

Siemens Compliance System

Due Diligence Procedures – hva innebærer det i praksis?

ICJ-Norge
Oslo, 18. January, 2012



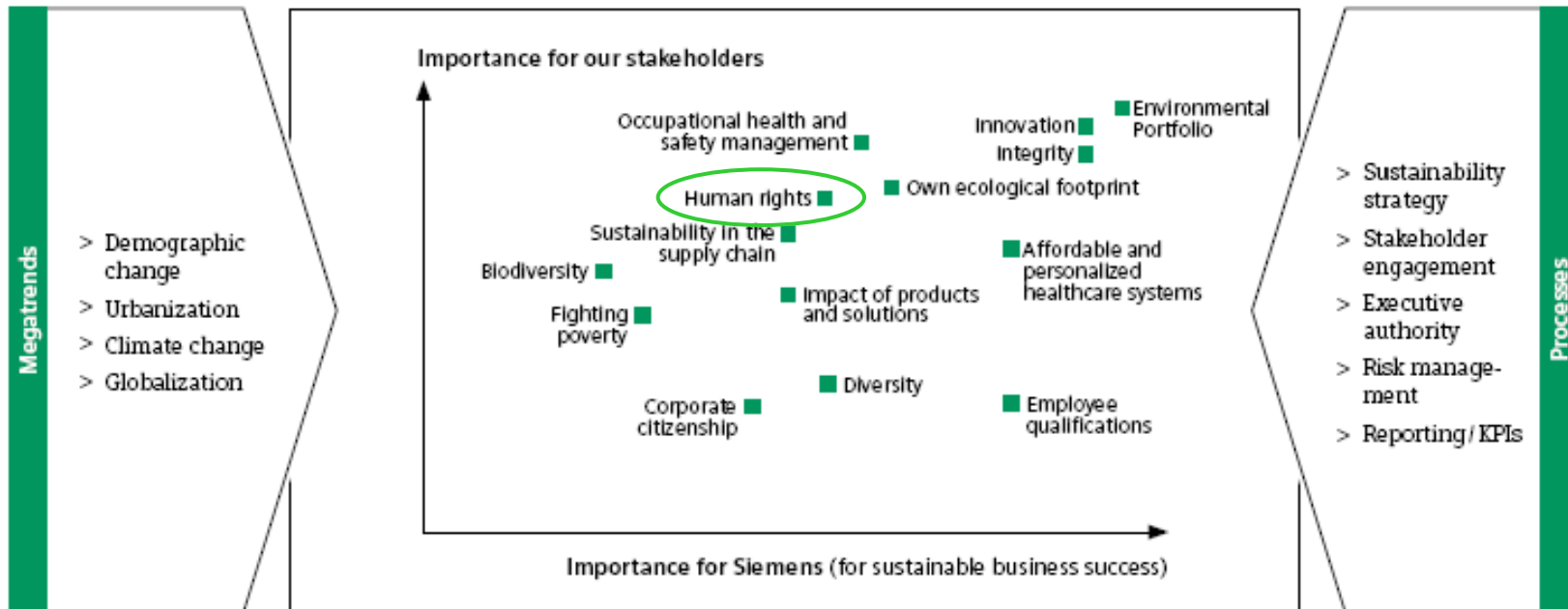
Introduction

Energy	Healthcare	Industry	Infrastructure & Cities
<p>Divisions</p> <ul style="list-style-type: none"> ▪ Fossil Power Generation ▪ Wind Power ▪ Solar & Hydro ▪ Oil & Gas ▪ Energy Service ▪ Power Transmission 	<p>Divisions</p> <ul style="list-style-type: none"> ▪ Imaging & Therapy Systems ▪ Clinical Products ▪ Diagnostics ▪ Customer Solutions 	<p>Divisions</p> <ul style="list-style-type: none"> ▪ Industry Automation ▪ Drive Technologies ▪ Customer Services 	<p>Divisions</p> <ul style="list-style-type: none"> ▪ Rail Systems ▪ Mobility and Logistics ▪ Low and Medium Voltage ▪ Smart Grid ▪ Building Technologies <hr/> <ul style="list-style-type: none"> ▪ OSRAM ¹⁾ 

1) In fiscal 2011, Siemens announced its intention to publicly list OSRAM and, as an anchor shareholder, to hold a minority stake in OSRAM AG over the long term

Stakeholder engagement and risk analysis key components of working with sustainability topics

Our materiality portfolio 2011



Source: http://www.siemens.com/sustainability/pool/en/current-reporting/sustainability-report_2010.pdf

Business Conduct Guidelines

Preface

A. Basic Behavioral Requirements

- A.1. Behavior which Complies with Law
- A.2. Mutual Respect, Honesty and Integrity
- A.3. Responsibility for the Reputation of Siemens
- A.4. Management, Responsibility and Supervision

B. Treatment of Business Partners and Third Parties

- B.1. Fair Competition** and Anti-Trust Laws
- B.2. **Anti-Corruption:** Offering and Granting Advantages
- B.3. Anti-Corruption: Demanding and Accepting Advantages
- B.4. Political Contributions, Charitable Donations and Sponsoring
- B.5. Government Procurement
- B.6. Anti-money Laundering
- B.7. Trade Controls
- B.8. Working with Suppliers**

C. Avoiding Conflicts of Interest

- C.1. Competing with Siemens
- C.2. Sideline Work
- C.3. Interests in Third Companies

D. Handling of Company Property

E. Handling of Information

- E.1. Records and Financial Integrity
- E.2. Confidentiality
- E.3. Data Protection and Data Security
- E.4. Insider Trading Rules

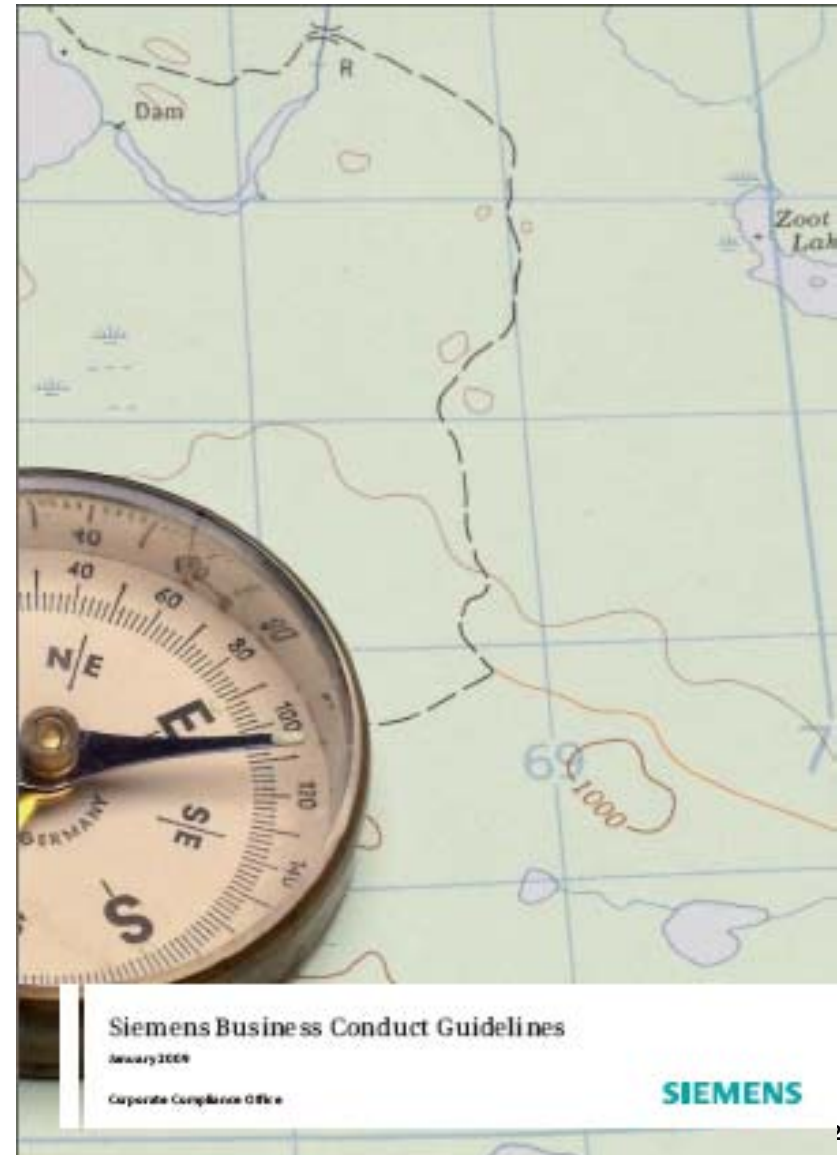
F. Environment, Safety and Health

- F.1. Environment and Technical Safety
- F.2. Work Safety

G. Complaints and Comments

H. Compliance Implementation and Monitoring

Appendix



A number of factors play an important role in integrating adequate procedures into the organization

Risk Management

- Compliance Risk Assessments
- Other systems (ICS) to feedback information into the ERM system

Policies

- Clear and unambiguous policy, supported by standardized processes

Responsibility

- Clearly defined, communicated and followed up
- Anchored in business operations

Tools

- Key for enabling the organization to efficiently perform due diligences, while ensuring company-wide effectiveness and transparency

Training

- Training of sensitive functions key to integrate into business operations

Internal Control

- Regular controls and management reviews based on updated risk inventory
- Continuous adaptation is key to sustained control

Reporting

- Key Performance Indicators
- Regular reporting and standardized escalation procedures

Business Partner Compliance Due Diligence Process

SIEMENS

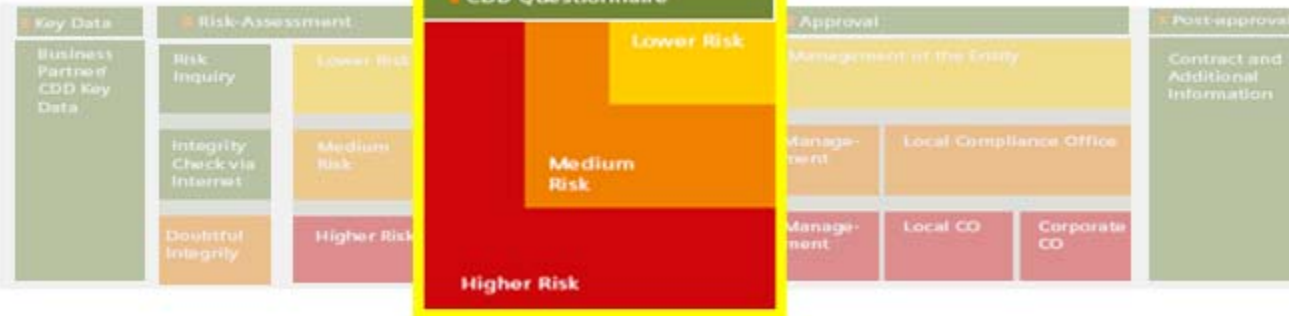
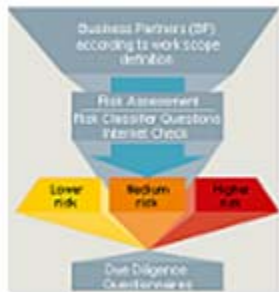
The departments of all Siemens units that initiate a business partner relationship are responsible for performing due diligences.

The web-based BPC Tool supports an efficient and transparent workflow process for decentralized operations and monitoring of due diligences.

Approx. 500 Siemens entities completed more than 17.000 Compliance due diligences for business partners located in 170 countries.



Business Partner Compliance Due Diligence Process



CDD Questionnaire

BP ID	Business Partner Name	Legal Entity	CDD ID	Workflow Status	Risk Level
1301	THIRD PARTY AGENT	Entity X	1122	In Due Diligence	High

0 CDD Key Data | 1 Authorized Users | 2 Risk Assessment | 3 Due Diligence | 4 Approval | Show Due Diligence Report

B.1 Business Action: Due Diligence Business Activities 7/7 Check

B.2 Business Action: Due Diligence Business Activities Conflicts 3/3

Business Action: Due Diligence Business Activities

Ref	Help	Question
1		<p>Please give a detailed description of the actions, tasks and services the Business Partner will perform. In addition, please explain why the Business Partner has been selected and why the services cannot be provided by Siemens.</p> <p>promotion and sale of products; presentation to customers consultancy of customers concerning installation and integration in existing systems A detailed description of tasks is available in the uploaded version of the work scope definition (see question B1.2)</p>
2		<p>Please upload the relevant documents that describe the actions, tasks and services the Business Partner will perform (e.g. offer, project plans, work proposals).</p> <p>File attachments</p> <p>Workscope Description.doc <input type="button" value="Delete"/></p> <p>Comment by User, System: Workscope Definition <input type="button" value="Add file..."/></p>
3		<p>Describe the resources (e.g. office accommodations, infrastructure and personnel) of the Business Partner. Indicate whether the resources are sufficient to permit the Business Partner to perform the proposed services. If the resources are insufficient, provide a description of the resources that are lacking and the Business Partners proposal, if any, to correct deficiencies.</p> <p><input checked="" type="radio"/> Yes <input type="radio"/> No</p> <p>office in Dubai Internet City - 818 s. ft.; office accommodation in Dubai - 2 apartments; office accommodation in Oman - 1 villa for staff; storage area in Abu Mankur Doha; 2 cars in Dubai, 5 cars in Doha under company staff use.</p>

- Actions, tasks and services performed by the business partner
- Terms and conditions of the proposed business relationship
- Red flag questions (conflict of interest and compliance concerns)
- Check against sanctioned party list and publicly available information
- Connections with government officials
- Evidences for qualification of the business partner (e.g. licences)
- Information from external reliable sources (e.g. Dun & Bradstreet)
- Current and previous litigation, criminal investigations and sanctions
- check of BP's key persons and key employees
- Further external information and references
- Check against an external anti-corruption database (performed by Compliance)

Thank you for your attention!

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Want to learn more:

<http://www.siemens.com/sustainability/en/core-topics/collective-action/our-learnings.htm>

The Siemens Compliance System: Prevent – Detect – Respond

