict of interest

This is a situation in which a particular conflict arises because a person is forced to choose between two or more incompatible interests. This situation will arise for a person particularly if they pursue different interests in different functions. From the perspective of professional ethics, the conflict cannot be tolerated, as this would be counterproductive in the sense of prevailing values.

A Siemens employee has a conflict of interest if a personal interest prevents them from making the best possible decision as a Siemens employee which means in the interest of Siemens. For example: If an employee *privately* engages a service-provider that also performs work for Siemens, and if this employee is also involved in engaging the services of this company for Siemens, he/she may not under any circumstances accept personally favorable terms and conditions. A situation like this sets the employee's personal interest of saving money in conflict with the interest of Siemens to award contracts on the basis of independent assessments. In such a scenario, it would be easy to overstep the mark toward → [corruption](#).

Up ↑

Siemens employees are obliged to avoid conflicts of interest.

Corruption

In legal terms, corruption is the abuse of a position of trust in government, the judiciary, politics, the private sector, or even non-economic associations or organizations, for example foundations, in order to achieve a material or immaterial advantage to which there is no lawful entitlement. There are individual statutory offences under the generic term of corruption, such as bribery and corruptibility, accepting an advantage, and granting an advantage.

Up ↑

Data protection

These days, data protection is usually understood as protecting one's right of self-determination with respect to information, i.e. the right of each individual to generally make their own decision about how their → [personal data](#) is acquired and handled. The aim is to avoid and restrict the processing of this data to the requisite extent and to prevent it from being misused. Within the scope of data protection, it is therefore necessary to ensure that:

- Personal data is only collected, processed, or used insofar as it is necessary for predetermined, clear, and legitimate purposes (principles of earmarking, data reduction and data economy);
- Personal data is handled transparently for those involved, their rights to notification and information and where necessary objection, blocking, and deletion are safeguarded (principle of direct acquisition; right to self-determination with respect to information);
- Personal data is always safeguarded against loss, destruction, and unauthorized access by taking appropriate technical and organizational measures. → [Data security](#).

The significance of data protection has greatly increased with the develop-

ment of information and communication technology, interconnected networks, and growing data acquisition and storage.

Up ↑

Data security

As an aspect of → [data protection](#), data security describes the technical and organizational measures to be taken to protect personal data from loss, destruction, and unauthorized access, and to generally meet the requirements of data protection law. It is often used synonymously in companies with the term "IT security" and relates to all corporate data that is not in the public domain, including protecting the IT infrastructure from sabotage and misuse.

Up ↑

Delegation

Delegation means the transfer of decision-making competence from one unit to one or more other units or offices that are usually lower in hierarchy to the first. However, a delegation is not dependent on existing hierarchical levels. With the delegation of tasks, the company is obliged to ensure that the employee is capable and qualified to carry out the task transferred to them.

Up ↑

Discrimination

Discrimination here refers to social discrimination, i.e. disadvantaging or disparaging individuals or groups on the basis of specific criteria. Siemens expressly does not tolerate any discrimination on the basis of ethnic background, culture, religion, age, disability, race, sexual identity, world view, and gender.

Up ↑

Donation

Siemens understands the term *donation* to mean voluntary payments (gifts of money or payments in kind) for cultural, scientific, or humanitarian objectives granted by the company to third parties without requiring anything in return, as well as contribu-

tions for memberships in social and cultural associations.

Up ↑

Environmental protection

Environmental protection describes the protection of the environment from harmful influences or impact, such as environmental pollution and global warming, as well as the responsible handling of raw materials and other resources. The aim of environmental protection is to preserve the living environment of human beings and their health. At Siemens, environmental protection includes:

- *Industrial environmental protection* covering environmental management, waste management, and the protection of air, soil, and water.
- *Product-related environmental protection* including environmentally compatible product design, product recycling and reuse, and the avoidance of dangerous substances in products and production.

Up ↑

Export controls

Export controls generally apply to the transfer of goods, services, hardware, software, or technology across certain national borders, including by electronic means. Export control laws may be triggered in connection with direct or indirect exports to or imports from sanctioned countries or parties, who, for example, may be designated based on national security grounds or because of participation in criminal activity. Export controls are governed by various laws at national and international level. See → [trade controls](#).

Up ↑

Financial reporting

A difference is made between external and internal financial reporting.

Internal financial reporting is understood to be the communication and publication of accounting data and key financial figures on a regular basis within the company.

External financial reporting is understood to be the communication and publication of the company's financial data in the public arena on the basis of legal requirements and relevant capital market guidelines. For companies listed on the stock-exchange, this generally includes the publication of the company's annual report, six-monthly report, and quarterly report, as well as other reporting duties, such as the ongoing notification of changes in significant corporate interests or upkeep of an insider list.

Up ↑

Government official

The term "government official" generally means a person who holds an official post and carries out official activities. However, there are sometimes significant differences from country to country as to which positions are considered to be official.

The Siemens Business Conduct Guidelines define the term "government official" as "officials or employees of any government or other public body, agency or 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."

Up ↑

Human rights

Every person is equally entitled to human rights, regardless of their race, color, gender, language, religion, political and other beliefs, national or social background, descent, or other criteria. Human rights are indivisible, in other words they must be realized in their entirety. The internationally adopted source is the United Nations Universal Declaration of Human Rights (1948). Countries are primarily bound to actively safeguard human rights and grant effective legal protection against their infringement. For companies, the ethical obligation of not infringing any human rights through the company's activities or being complicit in infringing human rights is now widely accepted.

Up ↑

Within its sphere of influence, Siemens undertakes to observe and support human rights in accordance with the United Nations Universal Declaration of Human Rights and the European Convention for the Protection of Human Rights and Fundamental Freedoms adopted in 1950. Siemens expects the same of its suppliers and business partners.

Up ↑

Insider securities

Insider securities are securities that are not to be handled by exploiting inside information.

Up ↑

Integrity

Integrity involves the general harmony between moral values and their application in real life. Integrity evokes characteristics such as sincerity, respectability, incorruptibility, trustworthiness, sense of justice, and civil courage. On the one hand, integrity is something for which a person or organization is responsible. But on the other, it also depends on the good conduct of others and social living conditions.

At Siemens, integrity is central to how we think and act. To this end, all employees are to let their common sense and good power of judgment prevail.

Up ↑

International Labour Organization (ILO)

The International Labour Organization (ILO) is a special organization set up by the United Nations. The ILO's work focuses on formulating and enforcing international labor and social standards, supporting the development of globalization in a fair and socially just way, and creating work in conditions of human dignity as a core requirement for combating poverty.

International Metalworkers' Federation

The International Metalworkers' Federation (IMF) is a federation of national unions in the metal industry at

world level. It represents the collective interests of metalworkers in more than 200 unions in 100 countries. The union representing Germany is IG Metall.

Up ↑

Money laundering

Money laundering is operated with the aim of channeling "dirty" money, originating from criminal activities such as terrorism, drugs trafficking or bribery, into legal financial and economic circulation, thus turning it into "clean" money, i.e. it has been "laundered". The actual origin of the money or identity of the owner is intended to be concealed through various measures, such as cash payment of large sums or complex transactions via dummy corporations.

Up ↑

Occupational health and safety

This relates to the protection of employees from occupational risks and harmful workloads (insufficient and excessive demands placed on employees). Risks impact on employees in the form of personal damage (injuries, occupational diseases, and other damage to health) and harmful workloads in the form of harmful stress or strain (too much or too little).

Up ↑

OECD Guidelines for Multinational Enterprises

The Organisation for Economic Co-operation and Development (OECD) brings together the governments of thirty countries around the world committed to democracy and the market economy. The objectives of the OECD include supporting sustainable economic growth and assisting with other countries' economic development. The OECD Guidelines for Multinational Enterprises provide principles and standards in a variety of areas including employment and industrial relations, protection of environment, consumer interests, fair competition, and combating corruption. They define responsible business conduct and form a significant benchmark around the world for good corporate management and control. Complaints

concerning infringements can be lodged at National Contact Points.

Siemens backs and supports the stipulations set out in the OECD Guidelines and expects its employees, suppliers, and business partners to comply therewith.

Up ↑

Ombudsman

An ombudsman is the person who takes on the role of an impartial referee within an organization or company. This role may also be assumed by an external person or organization to ensure the greatest possible impartiality. The ombudsman tries to find a solution in disputes, taking into consideration the interests of all parties involved.

At Siemens, all employees, including external parties, have the option of reporting possible infringements of the Business Conduct Guidelines to the → [Tell Us helpdesk](#) or Siemens ombudsman. This is possible confidentially and anonymously.

Up ↑

Personal data

Personal data is information on a person's private or material conditions, i.e. information and data that can be assigned to a person. The term is to be interpreted broadly and comprehensively – it is not necessary to provide a precise description (e.g. name of person), the possibility of assigning the data and determining a person suffices. Whether a person is to be interpreted as a natural and/or legal person can vary from country to country. The object of → [data protection](#) is to safeguard such persons from having their data infringed.

Up ↑

Personal rights

Personal rights involve the statutory rights to which a person is specifically entitled, including the right to personal safety, personal freedom, or private property. This includes rights to intellectual property (e.g. copyright or patent rights). Personal rights are based on → [human rights](#). Unlike with

human rights to which each person is equally entitled, with personal rights there are differences in scope and form based on the respective legal system applicable for the individual.

Up ↑

Price agreement

These are agreements between manufacturers or customers of goods or services to adhere to a specific price level. Price agreements are prohibited as “hard-core cartels” and subject to fines.

Up ↑

Secrecy

→ [Confidentiality](#)

Up ↑

Sideline work

Sideline work is work performed by an employee in addition to his or her main occupation. It may not impinge on the main occupation or lead to a → [conflict of interests](#) for the employee. Siemens must be notified of any sideline work that is performed in return for payment; such work requires its prior written consent.

Up ↑

Siemens Business Conduct Guidelines

These guidelines are a set of rules setting out the ethical and legal framework within which Siemens is to act. They contain the basic rules and principles for our conduct within our company and in relation to our external partners and the general public. They define how we perceive our ethical and legal responsibility as a company and also contain specific requirements for instance for complying with competition law and anti-corruption law, handling donations, avoiding conflicts of interest when carrying out our work, complying with the prohibition of insider trading, and protecting company assets. The Business Conduct Guidelines form the core of the compliance program as a central code of conduct, and are binding on all employees Siemens-wide.

Up ↑

Sponsorship

Sponsorship is a contribution in the form of money or in kind by a sponsor, e.g. a company, for an event organized by third parties. Unlike with → [donations](#), with sponsoring something is granted in return for the contribution. The sponsor may usually advertise their brands within the scope of the event and/or be given the opportunity in some other way to support its marketing goals.

The following is applicable for Siemens: All sponsoring contributions must be transparent, pursuant to written agreement, for legitimate business purposes, and commensurate with the consideration offered by the event host.

Up ↑

Suppliers

A supplier provides Siemens with goods (direct materials), specific performance and services (indirect materials), and capital goods (invest).

In bookkeeping terms, the supplier is a creditor to whom payments are owed.

Up ↑

Technical safety

At Siemens, technical safety involves:

- Radiation safety (including protection against ionizing and non-ionizing radiation)
- Transport of dangerous goods
- Technical risk management including fire protection and industrial disaster prevention

Up ↑

Tell us helpdesk

One of the two compliance helpdesks run by Siemens. Siemens employees and other persons may report possible infringements of the Business Conduct Guidelines to this helpdesk 24/7 either online or by telephone. The call center and website are managed by an external service provider specializing in the secure, confidential handling of sensitive issues. Incoming messages are not traced back and the sender is not auto-

matically registered. The "Tell us" helpdesk acts as a useful extension to the → [ombudsman](#), as an additional channel at international level.

Up ↑

Trade controls

Trade controls refer to all statutory restrictions to trade imposed by a country for importing and exporting → [export controls](#) goods. These include, for example, customs provisions, packaging provisions, certification provisions, etc. Trade controls may have different objectives and underlying reasons, for example embargos, protection of endangered species, environmental protection, protection of own economy, etc.

Up ↑

UN Convention against Corruption

The *United Nations Convention against Corruption* (also referred to as *UNCAC*) adopted on October 31, 2003 requires its signatories to punish various forms of corruption involving government officials and ensure cooperation at international level. The Convention came into force on December 14, 2005. Siemens backs and supports the stipulations set out in the United Nations Convention against Corruption and expects its employees, suppliers, and business partners to comply therewith.

Up ↑

UN Global Compact

Global Compact is a United Nations strategic policy initiative for businesses that are committed to aligning their operations and strategies with ten universally accepted principles in the areas of human rights, labor, environment, and anti-corruption. The aim of the UN Global Compact is to foster the social commitment of companies so that business can contribute to countering the challenges to globalization. Siemens joined the Global Compact in 2003, and is committed to the initiative in a number of different areas. The ten principles of the Global Compact are basic binding rules governing our corporate actions.

Up ↑

Whistleblower hotline

Whistleblowing is understood to mean bringing attention to grievances, illegal acts, or general risks. A synonym for "whistle blowing" could be "raising the alarm".

At Siemens, the → [Tell us compliance helpdesk](#) and → [ombudsman](#) fulfill the role of a whistleblower hotline. In this way, our employees – and external parties – are given the option of reporting possible grievances confidentially and anonymously. In addition, further support on this topic is provided on the intranet.

Up ↑

Work safety

Work safety is a necessary prerequisite of performing any work. The Technical, Organizational and Personal requirements (T.O.P. / measures hierarchy) of work are taken into consideration to ensure safe working. Work safety is achieved by taking → [occupational health and safety](#) measures.

Up ↑

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