20240314101136

Årsredovisning

för

Siemens Electronic Design Automation AB

556240-2320

Räkenskapsåret

2022–10–01 – 2023–09–30

Fastställelseintyg

Undertecknad styrelseledamot i Siemens Electronic Design Automation AB intygar att resultaträkningen och balansräkningen i årsredovisningen har fastställts på årsstämma den 11 mars 2024. Årsstämman beslutade att godkänna styrelsens förslag till resultatdisposition.

Jag intygar också att innehållet i årsredovisningen och revisionsberättelsen stämmer överens med originalen.

Solna den 12 mars 2024

Thomas Kuczmera

20240314101137

Styrelsen och verkställande direktören för Siemens Electronic Design Automation AB avger följande årsredovisning för räkenskapsåret 2022–10–01 – 2023–09–30.

Årsredovisningen är upprättad i svenska kronor, SEK. Om inte annat särskilt anges, redovisas alla belopp i tusentals kronor. Uppgifter inom parentes avser föregående år.

Förvaltningsberättelse

Verksamheten

Allmänt om verksamheten

Siemens Electronic Design Automation AB:s huvudsakliga verksamhet är att med hjälp av datorprogram designa, simulera, verifiera och tillverka elektroniska system såsom integrerade kretsar (IC), IC-förpackningar och kretskort (PCB). EDA-mjukvara (även känd som elektronisk datorstödd design eller ECAD-mjukvara) har blivit avgörande för utveckling, testning och produktion av elektroniska system på grund av uppkomsten av mycket storskaliga integrationssystem (VLSI) och den ständigt ökande komplexiteten av IC och PCB (som kan inkludera miljontals transistorer, dioder och andra enskilda komponenter). EDA kompletterar de senaste mjukvarulösningarna för Digital Enterprise som inkluderar en integrerad portfölj av mjukvara, hårdvara och tjänster för elektronisk design, systemsimulering, tillverkning, drift och livscykelanalys.

Bolaget har en filial i Danmark: Siemens Electronic Design Automation, filial af Siemens Electronic Design Automation AB Sverige.

För mer information besök företagets hemsida www.eda.sw.siemens.com.

Företaget har sitt säte i Solna.

Väsentliga händelser under räkenskapsåret

Under 2022/2023 redovisades höga intäkter baserat på försäljning av konsulttjänster till vissa kunder. Räkenskapsåret har präglats av de osäkra globala ekonomiska utsikterna med hög inflation och oförutsägbart investeringsklimat, Rysslands pågående krig i Ukraina, energikris och komponentförsörjningsproblem. Trots det har Siemens Electronic Design Automation AB haft en bra affärsutveckling och har kunnat leverera i tid.

Egna aktier

Antal aktier 15 000 med ett kvotvärde om 100 kronor.

20240314010138

Flerårsöversikt (Tkr)	**2022/23**	**2021/22**	**2020/21**	**2019/20**	**2018/19**
Nettoomsättning	106 554	97 318	84 235	65 937	64 905
Resultat efter finansiella poster	18 116	7 603	6 808	6 738	9 443
Balansomslutning	46 084	35 068	39 949	31 199	38 874
Soliditet (%)	35,3	24,6	17,8	21,1	49,4
Avkastning på totala tillgångar (%)	37,3	23,7	17,8	21,4	24,9
Avkastning på eget kap. (%)	111,5	88,0	95,9	97,9	49,2

För definitioner av nyckeltal, se Not 1 Redovisningsprinciper.

Förändringar i eget kapital (Tkr)

	Aktie-kapital	**Reserv-fond**	**Balanserat resultat**	**Årets resultat**	**Totalt**
Belopp vid årets ingång	1 500	300	0	6 844	**8 644**
Disposition enligt beslut av årsstämman:					
Utdelning			-6 844		**-6 844**
Balanseras i ny räkning			6 844	-6 844	**0**
Omräkningsdifferens				186	**186**
Årets resultat				14 262	**14 262**
Belopp vid årets utgång	**1 500**	**300**	**0**	**14 448**	**16 248**

Resultatdisposition
Styrelsen föreslår att till förfogande stående vinstmedel (kronor):

balanserad vinst	186 136
årets vinst	14 261 698
	14 447 834
disponeras så att	
till aktieägare utdelas	14 261 698
i ny räkning överföres	186 136
	14 447 834

Företagets resultat och ställning i övrigt framgår av efterföljande resultat- och balansräkning med noter.

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Resultaträkning

	Not	2022-10-01 -2023-09-30	2021-10-01 -2022-09-30
Rörelseintäkter, lagerförändringar m. m.			
Nettoomsättning		106 554 342	97 317 973
Summa rörelseintäkter, lagerförändringar m.m.		**106 554 342**	**97 317 973**
Rörelsekostnader			
Övriga externa kostnader		-35 293 985	-24 030 951
Personalkostnader	2	-54 106 405	-62 173 465
Av- och nedskrivningar av materiella och immateriella anläggningstillgångar		-61 770	-110 069
Övriga rörelsekostnader		-475 499	0
Summa rörelsekostnader		**-89 937 658**	**-86 314 485**
Rörelseresultat		**16 616 684**	**11 003 488**
Finansiella poster			
Övriga ränteintäkter och liknande resultatposter	3	1 715 739	78 269
Räntekostnader och liknande resultatposter	4	-217 142	-3 478 256
Summa finansiella poster		**1 498 597**	**-3 399 988**
Resultat efter finansiella poster		**18 115 282**	**7 603 500**
Resultat före skatt		**18 115 282**	**7 603 500**
Skatter			
Skatt på årets resultat		-3 853 583	-859 540
Årets resultat		**14 261 698**	**6 743 960**
Ej bokfört resultat		0	0

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Balansräkning

	Not	2023-09-30	2022-09-30
TILLGÅNGAR			
Anläggningstillgångar			
Materiella anläggningstillgångar			
Inventarier, verktyg och installationer	5	249 314	295 099
Summa materiella anläggningstillgångar		**249 314**	**295 099**
Summa anläggningstillgångar		**249 314**	**295 099**
Omsättningstillgångar			
Kortfristiga fordringar			
Kundfordringar		1 692 442	925 824
Fordringar hos koncernföretag		43 076 570	31 772 666
Skattefordringar		120 372	1 529 500
Övriga fordringar		201 280	202 246
Förutbetalda kostnader och upplupna intäkter		745 365	343 181
Summa kortfristiga fordringar		**45 836 028**	**34 773 417**
Summa omsättningstillgångar		**45 836 028**	**34 773 417**
SUMMA TILLGÅNGAR		**46 085 342**	**35 068 516**

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Balansräkning

	Not	2023-09-30	2022-09-30
EGET KAPITAL OCH SKULDER			
Eget kapital			
Bundet eget kapital			
Aktiekapital		1 500 000	1 500 000
Reservfond		300 000	300 000
Summa bundet eget kapital		**1 800 000**	**1 800 000**
Fritt eget kapital			
Balanserat resultat		186 136	100 378
Årets resultat		14 261 698	6 743 960
Summa fritt eget kapital		**14 447 835**	**6 844 339**
Summa eget kapital		**16 247 835**	**8 644 339**
Kortfristiga skulder			
Leverantörsskulder		30 445	19 988
Skulder till koncernföretag		9 808 397	1 039 218
Skatteskulder		1 327 912	0
Övriga skulder		5 579 281	10 468 818
Upplupna kostnader och förutbetalda intäkter		13 091 472	14 896 154
Summa kortfristiga skulder		**29 837 507**	**26 424 178**
SUMMA EGET KAPITAL OCH SKULDER		**46 085 342**	**35 068 516**
Ej bokfört resultat		0	0

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Noter

Not 1 Redovisningsprinciper

Allmänna upplysningar

Årsredovisningen är upprättad i enlighet med årsredovisningslagen och Bokföringsnämndens allmänna råd (BFNAR 2016:10) om årsredovisning i mindre företag.

Intäktsredovisning

Fakturerad försäljning omfattar försäljning av programvara för elektronisk design samt support, utbildning och konsultation.

Kommissionärsintäkter

Siemens Electronic Design Automation AB har avtal med ett annat Siemens-koncernföretag, Mentor Graphics (Ireland) Limited avseende försäljning av viss programvara, underhåll och hårdvara. Kommissionärsstrukturen medför att Siemens Electronic Design Automation AB fakturerar kunderna men att viss programvaru- underhålls- och hårdvara intäkter redovisas hos Mentor Graphics (Ireland) Limited. Siemens Electronic Design Automation AB redovisar därmed som intäkt en kommission avseende den del av försäljningen som avser viss programvara, underhåll och hårdvara.

Programvara

Intäkt redovisas i huvudsak när samtliga av följande kriterier är uppfyllda; order och kontrakt är undertecknade av båda parter, programvaran är levererad samt betalning bedöms säker.

Utbildning och konsultation

Intäkter för utbildning och konsultation redovisas när tjänsten är utförd.

Underhåll och support

Intäkter från underhåll och support periodiseras över kontraktens löptid.

Redovisningsprinciper för enskilda balansposter

Materiella anläggningstillgångar

Avskrivningar är baserade på tillgångens historiska kostnad, minskad med skillnaden av det estimerade ackumulerade restvärdet. Tillgången skrivs av linjärt enligt den uppskattade ekonomiska livslängden för anläggningstillgången.

Tillgångar skriva av under följande perioder:

Inventarier, verktyg och installationer	5 år

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Leasing

Operativ leasing, hyreskostnader, kostnadsförs linjärt till resultaträkning enligt längden på kontraktet.

Finansiella tillgångar och skulder

En finansiell tillgång eller finansiell skuld upptas i balansräkningen när bolaget blir en part enligt det finansiella instrumentets villkor i kontraktet. En finansiell tillgång avlägsnas från balansräkningen när kassaflödet från tillgången enligt kontraktet går ut, är betald eller när koncernen förlorar kontrollen över den. En finansiell skuld, eller del av den, avlägsnas från balansräkningen när den överenskomna skyldigheten är uppfylld eller på annat sätt förfaller.

Fordringar och skulder i utländsk valuta

Fordringar och skulder i utländsk valuta är omräknade till balansdagens valutakurs.

Kassa och bank tillgodohavanden i utländsk valuta

Kassa och bank tillgodohavanden i utländsk valuta är omräknade till balansdagens valutakurs.

Inköp och nettoomsättning inom koncern

Av bolagets totala inköp och försäljning mätt i kronor, 84,29% (70,31%) av inköpen och 77,89% (90,78%) av omsättningen avser övriga företag inom den koncern som företaget tillhör.

Skatter

Skatter är beräknade enligt de skatteprocenter och skattelagar som tillämpas, eller allmänt tillämpas, vid balansdagens datum.

Ersättning till anställda

Kostnader och ersättningar till anställda i form av löner, bonus, betald sermester, betald sjukersättning och dylikt, samt pernsioner, upptas när de är införtjänande.

Nyckeltalsdefinitioner

Soliditet
Eget kapital och obeskattade reserver (med avdrag för uppskjuten skatt) i procent av balansomslutningen.

Avkastning på totala tillgångar
Resultat före avdrag av finansiella poster i procent av balansomslutningen.

Avkastning på eget kapital
Resultat efter finansiella poster i procent av eget kapital och obeskattade reserver (med avdrag för uppskjuten skatt).

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Not 2 Anställda och personalkostnader fördelade per land (mindre företag)

	2022-10-01 -2023-09-30		2021-10-01 -2022-09-30	
Medelantalet anställda fördelade per land				
Sverige	26	(4)	26	(4)
Danmark	3	(0)	3	(0)
	29	**(4)**	**29**	**(4)**

Inom parentes anges medelantalet kvinnor.

Några löner och ersättningar har ej utbetalats.

Könsfördelning bland ledande befattningshavare		
Andel kvinnor i styrelsen	0 %	0 %
Andel män i styrelsen	100 %	100 %

Not 3 Övriga ränteintäkter och liknande resultatposter

	2022-10-01 -2023-09-30	2021-10-01 -2022-09-30
Ränteintäkter och liknande resultatposter som avser kortfristiga fordringar på och andelar i koncernföretag som är omsättningstillgång	1 103 831	34 567
Valutakurs vinster	585 350	0
Övriga intäkter	26 557	43 404
	1 715 738	**77 971**

Not 4 Räntekostnader och liknande resultatposter

	2022-10-01 -2023-09-30	2021-10-01 -2022-09-30
Räntekostnader och liknande resultatposter som avser skulder till koncernföretag	-165 033	-737 401
Valutakurs förluster	0	-2 736 790
Förlust vid avveckling av tillgångar	-50 625	0
Räntekostnad övriga	-1 483	-4 067
	-217 141	**-3 478 258**

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Not 5 Inventarier, verktyg och installationer

	2023-09-30	2022-09-30
Ingående anskaffningsvärden	4 550 158	4 356 000
Inköp	96 764	194 158
Försäljningar/utrangeringar	-3 461 207	0
Utgående ackumulerade anskaffningsvärden	**1 185 715**	**4 550 158**
Ingående avskrivningar	-4 255 000	-4 145 000
Försäljningar/utrangeringar	3 380 369	0
Årets avskrivningar	-61 770	-110 000
Utgående ackumulerade avskrivningar	**-936 401**	**-4 255 000**
Utgående redovisat värde	**249 314**	**295 158**

Not 6 Uppgifter om moderföretag

Bolaget är ett helägt dotterbolag till Siemens Industry Software AB, Org. nr. 556391-4018, med säte i Stockholm. Gruppens yttersta moderbolag är Siemens AG, Org. nr. HRB 6684 (München registreringsnummer) och HRB 12300 (Berlin-Charlottenburg registreringsnummer), med säte i München (Tyskland) och upprättar koncernredovisning för den största koncernen.

Not 7 Ställda säkerheter

	2023-09-30	2022-09-30
Bankgarantier	0	400 000
	0	**400 000**

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Solna den

Mikael Leksell
Ordförande

Electronically signed by: Mikael Leksell Date: Mar 8, 2024 11:17 GMT+1

Thomas Kuczmera
Styrelseledamot

Electronically signed by: Thomas Kuczmera Date: Feb 27, 2024 15:43 GMT+1

Mats Friberg
Verkställande direktör

Electronically signed by: Mats Friberg Date: Feb 27, 2024 15:35 GMT+1

Vår revisionsberättelse har lämnats

Ernst & Young AB

Håkan Apenblad
Auktoriserad revisor

Electronically signed by: Håkan Aspenblad Date: Mar 8, 2024 16:45 GMT+1

20240314130147

Building a better working world

Revisionsberättelse

Till bolagsstämman i Siemens Electronic Design Automation AB, org.nr 556240-2320

Rapport om årsredovisningen

Uttalanden

Vi har utfört en revision av årsredovisningen för Siemens Electronic Design Automation AB för räkenskapsåret 2022-10-01 – 2023-09-30.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av Siemens Electronic Design Automation ABs finansiella ställning per den 30 september 2023 och av dess finansiella resultat för året enligt årsredovisningslagen. Förvaltningsberättelsen är förenlig med årsredovisningens övriga delar.

Vi tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen.

Grund för uttalanden

Vi har utfört revisionen enligt International Standards on Auditing (ISA) och god revisionssed i Sverige. Vårt ansvar enligt dessa standarder beskrivs närmare i avsnittet *Revisorns ansvar*. Vi är oberoende i förhållande till Siemens Electronic Design Automation AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen och verkställande direktören som har ansvaret för att årsredovisningen upprättas och att den ger en rättvisande bild enligt årsredovisningslagen. Styrelsen och verkställande direktören ansvarar även för den interna kontroll som de bedömer är nödvändig för att upprätta en årsredovisning som inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag.

Vid upprättandet av årsredovisningen ansvarar styrelsen och verkställande direktören för bedömningen av bolagets förmåga att fortsätta verksamheten. De upplyser, när så är tillämpligt, om förhållanden som kan påverka förmågan att fortsätta verksamheten och att använda antagandet om fortsatt drift. Antagandet om fortsatt drift tillämpas dock inte om beslut har fattats om att avveckla verksamheten.

Revisorns ansvar

Våra mål är att uppnå en rimlig grad av säkerhet om att årsredovisningen som helhet inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag, och att lämna en revisionsberättelse som innehåller våra uttalanden. Rimlig säkerhet är en hög grad av säkerhet, men är ingen garanti för att en revision som utförs enligt ISA och god revisionssed i Sverige alltid kommer att upptäcka en väsentlig felaktighet om en sådan finns. Felaktigheter kan uppstå på grund av oegentligheter eller misstag och anses vara väsentliga om de enskilt eller tillsammans rimligen kan förväntas påverka de ekonomiska beslut som användare fattar med grund i årsredovisningen.

Som del av en revision enligt ISA använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Dessutom:

- identifierar och bedömer vi riskerna för väsentliga felaktigheter i årsredovisningen, vare sig dessa beror på oegentligheter eller misstag, utformar och utför granskningsåtgärder bland annat utifrån dessa risker och inhämtar revisionsbevis som är tillräckliga och ändamålsenliga för att utgöra en grund för våra uttalanden. Risken för att inte upptäcka en väsentlig felaktighet till följd av oegentligheter är högre än för en väsentlig felaktighet som beror på misstag, eftersom oegentligheter kan innefatta agerande i maskopi, förfalskning, avsiktliga utelämnanden, felaktig information eller åsidosättande av intern kontroll.
- skaffar vi oss en förståelse av den del av bolagets interna kontroll som har betydelse för vår revision för att utforma granskningsåtgärder som är lämpliga med hänsyn till omständigheterna, men inte för att uttala oss om effektiviteten i den interna kontrollen.
- utvärderar vi lämpligheten i de redovisningsprinciper som används och rimligheten i styrelsens och verkställande direktörens uppskattningar i redovisningen och tillhörande upplysningar.
- drar vi en slutsats om lämpligheten i att styrelsen och verkställande direktören använder antagandet om fortsatt drift vid upprättandet av årsredovisningen. Vi drar också en slutsats, med grund i de inhämtade revisionsbevisen, om det finns någon väsentlig osäkerhetsfaktor som avser sådana händelser eller förhållanden som kan leda till betydande tvivel om bolagets förmåga att fortsätta verksamheten. Om vi drar slutsatsen att det finns en väsentlig osäkerhetsfaktor, måste vi i revisionsberättelsen fästa uppmärksamheten på upplysningarna i årsredovisningen om den väsentliga osäkerhetsfaktorn eller, om sådana upplysningar är otillräckliga, modifiera uttalandet om årsredovisningen. Våra slutsatser baseras på de revisionsbevis som inhämtas fram till datumet för revisionsberättelsen. Dock kan framtida händelser eller förhållanden göra att ett bolag inte längre kan fortsätta verksamheten.
- utvärderar vi den övergripande presentationen, strukturen och innehållet i årsredovisningen, däribland upplysningarna, och om årsredovisningen återger de underliggande transaktionerna och händelserna på ett sätt som ger en rättvisande bild.

Vi måste informera styrelsen om bland annat revisionens planerade omfattning och inriktning samt tidpunkten för den. Vi måste också informera om betydelsefulla iakttagelser under revisionen, däribland de eventuella betydande brister i den interna kontrollen som vi identifierat.

Penneo dokumentnyckel: XYX6O-G4BH5-1CLLZ-CM8P3-DCSXJ-F228J

20240130140152

Building a better working world

Rapport om andra krav enligt lagar och andra författningar

Uttalanden

Utöver vår revision av årsredovisningen har vi även utfört en revision av styrelsens och verkställande direktörens förvaltning av Siemens Electronic Design Automation AB för räkenskapsåret 2022-10-01 -- 2023-09-30 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

Vi tillstyrker att bolagsstämman disponerar vinsten enligt förslaget i förvaltningsberättelsen och beviljar styrelsens ledamöter och verkställande direktören ansvarsfrihet för räkenskapsåret.

Grund för uttalanden

Vi har utfört revisionen enligt god revisionssed i Sverige. Vårt ansvar enligt denna beskrivs närmare i avsnittet *Revisorns ansvar*. Vi är oberoende i förhållande till Siemens Electronic Design Automation AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen som har ansvaret för förslaget till dispositioner beträffande bolagets vinst eller förlust. Vid förslag till utdelning innefattar detta bland annat en bedömning av om utdelningen är försvarlig med hänsyn till de krav som bolagets verksamhetsart, omfattning och risker ställer på storleken av bolagets egna kapital, konsolideringsbehov, likviditet och ställning i övrigt.

Styrelsen ansvarar för bolagets organisation och förvaltningen av bolagets angelägenheter. Detta innefattar bland annat att fortlöpande bedöma bolagets ekonomiska situation och att tillse att bolagets organisation är utformad så att bokföringen, medelsförvaltningen och bolagets ekonomiska angelägenheter i övrigt kontrolleras på ett betryggande sätt. Verkställande direktören ska sköta den löpande förvaltningen enligt styrelsens riktlinjer och anvisningar och bland annat vidta de åtgärder som är nödvändiga för att bolagets bokföring ska fullgöras i överensstämmelse med lag och för att medelsförvaltningen ska skötas på ett betryggande sätt.

Revisorns ansvar

Vårt mål beträffande revisionen av förvaltningen, och därmed vårt uttalande om ansvarsfrihet, är att inhämta revisionsbevis för att med en rimlig grad av säkerhet kunna bedöma om någon styrelseledamot eller verkställande direktören i något väsentligt avseende:

- företagit någon åtgärd eller gjort sig skyldig till någon försummelse som kan föranleda ersättningsskyldighet mot bolaget, eller
- på något annat sätt handlat i strid med aktiebolagslagen, årsredovisningslagen eller bolagsordningen.

Vårt mål beträffande revisionen av förslaget till dispositioner av bolagets vinst eller förlust, och därmed vårt uttalande om detta, är att med rimlig grad av säkerhet bedöma om förslaget är förenligt med aktiebolagslagen.

Rimlig säkerhet är en hög grad av säkerhet, men ingen garanti för att en revision som utförs enligt god revisionssed i Sverige alltid kommer att upptäcka åtgärder eller försummelser som kan föranleda ersättningsskyldighet mot bolaget, eller att ett förslag till dispositioner av bolagets vinst eller förlust inte är förenligt med aktiebolagslagen.

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Stockholm den dag som framgår av vår elektroniska underskrift.

Ernst & Young AB

Håkan Aspenblad
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Siemens Report

for fiscal 2023

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1. Organization of the Siemens Group and basis of presentation

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Siemens is a technology group that is active in nearly all countries of the world, focusing on the areas of automation and digitalization in the process and manufacturing industries, intelligent infrastructure for buildings and distributed energy systems, smart mobility solutions for rail transport, and medical technology and digital healthcare services.

Siemens comprises Siemens Aktiengesellschaft (Siemens AG), a stock corporation under the Federal laws of Germany, as the parent company, and its subsidiaries. Our Company is incorporated in Germany, with our corporate headquarters situated in Munich. As of September 30, 2023, Siemens had around 320,000 employees.

As of September 30, 2023, Siemens has the following reportable segments: **Digital Industries**, **Smart Infrastructure**, **Mobility** and **Siemens Healthineers**, which together form our "Industrial Business" and **Siemens Financial Services (SFS)**, which supports the activities of our industrial businesses and also conducts its own business with external customers. Furthermore, we report results for **Portfolio Companies**, which comprises businesses that are managed separately to improve their performance.

Our reportable segments and Portfolio Companies may do business with each other, leading to corresponding orders and revenue. Such orders and revenue are eliminated on Group level.

Non-financial matters of the Group and Siemens AG

Siemens has policies for environmental, employee and social matters, for the respect of human rights, and anti-corruption and bribery matters, among others. Our business model is described in chapters 1 and 3 of this Combined Management Report. Reportable information that is necessary for an understanding of the development, performance, position and the impact of our activities on these matters is included in this Combined Management Report, in particular in chapters 3 through 7. Forward-looking information, including risk disclosures, is presented in chapter 8. Chapter 9 includes additional information that is required to be reported in the Combined Management Report related to the parent company Siemens AG. EU Taxonomy disclosures are outlined in chapter 11.

As supplementary information, amounts reported in the Consolidated Financial Statements and the Annual Financial Statements of Siemens AG related to such non-financial matters, and additional explanations thereto, are included in Notes to Consolidated Financial Statements for fiscal 2023, Notes 17, 18, 22, 26 and 27, and in the Notes to the Annual Financial Statements for fiscal 2023, Notes 16, 17, 20, 21 and 25. In order to inform the users of the financial reports in a focused manner, these disclosures are not subject to a specific non-financial framework – in contrast to the disclosures in our separate "Sustainability report 2023" document, which are based on the standards developed by the Global Reporting Initiative (GRI). Said document also includes detailed information on DEGREE, Siemens' sustainability framework. With DEGREE, Siemens intends to manage and track its progress on selected ambitions in the environmental, social and governance areas.

2. Financial performance system

2.1 Revenue growth

In the Siemens Financial Framework we aim to achieve a revenue growth range of 5% to 7% per year on a comparable basis over a cycle of three to five years. Our primary measure for managing and controlling our revenue growth is comparable growth, because it shows the development in our business net of currency translation effects, which arise from the external environment outside of our control, and portfolio effects, which involve business activities which are either new to or no longer a part of the respective business.

Currency translation effects are the difference between revenue for the current period calculated using the exchange rates of the current period and revenue for the current period calculated using the exchange rates of the comparison period. For calculating the percentage change year-over-year, this absolute difference is divided by revenue for the comparison period. A portfolio effect arises in the case of an acquisition or a disposition and is calculated as the change year-over-year in revenue related to the transaction. For calculating the percentage change, this absolute change is divided by revenue for the comparison period. Any portfolio effect is excluded for the twelve months following the relevant transaction after which both current and past reporting periods fully reflect the portfolio change. For orders, we apply the same calculations for currency translation and portfolio effects as described above.

2.2 Profitability and capital efficiency

Within the Siemens Financial Framework, we aim to achieve over a cycle of three to five years margins that are comparable to those of our relevant competitors. Therefore, we have defined profit margin ranges for our industrial businesses which also consider the profit margins of their respective relevant competitors. Profit margin is defined as profit of the respective business divided by its revenue.

For our industrial businesses, profit represents EBITA adjusted for amortization of intangible assets not acquired in business combinations.

We have set the following margin ranges:

	Margin range
Digital Industries	17 - 23%
Smart Infrastructure	11 - 16%
Mobility	10 - 13%
Siemens Healthineers	17 - 21%
Siemens Financial Services (ROE after tax)	15 - 20%

For Siemens Healthineers, we present the margin range we expect as that company's majority shareholder.

In line with common practice in the financial services business, our financial indicator for measuring capital efficiency at SFS is return on equity after tax, or ROE after tax. ROE is defined as SFS' profit after tax, divided by its average allocated equity.

Primary measure for managing and controlling profit and profitability at Group level: Net income is the primary driver of basic earnings per share from net income (EPS) as well as of EPS before purchase price allocation accounting (EPS pre PPA) which is used for our capital market communication. EPS pre PPA is defined as basic earnings per share from net income adjusted for amortization of intangible assets acquired in business combinations and related income taxes. As with EPS, EPS pre PPA includes the amounts attributable to shareholders of Siemens AG. We aim to achieve high-single-digit annual growth in EPS pre PPA over a cycle of three to five years.

We seek to work profitably and as efficiently as possible with the capital provided by our shareholders and lenders. For purposes of managing and controlling our capital efficiency, we use return on capital employed, or ROCE, as our primary measure in our Siemens Financial Framework. Our goal is to achieve a ROCE within a range of 15% to 20% over a cycle of three to five years.

2.3 Capital structure

Sustainable revenue and profit development is supported by a healthy capital structure. Accordingly, a key consideration within the Siemens Financial Framework is to maintain ready access to the capital markets through various debt products and preserve our ability to repay and service our debt obligations over time. Our primary measure for managing and controlling our capital structure is the ratio of Industrial net debt to EBITDA (continuing operations). This financial measure indicates the approximate amount of time in years that would be needed to cover Industrial net debt through income from continuing operations, without taking into account interest, taxes, depreciation and amortization. We aim to achieve a ratio of up to 1.5.

2.4 Liquidity and dividend

We intend to continue providing an attractive return to our shareholders. In the Siemens Financial Framework, we strive for a dividend per share that exceeds the amount for the preceding year, or at least matches it.

As in the past, we intend to fund the dividend payout from Free cash flow. Our primary measure to assess our ability to generate cash, and ultimately to pay dividends, is the cash conversion rate for the Siemens Group, defined as the ratio of Free cash flow (continuing and discontinued operations) to net income. Over a cycle of three to five years, we aim to achieve a cash conversion rate of 1 minus the annual comparable revenue growth rate.

At the Annual Shareholders' Meeting, the Managing Board, in agreement with the Supervisory Board, will submit the following proposal to allocate the unappropriated net income of Siemens AG for fiscal 2023: to distribute a dividend of €4.70 on each share of no par value entitled to the dividend for fiscal 2023 existing at the date of the Annual Shareholders' Meeting; the remaining amount is to be carried

forward. Payment of the proposed dividend is contingent upon approval by Siemens shareholders at the Annual Shareholders' Meeting on February 8, 2024. The prior-year dividend was €4.25 per share.

2.5 Calculations of EPS pre PPA and ROCE

Calculation of EPS pre PPA

	Fiscal year	
(in millions of €, shares in thousands, earnings per share in €)	2023	2022
Net income attributable to shareholders of Siemens AG	7,949	3,723
Plus: Amortization of intangible assets acquired in business combinations – attributable to shareholders of Siemens AG	773	882
Less: Taxes on adjustment	(193)	(220)
(I) Adjusted Net income attributable to shareholders of Siemens AG	8,529	4,384
(II) Weighted average shares outstanding	792	801
(I) / (II) EPS pre PPA	10.77	5.47

Calculation of ROCE

	Fiscal year	
(in millions of €)	2023	2022
Net income	8,529	4,392
Less: Other interest expenses/income, net[1]	(1,075)	(939)
Plus: SFS Other interest expenses/income	957	971
Plus: Net interest expenses related to provisions for pensions and similar obligations	97	51
Less: Interest adjustments (discontinued operations)	–	5
Less: Taxes on interest adjustments (tax rate (flat) 30%)	6	(27)
Plus: Defined Varian-related acquisition effects (after tax)[2]	251	365
(I) Income before interest after tax	8,765	4,819
(II) Average capital employed	47,002	47,996
(I) / (II) ROCE	18.6%	10.0%

[1] Item Other interest expenses/income, net primarily consists of interest relating to corporate debt, and related hedging activities, as well as interest income on corporate assets.
[2] Effects resulting from purchase price allocation for Varian Medical Systems, Inc. (Varian) which are comprised of amortization of tangible and intangible assets, inventory step-ups, deferred revenue adjustments and related income taxes.

For purposes of calculating ROCE in interim periods, Income before interest after tax is annualized. Average capital employed is determined using the average of the respective balances as of the quarterly reporting dates for the periods under review.

Calculation of capital employed

Total equity
Less: Goodwill and other intangible assets resulting from purchase price allocation related to the Varian acquisition
Plus: Long-term debt
Plus: Short-term debt and current maturities of long-term debt
Less: Cash and cash equivalents
Less: Current interest-bearing debt securities
Less: Fair value of foreign currency and interest hedges relating to short- and long-term debt
Plus: Provisions for pensions and similar obligations
Less: SFS debt
Plus: Adjustments from assets classified as held for disposal and liabilities associated with assets classified as held for disposal
Less: Adjustment for deferred taxes on net accumulated actuarial gains/losses on provisions for pensions and similar obligations
Capital employed (continuing and discontinued operations)

3. Segment information

3.1 Overall economic conditions

Overall, calendar 2023 was characterized by many headwinds for the global economy. Global economic development continued to slowly recover from the negative shocks of the previous years: the coronavirus pandemic (COVID-19) with its disruptions on global demand and supply chains; war in Ukraine and the following commodity price explosions, especially for European energy; spiraling inflation and severe financial tightening which caused some turbulence in the banking sector and financial markets. After calendar 2022, in which global gross domestic product (GDP) increased by 3.1%, calendar 2023 is expected to show global GDP increasing by 2.6%, which shows a remarkable resilience of the global economy, given the number of big negative shocks of the previous year.

In the post-pandemic world, consumption patterns of households continued to normalize. In particular, the shift to goods from services triggered by COVID-19 ended and then reversed, with a strong rebound of the service sector including tourism, and a normalization of goods demand. In addition, in light of much higher interest rates many firms started to reduce their inventory levels, which they had previously elevated as a precautionary measure to ensure production and delivery during periods of supply chain bottlenecks. Accordingly, both global goods demand and trade were significantly weaker in calendar 2023.

These trends were primary contributors for the significant slowdown of the Chinese economy during calendar 2023, after it started very dynamically in the first quarter of calendar 2023 following lifting of severe COVID-19 lockdowns. Another main contributor for the slowdown was the intensification of the country's real estate crisis. Hence, China's GDP is expected to grow by only 5% in calendar 2023, which is regarded as low because under multiple lockdowns in calendar 2022, China delivered GDP growth of only 3% and some catching-up in 2023 was expected.

The U.S. economy was a positive surprise. Although monetary policy was substantially tightened and the main policy interest rate was increased to 5.5%, consumption and investment were strong and GDP is expected to expand by 2.5% in calendar 2023. In particular the labor market was robust and unemployment remained at historic lows. Despite the strong economy, inflation and core inflation rates declined substantially. By end of calendar 2023, consumer price inflation is expected to be approximately 3%, after it reached nearly 6.5% at the end of calendar 2022. Receding global commodity and energy prices and the dissolvement of supply chain bottlenecks both helped ease inflation while tighter monetary policy had the desired effect of anchoring inflation expectations. This helped the U.S. avoid a price-wage-price spiral which could have led to structurally higher inflation rates.

While the U.S. showed stronger economic growth than expected, the European Union (E.U.) experienced the difficulties that were widely expected. The drastic increase of energy prices in calendar 2022, a result of the war in Ukraine, had a severe negative impact, especially on energy-intensive industries. Strong increases in inflation rates led the European Central bank to increase the main policy interest rate to 4.5% which weighed on fixed investment, especially in the real estate sector. Moreover, the global manufacturing and trade slowdown mentioned above weighed on the E.U., due in particular to the high concentration of manufacturing and export industries in Germany, the region's largest economy. GDP growth in calendar 2023 is expected to be 0.4% in the E.U. and -0.4% in Germany. Only the service sector, in particular tourism, supported the overall E.U. economy.

The partly estimated figures presented here for GDP are based on an S&P Global report dated October 15, 2023.

3.2 Digital Industries

Digital Industries offers a comprehensive product portfolio and system solutions for automation used in discrete and process industries; these offerings include automation systems and software for factories, numerical control systems, servo motors, drives and inverters and integrated automation systems for machine tools and production machines. Digital Industries also provides process control systems, machine-to-machine communication products, sensors (for measuring pressure, temperature, level, flow rate, distance or shape) and radio frequency identification systems. Furthermore, Digital Industries offers production and product lifecycle management (PLM) software, and software for simulation and testing of mechatronic systems. These leading software offerings are supplemented by an electronic design automation (EDA) software portfolio; the Mendix cloud-native low-code application development platform, which allows customers to significantly reduce app development times through visual representation of underlying code; and digital marketplaces for the global electronics value chain, such as Supplyframe and Pixeom. Digital Industries also provides customers with lifecycle and data-driven services.

Taken together, Digital Industries' offerings enable customers to optimize entire value chains from product design and development through production and post-sale services. With its advanced software solutions in particular, Digital Industries supports customers in their evolution towards the "Digital Enterprise," resulting in increased flexibility and efficiency of production processes and reduced time to market for new products. The most important customer markets include the automotive industry, the machine-building industry, the pharmaceutical and chemicals industry, the food and beverage industry and the electronics and semiconductor industry. Digital Industries serves its customers through a common regional sales organization spanning all its businesses, using various sales channels depending on the type of customer and industry and also enhancing customer choice across all channels. Changes in customer demand, especially for standard products, are driven strongly by macroeconomic cycles, and can lead to significant short-term fluctuation in Digital Industries' profitability. Volume from large contracts in the software business, particularly for EDA, may also result in strong fluctuations in quarterly volume and profitability. In fiscal 2023, Digital Industries continued to transition parts of its software business, particularly PLM, from largely upfront revenue recognition towards Software as a Service (SaaS), which yields more predictable recurring revenue and offers growth opportunities by opening access to new customers, especially small and medium-sized companies seeking to reduce costs associated with owning complex IT infrastructure. The transition held back revenue growth rates and profit margin development in the software business in fiscal 2023 and Digital Industries expects continued impacts until completion of the transition. Competition with Digital Industries' business activities comes primarily from multinational corporations that offer a relatively broad portfolio and from smaller companies active only in certain geographic or product markets.

Digital Industries sees three **trends** influencing its business and providing long-term growth opportunities. Producers of investment goods in today's increasingly digital environment must modernize their production capacity, particularly to increase production flexibility and reduce time to market. This environment also spurs producers to complement their core products with vertical solutions and service

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offerings, which their customers either need or want in order to take full advantage of the investment goods. Finally, there is a trend from globalization to regionalization, to support local economic development, to increase supply chain resilience or to better adapt solutions to local needs. This is increasingly accompanied by more differentiated regulatory requirements.

Research & Development (R&D) activities at Digital Industries are aimed at innovative ways to merge the real and digital worlds with a continuous flow of data, so that customers can improve their products, production and resource efficiency. Digital Industries' innovations incorporate artificial intelligence (AI), edge computing, SaaS and software-defined control, among other advanced technologies. As part of Siemens' open digital marketplace Siemens Xcelerator – a business platform that includes a curated portfolio of internet-of-things-enabled hardware, software and digital services from across Siemens and certified third parties and facilitates interactions and transactions between customers, partners and developers – Digital Industries in fiscal 2023 introduced Industrial Operations X, an open and interoperable portfolio for automating and operating industrial production. Industrial Operations X focuses on integrating IT capabilities such as AI, low-code programming, edge computing, and cloud computing with automation technology and digital services. Through various collaborations, Digital Industries is developing industrial-grade AI solutions. With Intrinsic, an Alphabet company, Digital Industries collaborates to accelerate the integration of AI-based robotics and automation technology. Digital Industries and Microsoft are harnessing generative AI to help industrial companies drive innovation and efficiency across the entire product lifecycle. Also in fiscal 2023, Digital Industries introduced several innovations based on cloud and edge technologies such as Simcenter Cloud HPC, which provides instant-on, rapidly scalable cloud-based high performance computing for complex simulation studies, hosted on Amazon Web Services; and Industrial Edge Management System for Kubernetes clusters, which addresses IT users in production and aims to save IT resources, energy, and costs. Major **investments** of Digital Industries in fiscal 2023 relate to its own factory automation, motion control and process automation businesses, to further automate and digitalize facilities particularly in Germany, China and Singapore.

	Fiscal year		% Change	
(in millions of €)	2023	2022	Actual	Comp.
Orders	**20,620**	25,283	(18)%	(17)%
Revenue	**21,919**	19,517	12%	15%
therein: software business	***5,067***	*4,691*	*8%*	*10%*
Profit	**4,947**	3,892	27%	
Profit margin	**22.6%**	19.9%		

Following extraordinary demand in fiscal 2022, which included proactive customer purchasing, **orders** at Digital Industries came in lower in its automation businesses. The short-cycle factory automation and the motion control businesses were affected most strongly due particularly to destocking at customers. These declines were partly offset by significant growth in the software business, due to large contract wins in both the PLM and the EDA businesses. **Revenue** rose on increases in all businesses due in part to conversion from the order backlog which had expanded significantly in the previous fiscal year. The strongest revenue growth contributions came from the factory automation and the process automation businesses. Overall, growth in the automation businesses was supported by improved availability of components year-over-year. Revenue growth in the software business was led by the EDA business while year-over-year growth in PLM was held back by the transition to SaaS. On a geographic basis, orders remained stable in the Americas region, but came in lower in the region Europe, C.I.S., Africa, Middle East and in the region Asia, Australia due mainly to weaker demand in China. Revenue grew in all regions with the strongest contribution coming from the region Europe, C.I.S., Africa, Middle East. **Profit** and profitability at Digital Industries rose on strong improvements in all automation businesses, supported by higher capacity utilization and a more favorable business mix including improved availability of components for high-margin products. Profit in the software business declined due to increased expenses related to cloud-based activities including severance charges, which for Digital Industries overall rose to €109 million, up from €64 million in the prior year.

At the beginning of fiscal 2024, business activities in the areas of low-voltage and geared motors and motor spindles, previously part of Digital Industries' motion control business, were transferred to Portfolio Companies. If the transfer to Portfolio Companies had already existed at the beginning of fiscal 2023, Digital Industries would have posted orders of €19.387 billion, revenue of €20.636 billion, profit of €4.833 billion and a profit margin of 23.4%. At the beginning of fiscal 2024, Digital Industries' order backlog amounted to €11 billion, of which €8 billion are expected to be converted into revenue in fiscal 2024.

In fiscal 2023, **markets** served by Digital Industries overall grew significantly. However, after a strong start, growth momentum increasingly slowed over the course of the fiscal year. This was particularly evident in China. On a geographic basis, all regions contributed to growth, led by the regions Americas and Europe, C.I.S., Africa, Middle East. While global supply chain constraints eased, high price inflation led central banks to increase interest rates, which together with high energy costs impacted manufacturing industries. This impacted predominantly consumer- and building-related industries whereas production of investments goods still benefited from converting high order backlogs into current revenue. The entire manufacturing industry experienced a destocking of inventories as a countereffect of proactive ordering in the previous fiscal year. This was most evident in distributor channels and resulted in a significant decline in orders for automation equipment. Discrete industries, which are closer to consumer spending than process industries, were impacted earlier and more strongly than process industries, which are more project-based. The global automotive industry recovered throughout the year following a weak prior year, and benefited from improved supply chain conditions. Production of electric vehicles continued to increase. On a geographic basis, China, Japan, the U.S. and countries of the European Union saw a strong catchup of production mainly in the first half of the fiscal year. The machine-building industry grew strongly in the first half of fiscal 2023 but growth in major countries such as China, Germany, Japan and countries of the European Union came to a halt or market volume even declined in the second half of the fiscal year due to less favorable investment conditions caused by rising interest rates and a more cautious investment sentiment in consumer industries. Within the pharmaceutical and the chemicals industries, the pharmaceutical industry grew throughout the fiscal year, but with slower momentum towards the end of the fiscal year. In contrast, production in the chemicals industries declined in fiscal 2023. This was particularly evident within the countries of the European Union due mainly to high energy costs. The food and beverage industry grew strongly at the beginning of the fiscal year, driven by strong price increases. In the second half of the fiscal year, growth slowed considerably, reflecting weaker consumer spending. The market for electronics and semiconductors declined markedly at the beginning of fiscal 2023 but began to stabilize during the second half of the fiscal year. The decline, which was particularly evident in countries such as Taiwan and Korea with a focus on semiconductor production, was due among other factors to shrinking consumer

demand following unusually high demand during the COVID-19 pandemic. For fiscal 2024, markets served by Digital Industries are expected to grow markedly slower than in fiscal 2023. While industrial software markets are expected to grow clearly, short-cycle markets served by Digital Industries are expected to contract slightly. Among other factors, rebalancing of supply chains, trade conflicts, effects from geopolitical tensions, cautious consumer spending and downsizing of inventories, mainly in distribution channels, are expected to weigh on market growth.

3.3 Smart Infrastructure

Smart Infrastructure offers products, systems, solutions, services and software to support the global transition from fossil to renewable energy sources, and the associated transition to smarter, more sustainable buildings and communities. Smart Infrastructure's versatile portfolio consists of buildings, electrification, and electrical products. Its buildings portfolio addresses the needs of operators, owners, occupants and users of buildings. It spans integrated building management systems and software; heating, ventilation and air conditioning controls; fire safety and security products and systems; and solutions and services such as energy performance services. With its electrification portfolio, Smart Infrastructure makes grids more resilient, flexible and efficient. Its offerings cover grid simulation, operation and control software; substation automation and protection; medium-voltage primary and secondary switchgear including fluorinated gas-free (F-gas-free) medium-voltage switchgear; and low-voltage switchboards and eMobility charging infrastructure. The electrical products portfolio addresses industrial and building applications. Its offerings include low-voltage switching, measuring and control equipment; low-voltage distribution systems and switchgear; and circuit breakers, contactors and switching for medium voltage.

Smart Infrastructure's customer and end user base is diverse. It encompasses infrastructure developers, construction companies and contractors; owners, operators and tenants of both public and commercial buildings including hospitals, campuses, airports and data centers; companies in process industries such as oil and gas, pharmaceuticals and chemicals; companies in discrete manufacturing industries such as automotive and machine building; and utilities and power grid network operators (transmission and distribution). Smart Infrastructure serves its customers through a broad range of channels, including direct sales organizations, distributors and partners such as panel builders, original equipment manufacturers and value-added resellers and installers. To address more complex customer requirements, Smart Infrastructure uses its dedicated sales forces within its country organization. Furthermore, Smart Infrastructure provides e-commerce platforms or marketplaces where customers can directly place orders on-line, either via a web shop or via electronic interfaces, and sells its broad range of digital offerings and connected devices via Siemens Xcelerator. These digital sales channels and e-commerce platforms are becoming increasingly important and Smart Infrastructure therefore is continuously strengthening its digital omni-channel marketing and e-commerce platforms.

Smart Infrastructure's principal competitors consist mainly of large multinational companies and smaller manufacturers in emerging countries. Its solutions and services business also competes with local players such as system integrators and facility management firms. Smart Infrastructure's businesses are impacted by changes in the overall economic environment to varying degrees, depending on the customer segment and offering. Demand for Smart Infrastructure's electrical and building products offerings is driven strongly by macroeconomic cycles, while demand for its systems and solutions offerings changes more slowly, with a time lag of several quarters. In contrast, demand for service offerings shows only limited influence from macroeconomic cycles. Overall, Smart Infrastructure has developed a balanced and resilient business mix with its diversified regional and vertical markets; its range of products, systems, solutions and services; and its participation in both long- and short-cycle markets. To further strengthen the resilience of its portfolio, Smart Infrastructure aims to increase the share of overall revenue that comes from services.

Smart Infrastructure benefits from a number of major **trends**. These include urbanization, demographic change, decarbonization, and digitalization. Urbanization and demographic change drive a need for smarter and more human-centric buildings. Climate change drives the need for decarbonization and digitalization. This results in an increasing demand for flexible and resilient energy infrastructures including rapid growth in electric mobility and more sustainable buildings. Digitalization is an enabler for such changes in both buildings and grids, making it possible to develop smarter buildings and manage electricity distribution with a higher share of renewables. The markets served are experiencing shifts that present opportunities where building technologies and electrification meet.

Smart Infrastructure's **R&D activities** focus on sustainable and decarbonizing offerings for buildings, utilities and industrial customers. Smart Infrastructure develops digital offerings for stable operation of electrical grids with a high share of renewable energy. In this regard, data from field devices is the basis for intelligent grid control and protection, providing grid flexibility and continuously matching energy supply and demand while protecting grid assets. Furthermore, it develops technologies for environmentally friendly and increasingly renewable-based energy systems, ranging from climate-friendly F-gas-free switchgear for medium voltage to charging solutions for e-mobility and grid integration of green hydrogen production. R&D efforts also strengthen Smart Infrastructure's capabilities to improve the sustainability, performance and attractiveness of buildings. Smart Infrastructure is expanding its digital offerings such as cloud solutions using field data from controllers and IoT devices and the business platform Building X on the principles of openness and modularity of Siemens Xcelerator. These and other offerings are enhanced using AI and large language models. For electrical distribution systems and industrial plants, Smart Infrastructure continuously drives digitalization of its switching and control products with connectivity to the cloud, remote diagnostics and edge computing capability. Smart Infrastructure puts an increasing focus of R&D on the sustainability of its products along the lifecycle, incorporating environmentally friendly designs, materials and processes. To a large extent, its capital expenditures relate to the products businesses. Main **investment** areas are replacement of fixed assets and further digitalization of factories and technical equipment, with a strong focus on innovation.

	Fiscal year		% Change	
(in millions of €)	2023	2022	Actual	Comp.
Orders	**22,333**	20,798	7%	7%
Revenue	**19,946**	17,353	15%	15%
therein: service business	***4,243***	*3,856*	*10%*	*11%*
Profit	**3,074**	2,222	38%	
Profit margin	**15.4%**	12.8%		

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Smart Infrastructure showed very strong performance in fiscal 2023. **Orders** increased clearly compared to the high prior-year level, which included proactive purchasing by customers. Growth was mainly driven by the electrification business and included a number of larger contract wins from data center, semiconductor, power distribution and battery manufacturing customers. **Revenue** rose in all businesses, with the strongest growth contributions coming from the electrification and the electrical products businesses. On a geographic basis, orders and revenue rose in all three reporting regions. The strongest growth contribution came from the Americas region, driven by the U.S., while growth in the Asia, Australia region was held back by declines in China, which were due mainly to negative currency translation effects. **Profit** also rose in all businesses. Growth in profit and profitability was driven by the electrical products and the electrification businesses due to higher revenue, by increased capacity utilization and by cost reductions achieved through the execution of Smart Infrastructure's competitiveness program. Severance charges were €50 million, up from €28 million a year earlier. At the end of fiscal 2023, Smart Infrastructure's order backlog was €16 billion, of which €10 billion are expected to be converted into revenue in fiscal 2024.

Overall, **markets** served by Smart Infrastructure grew clearly in fiscal 2023. Market dynamics were influenced by a further recovery from COVID-19-related effects; easing of supply chain and logistics constraints, which resulted in shorter lead times for order fulfillment; strong price inflation; and effects from the war in Ukraine. Furthermore, rising interest rates burdened building construction markets. On a geographic basis, all reporting regions contributed to growth. Price inflation affected all regions and was particularly high in the U.S. While on the one hand rising interest rates impacted growth in the U.S., economic activity was boosted by stimulus programs on the other hand. In China, the recovery from lockdown measures was significantly weaker than expected, which also impacted growth dynamics in other countries, while Europe was most strongly affected by the war in Ukraine and high energy prices. Grid markets grew clearly, driven by demand for integration of energy from renewable resources. Industrial markets also grew clearly on strong demand in the battery, semiconductor, and automotive industries. The buildings market overall also grew but activity in the commercial building market rose only moderately. In fiscal 2024, markets served by Smart Infrastructure are expected to grow clearly but at a slower pace than in fiscal 2023 due to a substantially lower effect from price inflation and a cooling of the general economic environment. While growth is expected to be weak in residential and commercial building markets and in some industrial markets, continued robust demand is expected for data centers and power distribution. Overall, market development in fiscal 2024 is expected to continue to be influenced by rebalancing of supply chains, trade conflicts and effects from geopolitical tensions.

3.4 Mobility

Mobility combines all Siemens businesses in the area of rail passenger and rail freight transportation. Within its rolling stock business, its offerings encompass vehicles and selected components for urban and regional transport such as metro systems, trams and light rail, and commuter trains as well as trains and passenger coaches for intercity and long-distance services, such as high-speed rail. Rolling stock offerings furthermore include locomotives and solutions for automated transportation such as automated people movers. Offerings in its rail infrastructure business include products and solutions for rail automation, such as automatic train control systems, interlocking, operations control and telematic systems, digital station solutions and railway communication systems, signaling on-board and signaling crossing products and yard and depot solutions; and for electrification such as AC and DC traction power supply, contact lines and network control. With its service business, Mobility provides maintenance and digital services, among others, for rolling stock and rail infrastructure throughout the entire lifecycle. In its turnkey business, it bundles consulting, planning, financing, construction, service and operation of complete mobility systems. Mobility's software business comprises train planning systems, trip planning, mobile ticketing, Mobility as a Service (MaaS) platforms, on-demand transportation and fleet management, data analytics, and inventory and reservation management.

Mobility sells its products, systems and solutions through its worldwide network of sales and execution units. The principal customers of Mobility are public and state-owned companies in the transportation and logistics sectors, so its markets are driven primarily by public spending. Customers usually have multi-year planning and implementation horizons, and their contract tenders therefore tend to be independent of short-term economic trends. Large contracts in the rolling stock and the rail infrastructure business are often awarded together with service contracts, which start to generate revenue only after the respective products and solutions have been put in operation, which can be a number of years after the contract award. Mobility's principal competitors are multinational companies. Consolidation among Mobility's competitors is continuing and may lead to increased competitive pressure within the rail transport industry and also to fewer sourcing options for rail customers.

The main **trends** driving Mobility's markets are urbanization, decarbonization and digitalization. Increasing populations in urban centers need daily mobility that is simpler, faster, and more flexible, reliable and affordable. At the same time, cities and national economies face the challenge of cutting CO_2 and noise emissions and reducing space requirements and costs of transportation. The pressure on mobility providers to meet all these needs is expected to rise continuously. Furthermore, improving availability, connectivity, and sustainability of rail infrastructures increasingly requires digital solutions, which generates growth opportunities for providers of such solutions. IoT systems and new software-based solutions such as MaaS are expected to become major growth enablers for the rail industry. Overall trends towards urbanization, decarbonization and digitalization persist and many countries have been allocating significant funds to rail and public transport operators to address these trends.

Mobility's **R&D strategy** is focused on reducing life-cycle costs of rail infrastructure and rolling stock, securing system availability, increasing network capacity of rail infrastructure, optimizing the processes of rail operators and improving passenger experience. With Siemens Xcelerator, Mobility intends to make software more modular and increasingly move it to the cloud. At the same time, Mobility intends to enhance connectivity of hardware and software and provide open application programming interfaces. Thereby Mobility accelerates the pace and impact of digital innovation, which in turn benefits owners, operators, and customers of rail transport. Mobility's major R&D areas include the development of efficient vehicle platforms with optimized lifecycle cost; eco-friendly, alternative power supplies for trains; the Railigent X open application suite for maintenance of rail assets; smart connected products; the Distributed Smart Safe System (DS3), which allows for hardware-independent and cloud-enabled signaling; automatic train operation for European Train Control System (ETCS); safe artificial intelligence for driverless trains; air-free brake systems, 5G for wireless-based activities; the Mobility Software Suite X for operators and passengers; and cyber security. Mobility's **investments** focus mainly on maintaining or enhancing its production facilities, on meeting project demands, and on enhancing its depot services.

(in millions of €)	Fiscal year 2023	Fiscal year 2022	% Change Actual	% Change Comp.
Orders	**20,629**	13,200	56%	65%
Revenue	**10,549**	9,692	9%	15%
therein: service business	***1,710***	*1,592*	*7%*	*9%*
Profit	**882**	794	11%	
Profit margin	**8.4%**	8.2%		

Order intake at Mobility exceeded the record level a year earlier on sharply higher volume from large orders. Contract wins in fiscal 2023 were highlighted by an order worth €2.9 billion for locomotives and associated maintenance in India, a €2.5 billion order for the first line of a turnkey rail system in Egypt and a €2.1 billion order for suburban trains in Germany. Order intake a year earlier included among others an order worth €1.5 billion for high-speed trains in Germany. **Revenue** rose on growth in nearly all businesses with the strongest contribution coming from the rolling stock business, and was supported by improved availability of components. On a geographic basis, revenue grew in all three reporting regions. Nominal volume development was held back by the fiscal 2022 divestment of Yunex Traffic, resulting in a portfolio effect which took four percentage points from order growth and five percentage points from revenue growth in the current period. As with revenue, **profit** and profitability rose in nearly all businesses. Profit in fiscal 2023 included a positive €0.2 billion in trailing effects related to the winding down of business activities in Russia a year earlier, which burdened prior-year profit by €0.6 billion in impairments and other charges. In addition, profit in fiscal 2022 included impacts from supplier delays and COVID-19 effects. These burdens were largely offset by a gain of €0.7 billion from the sale of Yunex Traffic. Severance charges were €25 million, compared to €27 million a year earlier. Mobility's order backlog rose to €45 billion at the end of the fiscal year, of which €11 billion are expected to be converted into revenue in fiscal 2024.

Markets served by Mobility grew significantly in fiscal 2023, supported by long-term trends such as urbanization, decarbonization and increasing demand for digital solutions. Market dynamics in fiscal 2023 also benefited from receding material shortages and easing of supply chain constraints. On a geographic basis, all regions contributed to market growth, highlighted by large and very large orders in Germany, the U.S., Egypt and India, among others. The market for rolling stock included large orders for high-speed trains, commuter trains and locomotives in Europe, India and Egypt. Growth in North America included major investments in new and existing fleets, especially for urban transport. Growth in the rail infrastructure market was driven mainly by digitalization, deployment of ETCS technology and track electrification, for example with projects in Europe and Asia. For fiscal 2024, markets served by Mobility are expected to grow clearly, benefiting from the above-mentioned trends and with all reporting regions contributing to growth. Market expansion is expected to be supported by a large number of public investment programs. Mobility anticipates that rail operators in Europe, particularly in Germany and in the U.K., will continue making significant investments in rolling stock and advanced rail infrastructure solutions and that customers in the Middle East and Africa will tender large turnkey projects, especially in North Africa and the Middle East such as in in Egypt, Saudi Arabia and the United Arab Emirates. Markets in the U.S. are expected to remain strong, especially due to ongoing investments in rolling stock, particularly for mainline and light rail transport; within the infrastructure market demand is expected to continue for mass transit including communications-based train control technology and from a developing market for rail freight solutions. In Asia, markets in India are expected to grow strongly with investments in mainline transport (high-speed trains, freight infrastructure, rolling stock fleet renewals and expansions of large commuter rail and locomotive tenders), urban metros and rail electrification driving growth.

3.5 Siemens Healthineers

Siemens as majority shareholder holds just over 75% of the shares of the publicly listed **Siemens Healthineers** AG, Germany. Siemens Healthineers is a global provider of healthcare products, solutions and services. It develops, manufactures, and sells a diverse range of diagnostic and therapeutic products and services to healthcare providers. In addition, Siemens Healthineers also provides clinical consulting services, as well as an extensive range of training and service offerings. This comprehensive portfolio supports customers along the entire care continuum, from prevention and early detection through to diagnosis, treatment, and follow-up care. The customer spectrum ranges from public and private healthcare providers, including hospitals and hospital systems, public and private clinics and laboratories, universities, physicians/joint medical practices, public health agencies, public and private health insurers, through to pharmaceutical companies and clinical research institutes. The imaging business provides imaging products, services, and solutions as well as digital offerings. Its most important products are devices for magnetic resonance imaging, computed tomography, X-ray, molecular imaging, and ultrasound. The diagnostics business comprises in-vitro diagnostic products and services that are offered to healthcare providers in the fields of laboratory and point-of-care diagnostics. The Varian business provides multi-modality cancer care technologies along with solutions and services to oncology departments in hospitals and clinics. The portfolio of the advanced therapies business consists of highly integrated products, services, and solutions across multiple clinical fields that are designed to support image-guided minimally invasive treatments, in areas such as cardiology, interventional radiology, and surgery. Competition in the imaging, Varian and advanced therapies businesses consists mainly of a small number of large multinational companies, while the diagnostics market is fragmented with a variety of global players that compete with each other across market segments and also with several regional players and specialized companies in niche technologies. Markets of Siemens Healthineers are characterized by long-term stability, though, over the long term, these markets may also experience shorter-term fluctuations arising from macroeconomic and health political developments, such as changes in health policy, regulation or reimbursement systems. Because a substantial portion of Siemens Healthineers' revenue stems from recurring business, growth opportunities can be pursued from a stable foundation of profit.

The addressable markets of Siemens Healthineers are shaped by four major **trends**. The first is demographic developments, in particular the growing and aging global population. This trend poses major challenges for global healthcare systems and, at the same time, offers an opportunity for healthcare providers as the demand for cost-efficient healthcare solutions increases. The second trend is economic development in emerging countries, which opens up improved access to healthcare for many people. Significant investment in the expansion of private and public healthcare systems will persist, driving overall demand for healthcare products and services and hence market growth. The third trend is the increase in non-communicable diseases as a consequence of an aging population and environmental and lifestyle-related changes. This trend results in far more patients with multiple morbidities, increasing the need for new ways to detect and treat diseases in a timely manner. The fourth global trend, the transformation of healthcare providers such as hospitals and

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laboratories, results from a combination of societal and market forces that are driving healthcare providers to operate and organize their businesses differently. This development is driven partly by staff shortages, society's increasing resistance to healthcare costs, the growing professionalization of health insurance and governmental healthcare systems, burdens from chronic diseases and the rapid scientific progress. The growing cost pressure will continue to drive new remuneration models for healthcare services such as value-based reimbursement instead of treatment-based reimbursement. As a result of these factors, there's a trend of consolidation of healthcare providers into networks. The aim of the resulting larger clinic and laboratory chains, often operating internationally and acting increasingly like large corporations are systematic improvements in quality, while at the same time reducing costs. This development leads to an increased demand for standardized and scalable systems and solutions as well as new business models.

R&D activities at Siemens Healthineers are aimed at offering innovative and sustainable solutions for diagnostics and therapy to its customers. Artificial intelligence, sensors, and robotics are focal points of the R&D activities at Siemens Healthineers. A growing share of the R&D activities is devoted to improving the sustainability of the products. Furthermore, the systems of Siemens Healthineers regularly receive extensive software releases to improve user friendliness and add innovative applications. **Investments** at Siemens Healthineers were mainly for spending for factories to expand manufacturing and technical capabilities, in particular in the U.S. and China, for measures related to improving operational efficiency and for additions to intangible assets, including capitalized development expenses for products within the Atellica product line.

	Fiscal year		% Change	
(in millions of €)	2023	2022	Actual	Comp.
Orders	**24,499**	25,556	(4)%	(2)%
Revenue	**21,681**	21,715	0%	1%
Profit	**2,527**	3,369	(25)%	
Profit margin	**11.7%**	15.5%		

In fiscal 2023, Siemens Healthineers recorded a decrease of **orders,** while **revenue** was on the prior-year level. While the imaging and Varian businesses in particular delivered growth in both orders and revenue, this was offset by a substantial decline in the diagnostics business. On a geographic basis, revenue was on the prior-year level in all regions; in the Asia, Australia region reported revenue was held back by negative currency translation effects. **Profit** declined primarily due to substantially lower revenue from rapid coronavirus antigen tests in the diagnostics business, which also recorded charges of €0.2 billion related to its transformation program. In addition, profitability was burdened by impairments and other charges totaling €0.3 billion due to a management decision to refocus certain activities in the advanced therapies business. The imaging and Varian businesses increased their profit contributions on higher revenue. Severance charges were €167 million in fiscal 2023, compared to €71 million a year earlier. The order backlog for Siemens Healthineers was €34 billion at the end of the fiscal year, of which €11 billion are expected to be converted into revenue in fiscal 2024.

In general, the addressable global **markets** of Siemens Healthineers excluding rapid coronavirus antigen tests grew moderately in fiscal 2023. From a regional perspective, the Asia, Australia region saw market growth in most businesses; in China, government subsidy programs, among others, including the program of lending incentives associated with the economic stimulus package, had a positive effect on investment by healthcare providers. In the region Europe, C.I.S., Africa, Middle East, government subsidy programs, among others, were able to support growth in most businesses. In the U.S., market growth was recorded in all businesses. Globally, higher volume in the market for the imaging business was generated thanks to the high level of order backlogs resulting from demand catch-up effects, on the one hand, and investments in diagnostic imaging equipment in reaction to announced price hikes, on the other hand. The imaging market is expected to grow moderately overall in fiscal 2024, driven mainly by pent-up demand for the major imaging modalities. Within the diagnostics business, demand for rapid coronavirus antigen tests declined sharply after the COVID-19 pandemic ceased to be a global health emergency and the incidence of COVID-19 infections subsided. The market for the diagnostics business is expected to achieve slight growth in fiscal 2024, excluding COVID-19 testing. In the market for Varian, overall market growth, especially in the U.S. and Western Europe, was boosted mainly by increasing demand for product innovations and services as well as by an intact replacement market. For this reason, the market for Varian is expected to grow clearly in fiscal 2024. For advanced therapies business, government subsidy programs, including lending incentives enacted as part of the economic stimulus package in China along with EU investment programs, positively influenced market development. The expectation for the advanced therapies business is that the market will continue to grow moderately in fiscal 2024.

3.6 Siemens Financial Services

Siemens Financial Services provides financing solutions for Siemens' customers as well as other companies in the form of debt and equity investments. Based on its comprehensive financing know-how and specialist technology expertise in the areas of Siemens businesses, SFS supports its customers' investments with leasing, lending, working capital and structured financing solutions and offers a broad range of equipment and project financing. In addition, SFS supports Siemens' industrial businesses with financial advisory services and via a joint go-to-market that includes SFS's risk management expertise, such as to assess the risk profiles of projects or business models. Furthermore, SFS collaborates with Siemens' industrial businesses to co-develop new digital business models, and also supports its customers through targeted financings in sustainable technologies and projects.

	Fiscal year	
(in millions of €)	2023	2022
Earnings before taxes (EBT)	**563**	498
therein: equity business	***201***	*269*
ROE (after taxes)	**16.3%**	15.6%

(in millions of €)	Sep 30, 2023	Sep 30, 2022
Total assets	**32,915**	33,263

Siemens Financial Services in fiscal 2023 recorded higher **earnings before taxes** in the debt business despite a volatile credit environment. In the prior period, earnings before taxes were burdened by €0.2 billion in connection with the sale of the financing and leasing business in Russia at the end of the fiscal year. The equity business recorded strong results. While both periods under review included gains from the sales of equity investments, fiscal 2022 additionally included higher gains from fair value measurements of investments and gains from energy-related investments in connection with rising prices in global energy markets.

Net cash from operations (defined as the sum of cash flows from operating and investing activities) amounted to €(733) million compared to €(616) million in fiscal 2022. In fiscal 2023 and fiscal 2022, net cash from operations comprised Free cash flow of €852 million and €985 million, respectively, while remaining cash flows from investing activities, including from changes in receivables from financing activities, comprised €(1,585) million and €(1,601) million, respectively.

Despite the increase in receivables from financing activities, **total assets** decreased since the end of fiscal 2022 due primarily to negative currency translation effects.

SFS's business scope and capital allocation is focused on areas of intense domain know-how closely aligned with Siemens' customers and markets, particularly for Digital Industries, Smart Infrastructure and Mobility. Accordingly, SFS is influenced by the business development of the markets served by the industrial businesses, among other factors, including macroeconomic effects such as inflation or recession which could impact the credit risk of customers. In addition to its high level of diversification across industries, SFS has a strong regional footprint in investment-grade countries, with the highest share in the U.S. SFS intends to maintain a highly diversified portfolio across regions, while participating in the strong economic development of selected Asian markets.

3.7 Portfolio Companies

Portfolio Companies comprise businesses which deliver a broad range of customized and application-specific products, software, solutions, systems and services for different industries including oil and gas, chemical, mining, cement, logistics, energy, marine, water and fiber. Unrealized potential within these businesses requires adjustment in their approach using defined measures including internal re-organization, digitalization, cost improvements, and optimizing procurement, production and service activities. After achieving certain threshold performance targets, businesses may be combined with another business in the same industry, sold, placed into an external private equity partnership, or exited via a public listing.

At the end of fiscal 2023, Portfolio Companies consisted mainly of three separately managed units: Large Drives Applications offers electric motors, converters and mining solutions. Siemens Logistics offers sorting technology and solutions focused on handling baggage and cargo in airports. Siemens Energy Assets comprises certain regional business activities of the former Gas and Power segment; as part of the Siemens Energy carve-out these activities remained so far with Siemens due to country-specific regulatory restrictions or economic considerations.

Demand within the industries served by Portfolio Companies mainly shows a delayed response to changes in the overall economic environment. Financial results are strongly dependent, however, on customer investment cycles in their key industries. In commodity-based industries such as oil and gas or mining, these cycles are driven mainly by commodity price fluctuations rather than changes in produced volumes. The heterogonous industrial customer base of the separately managed units requires a dedicated sales approach based on in-depth understanding of specific industries and customer requests, resulting in the use of various sales and marketing channels for Portfolio Companies.

	Fiscal year		% Change	
(in millions of €)	2023	2022	Actual	Comp.
Orders	**4,016**	3,995	1%	15%
Revenue	**3,313**	3,234	2%	19%
Profit	**343**	1,520	(77)%	
Profit margin	**10.3%**	47.0%		

In fiscal 2023, **orders and revenue** increased in all businesses. While order growth was driven by higher volume from larger orders, most evidently at the Airport Logistics business of Siemens Logistics, revenue increased mainly at Large Drives Applications in part due to strong conversion of the order backlog. Primarily due to the sale of the mail and parcel-handling business of Siemens Logistics in the fourth quarter of fiscal 2022, portfolio effects took eleven and 13 percentage points from orders and revenue, respectively. The strong **profit** was driven by Siemens Energy Assets and Large Drives Applications. Additionally, Portfolio Companies recorded a gain of €0.1 billion from the sale of the Commercial Vehicles business. For comparison, profit in fiscal 2022 included a gain of €1.1 billion from the sale of the mail and parcel-handling business of Siemens Logistics and a revaluation gain of €0.3 billion in connection with the sale of the equity investment in Valeo Siemens eAutomotive GmbH. Portfolio Companies recorded lower severance charges of €12 million, down from €20 million in fiscal 2022.

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Although the broad range of businesses is operating in diverse markets, overall the main **markets** served by Portfolio Companies are generally impacted by uncertainties regarding geopolitical and economic developments which tend to trigger customer caution regarding purchasing decisions. After the post-pandemic recovery, a normalizing growth momentum is expected in most end-customer vertical markets in fiscal 2024.

At the beginning of fiscal 2024, Large Drives Applications and certain business activities which were transferred from Digital Industries are combined in the areas of low- to high-voltage motors, geared motors, medium-voltage converters and motor spindles under a new separately managed unit, Innomotics. If the transfer from Digital Industries had already existed at the beginning of fiscal 2023, Portfolio Companies would have posted orders of €5,317 million, revenue of €4,699 million, profit of €457 million and a profit margin of 9.7%. Portfolio Companies' order backlog amounted to €5 billion at the beginning of fiscal 2024, of which €3 billion are expected to be converted into revenue in fiscal 2024.

3.8 Reconciliation to Consolidated Financial Statements

Profit

	Fiscal year	
(in millions of €)	2023	2022
Siemens Energy Investment	**668**	(2,911)
Siemens Real Estate	**67**	118
Innovation	**(195)**	(190)
Governance	**(451)**	(582)
Centrally carried pension expense	**(104)**	(113)
Amortization of intangible assets acquired in business combinations	**(865)**	(990)
Financing, eliminations and other items	**(256)**	(474)
Reconciliation to Consolidated Financial Statements	**(1,135)**	(5,141)

The result for **Siemens Energy Investment** was driven by a gain of €1.6 billion from a partial reversal of an impairment on Siemens' stake in Siemens Energy AG (fiscal 2022 included an impairment of €2.7 billion), a gain of €0.3 billion resulting from the transfer of a stake in Siemens Energy AG to Siemens Pension-Trust e.V., and a gain of €0.2 billion which was recorded in connection with a capital increase by Siemens Energy AG in which Siemens did not participate. These gains were partly offset by Siemens' share of Siemens Energy's after-tax loss and expenses from amortization of assets resulting from purchase price allocation totaling €1.5 billion (fiscal 2022: totaling €0.2 billion).

Financing, eliminations and other items included a revaluation loss of €0.2 billion on the stake in Thoughtworks Holding Inc. (fiscal 2022: a loss of €0.3 billion). For comparison, fiscal 2022 included also impacts totaling €0.5 billion at Corporate Treasury, resulting from the sale of Siemens' financing and leasing business in Russia, as well as a loss of €0.1 billion resulting from applying hyperinflation accounting. These effects were partly offset in fiscal 2022 by a gain of €0.5 billion in connection with an investment accounted for using the equity method mainly due to fair value measurement.

4. Results of operations

4.1 Orders and revenue by region

Currency translation effects took two percentage points each from order and revenue growth year-over-year, respectively. Portfolio measures, including the sale of Yunex Traffic in the third quarter of fiscal 2022 and the mail and parcel-handling business of Siemens Logistics in the fourth quarter of fiscal 2022, took one percentage point each from order and revenue growth year-over-year. The ratio of orders to revenue (book-to-bill) for Siemens in fiscal 2023 was 1.19. The order backlog as of September 30, 2023 was €111 billion.

Orders (location of customer)

	Fiscal year		% Change	
(in millions of €)	2023	2022	Actual	Comp.
Europe, C.I.S., Africa, Middle East	**42,679**	42,373	1%	4%
therein: Germany	***15,164***	*15,046*	*1%*	*3%*
Americas	**26,540**	25,646	3%	3%
therein: U.S.	***22,093***	*21,563*	*2%*	*2%*
Asia, Australia	**23,085**	20,990	10%	15%
therein: China	***8,798***	*10,831*	*(19)%*	*(15)%*
Siemens (continuing operations)	**92,305**	89,010	4%	7%

On a **worldwide basis**, growth in orders related to external customers came on a sharp increase at Mobility and clear order growth at Smart Infrastructure; both businesses reported higher order intake across all regions year-over-year. Digital Industries and, to a lesser extent, Siemens Healthineers recorded order declines from high bases of comparison. Siemens Healthineers again had the highest order contribution.

In the **Europe, C.I.S., Africa, Middle East** region, order intake increased by double digits at Mobility, including a €2.5 billion order for the first line of a turnkey rail system in Egypt and a €2.1 billion order for suburban trains in Germany. Smart Infrastructure recorded clear order growth, whereas Digital Industries showed a double-digit decline year-over-year from a high base of comparison, due to its automation businesses. Orders at Siemens Healthineers declined year-over-year primarily due to lower demand for rapid coronavirus antigen tests in the diagnostics business. Within the region, **Germany** showed a pattern similar to the region overall.

Order intake rose in both the **Americas** region and in the **U.S.** on double-digit increases at Mobility and Smart Infrastructure, whereas Siemens Healthineers recorded a moderate order decline.

In the **Asia, Australia** region, order intake was up on a sharp increase at Mobility, including a €2.9 billion order for locomotives and associated maintenance in India, combined with slight order growth at Smart Infrastructure. Orders declined at Digital Industries and Siemens Healthineers. Within the region in **China**, order declines were reported in most of the industrial businesses, except at Mobility with significant growth. Overall, order intake both in the region and in China was strongly burdened by negative currency translation effects.

Revenue (location of customer)

	Fiscal year		% Change	
(in millions of €)	2023	2022	Actual	Comp.
Europe, C.I.S., Africa, Middle East	**36,664**	33,481	10%	12%
therein: Germany	***12,718***	*11,961*	*6%*	*9%*
Americas	**22,615**	20,680	9%	9%
therein: U.S.	***18,561***	*17,241*	*8%*	*7%*
Asia, Australia	**18,489**	17,816	4%	10%
therein: China	***9,367***	*9,557*	*(2)%*	*4%*
Siemens (continuing operations)	**77,769**	71,977	8%	11%

Worldwide, revenue related to external customers rose significantly at Smart Infrastructure and Digital Industries, while Mobility posted clearly higher revenue growth year-over-year. Revenue at Siemens Healthineers came in level with fiscal 2022 and was again the highest among industrial businesses.

Revenue in **Europe, C.I.S., Africa, Middle East** increased with double-digit growth contributions from Digital Industries and Smart Infrastructure. Mobility reported clear revenue growth, which was held back by portfolio effects stemming from the sale of Yunex traffic in fiscal 2022. Revenues at Siemens Healthineers decreased slightly. Within the region in **Germany**, the same pattern applied for Digital Industries and Smart Infrastructure, while revenues at Mobility came in flat. A decline in Germany at Siemens Healthineers was primarily due to lower demand for rapid coronavirus antigen tests in the diagnostics business.

In the **Americas** region, revenue was up in all four industrial businesses led by Smart Infrastructure with double-digit growth. Within the region in the **U.S.**, Mobility and Siemens Healthineers reported slight revenue decreases.

In the **Asia, Australia** region, revenue was up by on double-digit increase at Mobility, followed by revenue growth at Digital Industries and Smart Infrastructure. As with orders, revenue development both in the region and in **China** was held back by strong negative currency

translation effects, which turned revenue development negative in China for Smart Infrastructure and Digital Industries. Mobility also recorded a revenue decline in China.

4.2 Income

(in millions of €, earnings per share in €)	Fiscal year 2023	2022	% Change
Digital Industries	**4,947**	3,892	27%
Smart Infrastructure	**3,074**	2,222	38%
Mobility	**882**	794	11%
Siemens Healthineers	**2,527**	3,369	(25)%
Industrial Business	**11,430**	10,277	11%
Profit margin Industrial Business	***15.4%***	*15.1%*	
Siemens Financial Services	**563**	498	13%
Portfolio Companies	**343**	1,520	(77)%
Reconciliation to Consolidated Financial Statements	**(1,135)**	(5,141)	78%
Income from continuing operations before income taxes	**11,201**	7,154	57%
Income tax expenses	**(2,687)**	(2,741)	2%
Income from continuing operations	**8,514**	4,413	93%
Income (loss) from discontinued operations, net of income taxes	**15**	(21)	n/a
Net income	**8,529**	4,392	94%
Basic EPS	**10.04**	4.65	116%
EPS pre PPA	**10.77**	5.47	97%
ROCE	**18.6%**	10.0%	

As a result of the developments described in chapter 3, **Income from continuing operations before income taxes** increased by 57%. Severance charges for continuing operations were €430 million, of which €351 million were in Industrial Business. In fiscal 2022, severance charges for continuing operations were €272 million, of which €190 million were in Industrial Business.

The tax rate in fiscal 2023 was 24% (fiscal 2022: 38%), benefiting from tax-free gains in relation to the partial reversal of an impairment on Siemens' stake in Siemens Energy AG and the contribution of a stake in Siemens Energy AG to Siemens Pension-Trust e.V. Moreover, the gain recorded in connection with the capital increase by Siemens Energy AG was also tax-free. These positive influences on the tax rate were partly offset by our participation in the after-tax loss at Siemens Energy, which was not tax-deductible. As a result, the increase in **Income from continuing operations** was 93%.

The increase in **Basic EPS** and in **EPS pre PPA** reflects the increase of Net income attributable to Shareholders of Siemens AG, which was €7,949 million in fiscal 2023 compared to €3,723 million in fiscal 2022, combined with a lower number of weighted average shares outstanding. Our investment in Siemens Energy AG contributed €0.84 to the increase of EPS pre PPA.

At 18.6%, **ROCE** was back in the target range established in our Siemens Financial Framework. The increase year-over-year was due primarily to sharply higher income before interest after tax.

4.3 Research and development

In fiscal 2023, we reported research and development expenses of €6.2 billion, compared to €5.6 billion in fiscal 2022. The resulting R&D intensity, defined as the ratio of R&D expenses to revenue, was 8.0% (fiscal 2022: 7.8%). Additions to capitalized development expenses amounted to €0.3 billion as in the prior year. As of September 30, 2023, Siemens worldwide held approximately 45,000 granted patents in its continuing operations. On average, we had 50,029 R&D employees in fiscal 2023.

Our research and development activities are ultimately geared to developing innovative, sustainable solutions for our customers – and our businesses – while also strengthening our own competitiveness. Joint implementation by the operating units and Technology, our central R&D department, ensures that research activities and business strategies are closely aligned with one another, and that all units benefit equally and quickly from technological developments.

Siemens' core technologies have been determined to be critical for our Company's long-term success and that of our customers. They are bundled in eleven technology areas: additive manufacturing and materials (from fiscal 2024 on: advanced manufacturing and circularity), cybersecurity and trust, data analytics and artificial intelligence, power electronics, simulation and digital twin, sustainable energy and infrastructure, future of automation, integrated circuits and electronics, connectivity and edge, software systems and processes, and user experience.

We advance technologies also through our open innovation concept. We work closely with scholars from leading universities, research institutions and academic start-ups, not only under bilateral cooperation agreements but also in publicly funded collective projects. Our focus here is on our strategic research partners and in particular the Siemens Research and Innovation Ecosystems, which we maintain at 16 locations worldwide.

Siemens' global venture capital unit, Next47, provides capital to help start-ups expand and scale. It serves as the creator of next-generation businesses for Siemens by building, buying and partnering with innovative companies at any stage. Next47 is focused on anticipating how emerging technologies will influence our end markets. This foreknowledge enables our Company and our customers to grow and thrive in the age of digitalization.

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5. Net assets position

(in millions of €)	Sep 30, 2023	2022	% Change
Cash and cash equivalents	**10,084**	10,465	(4)%
Trade and other receivables	**17,405**	16,701	4%
Other current financial assets	**10,605**	9,696	9%
Contract assets	**7,581**	7,559	0%
Inventories	**11,548**	10,626	9%
Current income tax assets	**1,363**	1,432	(5)%
Other current assets	**1,955**	1,935	1%
Assets classified as held for disposal	**99**	413	(76)%
Total current assets	**60,639**	58,829	3%
Goodwill	**32,224**	33,861	(5)%
Other intangible assets	**10,641**	12,196	(13)%
Property, plant and equipment	**11,938**	11,733	2%
Investments accounted for using the equity method	**3,014**	4,955	(39)%
Other financial assets	**22,855**	25,903	(12)%
Deferred tax assets	**2,231**	2,459	(9)%
Other assets	**1,523**	1,565	(3)%
Total non-current assets	**84,428**	92,673	(9)%
Total assets	**145,067**	151,502	(4)%

Our total assets at the end of fiscal 2023 were influenced by negative currency translation effects of €7.6 billion (particularly affecting goodwill and other financial assets), primarily involving the U.S. dollar.

The increase in **other current financial assets** was driven mainly by higher loans receivable at SFS, which were mainly due to new business and reclassification of loans receivable from other financial assets due to a reassessment of the expected repayment dates. The latter was a major factor also for the decrease of **other financial assets**, along with decreased positive fair values of derivative financial instruments.

Inventories increased in all industrial businesses, with the build-up most evident at Mobility and Siemens Healthineers.

The decrease of **other intangible assets** resulted mainly from negative currency translation effects and from impairments recorded at Siemens Healthineers.

Our investment in Siemens Energy AG was the main factor for the decrease of **investments accounted for using the equity method.** For further information see Note 4 in Notes to Consolidated Financial Statements for fiscal 2023.

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6. Financial position

6.1 Capital structure

(in millions of €)	Sep 30, 2023	2022	% Change
Short-term debt and current maturities of long-term debt	7,483	6,658	12%
Trade payables	10,130	10,317	(2)%
Other current financial liabilities	1,601	1,616	(1)%
Contract liabilities	12,571	12,049	4%
Current provisions	2,320	2,156	8%
Current income tax liabilities	2,566	2,381	8%
Other current liabilities	8,182	7,448	10%
Liabilities associated with assets classified as held for disposal	50	61	(19)%
Total current liabilities	44,901	42,686	5%
Long-term debt	39,113	43,978	(11)%
Provisions for pensions and similar obligations	1,426	2,275	(37)%
Deferred tax liabilities	1,655	2,381	(30)%
Provisions	1,794	1,857	(3)%
Other financial liabilities	1,453	1,867	(22)%
Other liabilities	1,666	1,654	1%
Total non-current liabilities	47,106	54,011	(13)%
Total liabilities	92,007	96,697	(5)%
Debt ratio	*63%*	*64%*	
Total equity attributable to shareholders of Siemens AG	47,791	48,895	(2)%
Equity ratio	*37%*	*36%*	
Non-controlling interests	5,270	5,910	(11)%
Total liabilities and equity	145,067	151,502	(4)%

The increase in **short-term debt and current maturities of long-term debt** was due mainly to reclassifications of long-term instruments totaling €5.3 billion. This was partly offset by the repayment of euro, U.S. dollar and British pound instruments totaling €4.6 billion.

Long-term debt decreased due primarily to the above-mentioned reclassifications and currency translation effects of €1.9 billion on bonds issued in the U.S. dollar and British pound. Set against this were mainly increases of €2.5 billion from the issuance of euro bonds.

The contribution of a stake in Siemens Energy AG to Siemens Pension-Trust e.V. led to a decrease of **provisions for pensions and similar obligations**. Additional major effects resulted from returns on plan assets and actuarial gains and losses. For further information see Note 17 in Notes to Consolidated Financial Statement for fiscal 2023.

The main factors for the decrease in **total equity attributable to shareholders of Siemens AG** were a negative other comprehensive income, net of income taxes, of €4.0 billion resulting mainly from currency translation; dividend payments of €3.4 billion (for fiscal 2022); and changes in equity totaling €1.6 billion resulting from an equity transaction at Siemens Energy AG. These factors were largely offset by €7.9 billion in net income attributable to shareholders of Siemens AG. In fiscal 2023, Siemens cancelled 50 million treasury shares, thereby reducing issued capital by €150 million and retained earnings by €5.1 billion.

Capital structure ratio

Our capital structure ratio as of September 30, 2023 decreased to 0.6 from 1.0 a year earlier. The change was due to a decrease in Industrial net debt and a higher EBITDA.

Debt and credit facilities

As of September 30, 2023, we recorded, in total, €40.9 billion in notes and bonds, €2.2 billion in loans from banks, €0.5 billion in other financial indebtedness and €2.9 billion in lease liabilities. Notes and bonds were issued mainly in the U.S. dollar and the euro, and to a lesser extent in the British pound.

We have credit facilities totaling €7.5 billion which were unused as of September 30, 2023.

For further information about our debt see Note 16 in Notes to Consolidated Financial Statements for fiscal 2023. For further information about the functions and objectives of our financial risk management see Note 25 in Notes to Consolidated Financial Statements for fiscal 2023.

Off-balance-sheet commitments

As of September 30, 2023, the undiscounted amount of maximum potential future payments related primarily to credit and performance guarantees amounted to €6.2 billion. This included primarily Siemens' obligations from performance and credit guarantees in connection with the Siemens Energy business, for which Siemens has reimbursement rights towards Siemens Energy.

In addition to these commitments, there are contingent liabilities of €0.4 billion which result mainly from other guarantees and legal proceedings. Other guarantees include €0.1 billion, for which Siemens has reimbursement rights towards Siemens Energy.

Irrevocable loan commitments amounted to €3.9 billion. A considerable portion of these commitments resulted from asset-based lending transactions, meaning that the respective loans can be drawn only after the borrower has provided sufficient collateral.

For further information about our commitments and contingencies see Notes 21 and 25 in Notes to Consolidated Financial Statements for fiscal 2023.

Share buyback

The share buyback program announced on June 24, 2021 with a volume of up to €3 billion ending September 15, 2026, at the latest, began on November 15, 2021. This buyback is executed based on the authorization provided by the Annual Shareholders' Meeting on February 5, 2020. In fiscal 2023, Siemens repurchased 6,853,091 shares under this share buyback program. On November 16, 2023 we announced a share buyback of up to €6 billion for up to five years.

6.2 Cash flows

(in millions of €)	Fiscal year 2023
Cash flows from operating activities	
Net income	**8,529**
Change in operating net working capital	**(2,165)**
Other reconciling items to cash flows from operating activities – continuing operations	**5,918**
Cash flows from operating activities – continuing operations	**12,281**
Cash flows from operating activities – discontinued operations	**(41)**
Cash flows from operating activities – continuing and discontinued operations	**12,239**
Cash flows from investing activities	
Additions to intangible assets and property, plant and equipment	**(2,218)**
Acquisitions of businesses, net of cash acquired	**(407)**
Purchase of investments and financial assets for investment purposes	**(723)**
Change in receivables from financing activities of SFS	**(1,461)**
Other disposals of assets	**1,351**
Cash flows from investing activities – continuing operations	**(3,458)**
Cash flows from investing activities – discontinued operations	**281**
Cash flows from investing activities – continuing and discontinued operations	**(3,176)**
Cash flows from financing activities	
Purchase of treasury shares	**(884)**
Re-issuance of treasury shares and other transactions with owners	**(404)**
Issuance of long-term debt	**2,470**
Repayment of long-term debt (including current maturities of long-term debt)	**(5,252)**
Change in short-term debt and other financing activities	**300**
Interest paid	**(1,208)**
Dividends paid to shareholders of Siemens AG	**(3,362)**
Dividends attributable to non-controlling interests	**(389)**
Cash flows from financing activities – continuing operations	**(8,730)**
Cash flows from financing activities – discontinued operations	**(1)**
Cash flows from financing activities – continuing and discontinued operations	**(8,731)**

Industrial Business recorded **cash inflows from operating activities** that exceeded its profit, with the highest contribution from Digital Industries. Cash outflows from changes in operating net working capital were due mainly to Siemens Healthineers which recorded a significant build-up of trade and other receivables as well as inventories due in part to the expected growth of business activities in coming quarters.

Cash outflows for **purchase of investments and financial assets for investment purposes** included additions of assets eligible as central bank collateral and payments for debt or equity investments.

Cash outflows from **change in receivables from financing activities of SFS** related primarily to SFS's debt business.

Cash inflows from **other disposals of assets** included mainly proceeds from disposals of assets eligible as central bank collateral, from the sale of the Commercial Vehicles business by Portfolio Companies, and from the sale or disposal of debt or equity investments.

Cash outflows from the **re-issuance of treasury shares and other transactions with owners** were driven by the purchase of Siemens Healthineers AG treasury shares.

Cash outflows for **dividends attributable to non-controlling interests** mainly included dividends paid to the shareholders of Siemens Healthineers AG.

With our ability to generate positive operating cash flows from continuing and discontinued operations of €12.2 billion in fiscal 2023, our total liquidity (defined as cash and cash equivalents plus current interest-bearing debt securities) of €11.1 billion, our unused lines of credit, and our credit ratings at year-end, we believe that we have sufficient flexibility to fund our capital requirements. Also in our opinion, our operating net working capital is sufficient for our present requirements.

Cash conversion rate

	Fiscal year 2023			Fiscal year 2022		
(in millions of €)	Continuing operations	Discontinued operations	Continuing and discontinued operations	Continuing operations	Discontinued operations	Continuing and discontinued operations
Cash flows from operating activities	12,281	(41)	12,239	10,322	(81)	10,241
Additions to intangible assets and property, plant and equipment	(2,218)	–	(2,218)	(2,084)	–	(2,083)
(I) Free cash flow	10,062	(41)	10,021	8,238	(81)	8,157
(II) Net income			8,529			4,392
(I) / (II) Cash conversion rate			1.17			1.86

The cash conversion rate was influenced by a non-cash profit of €0.7 billion in fiscal 2023 (in fiscal 2022 by a non-cash loss of €2.9 billion) related to Siemens Energy Investment.

Investing activities

Additions to intangible assets and property, plant and equipment from continuing operations totaled €2.2 billion in fiscal 2023. Within the industrial businesses, ongoing investments related mainly to technological innovations; maintaining, extending and digitalizing our capacities for designing, manufacturing and marketing new solutions; improving productivity; and replacements of fixed assets. These investments amounted to €1.7 billion in fiscal 2023. The remaining portion related mainly to Siemens Real Estate, including significant amounts for projects such as new office buildings in Germany and Spain. Siemens Real Estate is responsible for uniform and comprehensive management of Company real estate worldwide (except for Siemens Healthineers) and supports the industrial businesses and corporate activities with customer-specific real estate solutions.

With regard to capital expenditures, we expect a significant increase in fiscal 2024. In the context of the €2 billion investment strategy presented in fiscal 2023 to strengthen growth, innovation and resilience, significant amounts will be invested in the coming years for the construction and expansion of high-tech production facilities in the U.S., China and Singapore. As part of this investment strategy, Siemens also announced the establishment of its new Technology Campus in Erlangen, Germany, to expand development and manufacturing capacities. In addition, up to €0.6 billion are to be invested in Siemensstadt Square. This project, initiated in fiscal 2019, aims to transform Siemens' existing industrial area in Berlin into a modern urban district supporting a diverse range of purposes, including strengthening key technologies. Further investments are planned in relation to new office buildings, including Siemens Campus Erlangen. Furthermore, we continue to invest in attractive innovation fields through Next47, our global venture capital unit.

7. Overall assessment of the economic position

Overall, global economic development in fiscal 2023 was mixed and characterized by a number of headwinds. In this environment, Siemens delivered a very strong performance in all its businesses due to its strategic positioning relative to long-term trends such as automation, electrification and digitalization. With our offerings, we help increase resource efficiency and the decarbonization of industry, transport and building infrastructures and make manufacturing more resilient and flexible. We expect these trends to continue to drive our growth in the coming years.

During fiscal 2023, we made further progress in focusing our business portfolio by selling our Commercial Vehicles business. Furthermore, we began forming a new motors and large drives company under the name Innomotics by combining our existing business activities in the areas of low- to high-voltage motors, geared motors, medium-voltage converters and motor spindles. Also, we further reduced our stake in Siemens Energy AG to 25.1% and transferred shares to Siemens Pension-Trust e.V. To boost future growth and drive innovation, we announced a €2 billion investment strategy mainly for new manufacturing capacity as well as innovation labs and education centers. We also expanded our open digital business platform, Siemens Xcelerator, by introducing Industrial Operations X, which includes a broad range of interoperable offerings for more adaptive production, and by adding new cloud-based applications for Building X, our suite for smart and sustainable buildings.

Fiscal 2023 was another very successful year for Siemens. We achieved excellent financial results in a volatile market environment, which on the one hand included destocking by customers and distributors following previously proactive purchasing, particularly in our short-cycle businesses, and on the other hand included improved supply chain conditions, which accelerated revenue conversion from our high order backlog. We raised our outlook during the fiscal year after the first and the second quarters. We then reached or exceeded all the targets set for our primary measures for fiscal 2023. We achieved revenue growth of 11% net of currency translation and portfolio effects and delivered EPS pre PPA of €10.77. Excluding Siemens Energy Investment, EPS pre PPA was €9.93. ROCE increased to 18.6%, our capital structure ratio came in at 0.6, and the cash conversion rate was 1.17.

Orders rose 7% year-over-year to €92.3 billion, for a book-to-bill ratio of 1.19, thus fulfilling our expectation of a ratio above 1. Order growth was driven by sharply higher volume from large orders at Mobility, including an order worth €2.9 billion for locomotives and associated maintenance in India and a €2.5 billion order for the first line of a turnkey rail system in Egypt, and by clear growth in Smart Infrastructure led by the electrification business. Orders in Digital Industries came in lower as the destocking trend mentioned above had a significant effect on its automation businesses.

Revenue was higher in nearly all our industrial businesses and rose to €77.8 billion, up 8% year-over-year. Smart Infrastructure and Digital Industries contributed double-digit growth with all businesses posting increases. Revenue growth at Smart Infrastructure was led by the electrification and the electrical products businesses, while at Digital Industries the factory automation and the process automation businesses contributed the strongest growth. Revenue growth at Mobility was led by a significant increase in the rolling stock business. Revenue at Siemens Healthineers remained on the prior-year level as growth particularly in the imaging and Varian businesses was offset by a decline in the diagnostics business. Excluding currency translation and portfolio effects, revenue for Siemens rose 11%. We thus exceeded the forecast provided in our Combined Management Report for fiscal 2022, which was to achieve comparable revenue growth in the range of 6% to 9%, and reached the upper end of our subsequently raised outlook, which was to achieve 9% to 11% in comparable revenue growth.

Profit Industrial Business exceeded the record high of a year earlier and rose 11% to €11.4 billion. All industrial businesses except Siemens Healthineers increased their profit year-over-year. The strongest increase came from Smart Infrastructure on improvements in all its businesses, led by the electrical products and the electrification businesses. Growth at Digital Industries was driven by the automation businesses, only partly offset by a decline in profit in the software business due mainly to higher expenses related to cloud-based activities. Profit at Mobility increased in nearly all businesses and included positive trailing effects related to the winding down of business activities in Russia a year earlier. Profit at Siemens Healthineers came in lower on declines in the diagnostics business, due primarily to sharply lower revenue from rapid coronavirus antigen tests as well as charges related to its transformation program and charges related to refocusing certain activities in the advanced therapies business.

The profit margin of our Industrial Business rose to 15.4%, up from 15.1% a year earlier, reaching its highest level ever. Digital Industries and Smart Infrastructure achieved the strongest increases and also contributed the highest margins: 22.6% and 15.4%, respectively. The profit margin for Mobility rose slightly to 8.4%, while the profit margin at Siemens Healthineers declined to 11.7%.

Earnings before taxes at SFS increased significantly due mainly to higher earnings before taxes in the debt business, which in the prior fiscal year included a €0.2 billion impact in connection with the sale of the financing and leasing business in Russia. Return on equity after tax for SFS increased to 16.3%. Profit at Portfolio Companies included a €0.1 billion gain from the sale of the Commercial Vehicles business but came in sharply lower compared to the prior fiscal year which had included a €1.1 billion gain from the sale of the mail and parcel-handling business of Siemens Logistics and a €0.3 billion revaluation gain in connection with the sale of our stake in Valeo Siemens eAutomotive GmbH. Results within Reconciliation to Consolidated Financial Statements benefited from positive effects related to Siemens Energy Investment, including €1.6 billion from a partial reversal of the prior-year €2.7 billion impairment on Siemens' stake in Siemens Energy AG. These positive effects were partly offset by Siemens' share of Siemens Energy's after-tax loss.

Net income nearly doubled year-over-year to a historic high of €8.5 billion and corresponding basic EPS more than doubled to €10.04. EPS pre PPA increased to €10.77. Excluding a positive €0.84 per share related to Siemens Energy Investment, EPS pre PPA was €9.93. We thus exceeded the forecast provided in our Combined Management Report for fiscal 2022, which was to achieve EPS pre PPA in a range of €8.70 to €9.20, and exceeded our forecast made after the third quarter of fiscal 2023, which was for EPS pre PPA excluding Siemens Energy Investment in the range of €9.60 to €9.90.

ROCE for fiscal 2023 rose to 18.6%, up from 10.0% in fiscal 2022. This increase was due to sharply higher income before interest after tax year-over-year. We thus exceeded the forecast for ROCE provided in our Combined Management Report 2022, which was to come close to or reach the lower end of our target range of 15% to 20%.

We evaluate our capital structure using the ratio of Industrial net debt to EBITDA. Due to a combination of a decrease in Industrial net debt and higher EBITDA year-over-year, this ratio declined to 0.6. We thus achieved the forecast provided in our Combined Management Report 2022, which was to achieve a ratio of up to 1.5.

Free cash flow from continuing and discontinued operations for fiscal 2023 was €10.0 billion, reaching a record high. The cash conversion rate for Siemens, defined as the ratio of Free cash flow from continuing and discontinued operations to Net income, was 1.17. We thus achieved a cash conversion rate that contributed strongly to the average required to reach our target of 1 minus annual comparable revenue growth rate over a cycle of three to five years.

We intend to continue providing an attractive shareholder return. The Siemens Managing Board, in agreement with the Supervisory Board, proposes a dividend of €4.70 per share, up from €4.25 per share a year earlier.

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8. Report on expected developments and associated material opportunities and risks

8.1 Report on expected developments

8.1.1 Worldwide economy

The global economy showed remarkable resilience in calendar 2023, given the number of headwinds and negative economic shocks from the previous year. Nevertheless, these shocks still have adverse implications for economic growth in calendar 2024, especially the dampening effects of tighter financial conditions. Accordingly, in calendar 2024 the global economy is expected to further slow down to 2.3% GDP growth, after 2.6% in calendar 2023. Given the high number of active and potential geopolitical conflicts, the outlook is subject to a high level of uncertainty.

In the E.U., GDP is expected to increase by 0.8% in calendar 2024, after an anticipated growth of 0.4% in calendar 2023. The effects of the energy crisis still show negative impacts, especially in energy-intensive industries. Tighter monetary policy – the European Central Bank lifted the main policy interest rate to 4.5% in just over one year – also held back growth, particularly in the construction industry. The German economy is most impacted due to its proportionally large manufacturing sector and is expected to grow by only 0.5% in calendar 2024.

The U.S. economy is expected to decelerate to a soft landing. After unexpectedly strong GDP growth (expected to be +2.5%) in calendar 2023, caused mainly by a very strong services sector while industry was weak, growth in calendar 2024 is expected to slow down to 1.6%. Tighter financial conditions – the Federal Reserve increased the main policy interest rate to 5.5% and longer-term interest rates also increased substantially – will unfold their full effect next year. Hence, a short and shallow recession during calendar 2024, while not our baseline assumption, is also possible and expected by some economists. Consumer spending is expected to continue as a primary growth driver, while government investment programs (CHIPS Act, Inflation Reduction Act) play a supporting role for the economy as they spur business investment.

GDP in China is expected to grow at only 4.6% in calendar 2024, after an anticipated growth of 5.0% in calendar 2023. The correction in the real estate sector will continue to weigh on GDP growth. During calendar 2024 global goods demand, world trade and industrial production are expected to modestly increase again. The main assumption behind this expectation is further normalization for two critical factors: consumer spending and the inventory policies of companies. Both weighed on industrial output in calendar 2023 but are expected to modestly support growth of the Chinese economy in calendar 2024. In addition, Chinese private consumption is expected to drive domestic demand and some tailwinds will come from announced stimulus measures.

Globally, the decline of inflation rates is expected to continue, although at a slower pace. Past interest rate hikes are having the desired effect, and headline inflation is expected to steadily approach the central bank targets. Hence, monetary policy is expected to become less restrictive in calendar 2024.

Global fixed investments should benefit from government programs and from factory investments to improve supply chain resilience and other diversification measures. Global gross fixed investments are expected to grow by 3.2% in calendar 2024, unchanged from 3.2% in the year before.

Given the forecasted further slowdown of the global economy, growth of markets served by Siemens is also expected to slow in fiscal 2024 in light of significant headwinds, few tailwinds, and reduced stabilizing effects from high industry's order backlogs and price adjustments in a number of our businesses.

The forecasts for calendars 2024 and 2023 presented here for GDP and fixed investments are based on a report from S&P Global dated October 15, 2023.

8.1.2 Siemens Group

We are basing our outlook for fiscal 2024 on the above-mentioned expectations and assumptions regarding the overall economic situation and also on the specific market conditions we expect for our respective industrial businesses, as described in chapter 3 Segment information. Furthermore, we assume that geopolitical tensions do not further increase. We expect improvements in productivity and adjusting prices for our own products, solutions and services to more than offset effects from wage increases and higher prices for raw materials and components.

We are exposed to currency translation effects, mainly involving the U.S. dollar, the British pound and currencies of emerging markets, particularly the Chinese yuan. Siemens is still a net exporter from the Eurozone to the rest of the world, so a weak euro is principally favorable for our business and a strong euro is principally unfavorable. While we expect volatility in global currency markets to continue in fiscal 2024, we have improved our natural hedge on a global basis through geographic distribution of our production facilities in the past. In addition to the natural hedging strategy, we also hedge currency risk in our export business using derivative financial instruments. We expect these steps to help us limit effects on income related to currency in fiscal 2024. In this outlook, we assume that currency translation effects in fiscal 2024 slightly reduce nominal volume growth rates for Siemens and profitability of our businesses.

This outlook excludes burdens from legal and regulatory matters.

Segments

Digital Industries expects for fiscal 2024 comparable revenue development of 0% to 3%. This is based on the assumption that following destocking by customers, global demand in the automation businesses, especially in China, will pick up again in the second half of the fiscal year. The profit margin is expected to be 20% to 23%.

Smart Infrastructure expects for fiscal 2024 comparable revenue growth of 7% to 10%. The profit margin is expected to be 15% to 17%.

Mobility expects for fiscal 2024 comparable revenue growth of 8% to 11%. The profit margin is expected to be 8% to 10%.

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Siemens Healthineers expects to achieve comparable revenue growth of 4.5% to 6.5% in fiscal 2024, and to contribute solidly to the profit and profit margin of our Industrial Business.

SFS anticipates further gradually improved earnings before taxes in fiscal 2024 compared to fiscal 2023. Return on equity (ROE) (after tax) is expected to be in the target range of 15% to 20%.

Revenue growth

For comparable revenue, we expect the Siemens Group to achieve comparable revenue growth in the range of 4% to 8%. Furthermore, we anticipate that orders in fiscal 2024 will exceed revenue for a book-to-bill ratio above 1.

As of September 30, 2023, our order backlog totaled €111 billion, and we expect conversion from the backlog to strongly support revenue growth in fiscal 2024 with approximately €43 billion of past orders converted to current revenue. For expected conversion of order backlog to revenue for our respective segments, see chapter 3 Segment information.

Profitability

Outside our reportable segments, we expect Portfolio Companies to achieve an operational margin of more than 5%.

Results of Siemens Energy Investment depend on the performance of Siemens Energy and are excluded from our forecast for EPS pre PPA. We anticipate that Siemens Real Estate will continue with real estate disposals depending on market conditions. Results for Innovation are expected on the prior-year level, which was a negative €0.2 billion. The negative results related to Governance declined to €0.5 billion in fiscal 2023; we expect a further improvement in fiscal 2024. Centrally carried pension expense are expected to be on the prior-year level, which was a negative €0.1 billion. Amortization of intangible assets acquired in business combinations is expected in a range of €0.7 billion to €0.8 billion in fiscal 2024 based on our current business portfolio. Financing, eliminations and other items, which were a negative €0.3 billion in fiscal 2023, are expected to be on the prior-year level depending on market developments.

We anticipate our tax rate for fiscal 2024 to be in the range of 24% to 29%. This assumption does not take into consideration possible impacts from potential major tax reforms.

Our forecast for net income takes into account a number of additional factors. We assume solid project execution continues in fiscal 2024. We plan to keep the ratio of R&D expenses to revenue, which was 8% in fiscal 2023 at approximately the level in fiscal 2024. We expect the ratio of selling and general administrative expenses to revenue, which was 18% in fiscal 2023 to remain approximately on this level in fiscal 2024. Severance charges, which were €0.4 billion in fiscal 2023, are expected at a lower level in fiscal 2024.

Given the above-mentioned assumptions, we expect profitable growth of our Industrial Business to drive an increase in EPS pre PPA excluding Siemens Energy Investment to a range of €10.40 to €11.00 in fiscal 2024, along with a corresponding increase in net income. For comparison, fiscal 2023 EPS pre PPA was €9.93 excluding €0.84 in EPS pre PPA from Siemens Energy Investment.

Capital efficiency

For fiscal 2024, we expect ROCE to be in our target range of 15% to 20%.

Capital structure

We aim in general for a capital structure of up to 1.5; we expect to achieve this in fiscal 2024.

Cash conversion rate

For fiscal 2024, we expect a cash conversion rate that contributes to reaching our target of 1 minus the annual comparable revenue growth rate of Siemens over a cycle of three to five years.

8.1.3 Overall assessment

Our outlook for the Siemens Group for fiscal 2024 is based on the assumption that geopolitical tensions do not further increase. Under this condition, we expect our Industrial Business to continue its profitable growth.

For the Siemens Group we expect comparable revenue growth in the range of 4% to 8% and a book-to-bill ratio above 1.

We expect profitable growth of our Industrial Business to drive an increase in EPS pre PPA excluding Siemens Energy Investment to a range of €10.40 to €11.00 in fiscal 2024, up from EPS pre PPA excluding Siemens Energy Investment of €9.93 in fiscal 2023.

This outlook excludes burdens from legal and regulatory matters.

Overall, the actual development for Siemens and its segments may vary, positively or negatively, from our outlook due to the risks and opportunities described below or if our expectations and assumptions do not materialize.

8.2 Risk management

8.2.1 Basic principles of risk management

Our risk management policy stems from a philosophy of pursuing sustainable growth and creating economic value while managing appropriate risks and opportunities and avoiding inappropriate risks. As risk management is an integral part of how we plan and execute our business strategies, our risk management policy is set by the Managing Board. Our organizational and accountability structure requires each of the respective managements of our organizational units to implement risk management programs that are tailored to their specific industries and responsibilities, while being consistent with the overall policy.

8.2.2 Enterprise risk management process

We have implemented and coordinated a set of risk management and control systems which support us in the early recognition of developments that could jeopardize the continuity of our business. The most important of these systems include our enterprise-wide processes for strategic planning and management reporting. Strategic planning is intended to support us in considering potential risks and opportunities well in advance of major business decisions, while management reporting is intended to enable us to monitor such risks more closely as our business progresses. Our risk management and its contributing elements are regularly subject of audit activities by our internal audit function. Accordingly, if deficits are detected, it is possible to adopt appropriate measures for their elimination. This coordination of processes and procedures is intended to help ensure that the Managing Board and the Supervisory Board are fully informed about significant risks in a timely manner.

Risk management at Siemens builds on a comprehensive, interactive and management-oriented Enterprise Risk Management (ERM) approach that is integrated into the organization and that addresses both risks and opportunities. Our ERM approach is based on the globally accepted COSO Standard (Committee of Sponsoring Organizations of the Treadway Commission) Enterprise Risk Management – Integrating with Strategy and Performance (2017) and the ISO (International Organization for Standardization) Standard 31000 (2018) and is adapted to Siemens requirements. The frameworks connect the ERM process with our financial reporting process, our internal control and our compliance management system. They consider a company's strategy, the efficiency and effectiveness of its business operations, the reliability of its financial reporting and compliance with relevant laws and regulations to be equally important.

Our ERM process aims for early identification and evaluation of, and response regarding, risks and opportunities that could materially affect the achievement of our strategic, operational, financial and compliance objectives. The time horizon is typically three years, and we take a net risk approach, addressing risks and opportunities remaining after the execution of existing and effective measures and controls. If risks have already been considered in plans, budgets, forecasts or the consolidated financial statements (e.g. as a provision or risk contingency), they are supposed to be incorporated with their financial impact in the entity's business objectives. As a consequence, only additional risks arising from the same cause (e.g. deviations from business objectives, different impact perspectives) should be considered. In order to provide a comprehensive view of our business activities, risks and opportunities are identified in a structured way combining elements of both top-down and bottom-up approaches. Reporting generally follows a quarterly cycle; we complement this periodic reporting with an ad-hoc reporting process that aims to escalate critical issues in a timely manner. Relevant risks and opportunities are evaluated in terms of impact and likelihood, considering different impact perspectives, including business objectives, reputation and regulatory requirements. The bottom-up identification and prioritization process is supplemented by workshops with the respective managements of our organizational units. The top-down element ensures that potential new risks and opportunities are discussed at different management levels and are included in the subsequent reporting process, if found to be relevant. Reported risks and opportunities are analyzed regarding potential cumulative effects and are aggregated within and for each of the organizational units mentioned above.

Responsibilities are assigned for all relevant risks and opportunities, with the hierarchical level of responsibility depending on the significance of the respective risk or opportunity. In a first step, assuming responsibility for a specific risk or opportunity involves choosing one of our general response strategies. Our general response strategies with respect to risks are avoidance, transfer, reduction or acceptance of the relevant risk. Our general response strategy with respect to opportunities is to "pursue" the relevant opportunity. In a second step, responsibility for a risk or opportunity also involves the development, initiation and monitoring of appropriate response measures corresponding to the chosen response strategy. These response measures have to be specifically tailored to allow for effective risk management. Accordingly, we have developed a variety of response measures with different characteristics. For example, we mitigate the risk of fluctuations in currency and interest rates by engaging in hedging activities. Regarding our projects, systematic and comprehensive project management with standardized project milestones, including provisional acceptances during project execution and complemented by clearly defined approval processes, assists us in identifying and responding to project risks at an early stage, even before the bidding phase. Furthermore, we maintain appropriate insurance levels for potential cases of damage and liability risks in order to reduce our exposure to such risks and to avoid or minimize potential losses. Among others, we address the risk of fluctuation in economic activity and customer demand by closely monitoring macroeconomic conditions and developments in relevant industries, and by adjusting capacity and implementing cost-reduction measures in a timely and consistent manner if they are deemed necessary. Due to regular screening of climate risks and environmental, social and governance (ESG) developments we can initiate related mitigation actions in a timely manner – also as part of our DEGREE implementation. Worldwide there are risks from the transmission of infectious agents from animals to humans, from humans to humans and in other ways. Epidemic, pandemic or other infectious developments such as bioterrorism to cause high disease rates in countries, regions or continents. We constantly check information from the World Health Organization (WHO), the Centers for Disease Control and Prevention in the U.S. and Europe, the Robert Koch Institute in Germany and other institutions in order to be able to identify early epidemic or pandemic risks and determine and initiate related mitigation actions as early as possible.

8.2.3 Risk management organization and responsibilities

To oversee the ERM process and to further drive the integration and harmonization of existing control activities to align with legal and operational requirements, the Managing Board established a Risk Management and Internal Control Organization, led by the Head of Assurance. In order to allow for a meaningful discussion at the Siemens Group level, this organization aggregates individual risks and opportunities of similar cause-and-effect nature into broader risk and opportunity themes. This aggregation naturally results in a mixture of risks, including those with a primarily qualitative assessment and those with a primarily quantitative assessment; the same applies to opportunities. Accordingly, we do not adopt a purely quantitative assessment of risk and opportunity themes. Thematic risk and opportunity assessments as well as our risk-bearing capacity then form the basis for the evaluation of the company-wide risk and opportunity situation during the quarterly Managing Board meetings. The Head of Assurance assists the Managing Board with the operation and oversight of the risk and internal control system and reporting to the Audit Committee of the Supervisory Board.

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8.3 Risks

Below we describe the risks that could have a material adverse effect on our business situation, financial condition (including effects on assets, liabilities and cash flows), results of operations and reputation. The order in which the risks are presented in each of the four categories reflects the currently estimated relative exposure for Siemens associated with these risks and thus provides an indication of the risks' current importance to us. Additional risks not known to us or that we currently consider immaterial may also negatively impact our business objectives and operations. Unless otherwise stated, the risks described below relate to all our organizational units.

8.3.1 Strategic risks

Economic, political and geopolitical conditions: We see high uncertainties regarding the global economic and geopolitical outlook, which deteriorated significantly in the past year due to multiple headwinds, all of which may continue to intensify. First, the Israel-Gaza conflict continues to escalate and might cause a larger regional conflict involving further parties. Ongoing risks emanate from the war in Ukraine. Both the Israel-Gaza conflict and the war in Ukraine may have negative impacts on sales development, production processes and purchasing and logistics processes, for example through interruptions in supply chains and energy supplies or bottlenecks affecting components, raw materials and intermediate products. Each of the conflicts could also intensify further to the point of expanding to include other warring parties, including NATO countries, and the use of unconventional weapons. An expansion of the conflicts would have a significant impact on the Siemens market environment. Even the current states of conflicts could have a further negative impact on development of potential crude oil and natural gas supplies. This would fuel inflation, with further risk of a sustained wage-price-spiral. In any case one of the core risks for the Siemens outlook is that central banks may fail to get inflation below their targets and then react more restrictively or even overreact. More restrictive financial conditions would likely push advanced economies into recession and pose a significant risk to vulnerable emerging economies. Highly indebted (emerging and industrialized) countries could suffer from increasing financing costs, further U.S. dollar appreciation, and loss of investor confidence. Other risks could arise for the stability of public finances and the banking sector. Further risks are coming from other geopolitical tensions (particularly associated with the Baltics, Eastern Europe, the Western Balkans, China, Taiwan, and Iran). We continue to face economic risks from a further significant slow-down of the Chinese economy. Key risks are coming from potential financial imbalances, particularly due to the struggling real-estate sector, but also from the growing debt-level of local governments, with growing negative implications for Siemens business in China and the country's trading partners. Obstruction and redefinitions of international cooperation agreements could severely impact our business. First and foremost a more extensive U.S.-China decoupling would have adverse effects on confidence and investment activity and would severely hit Siemens' business. Increasing trade barriers, protectionism, sanctions and in particular technical regulations would negatively impact production costs and productivity along our global value chains, as well as significantly impede or even hinder access to sales markets. A significant risk to our sales potential and cost structures is coming from the possibility of renewed supply chain bottlenecks, due to growing lack of availability of intermediate goods, in particular electronic components. Furthermore, grid-lock in U.S. politics could weigh on U.S. growth with the risk of a global spillover. We are dependent on the economic development of certain industries; a continuation or even an intensification of the cyclical and structural headwinds in core customer industries, e.g. automotive or construction, would have adverse impact on our business prospects. A resurgence of COVID-19 or even the outbreak of a new pandemic, a terrorist attack, a significant cybercrime incident, or a series of such attacks or incidents in major economies, could depress economic activity globally and undermine consumer and business confidence. Additionally, the highly interconnected global economy remains vulnerable to natural disasters or hybrid warfare.

If we are not successful in adapting our production and cost structure to subsequent changes in conditions in the markets in which we operate, there can be no assurance that we will not experience adverse effects. For example, our customers may modify, delay or cancel plans to purchase our products, solutions and services, or fail to follow through on purchases or contracts already executed. In addition, it may become more difficult for our customers to obtain financing. Contracted payment terms, especially regarding the level of advance payments by our customers relating to long-term projects, may become less favorable, which could negatively impact our financial condition. Siemens' global setup with operations in almost all relevant economies, our wide range of offerings with varied exposures to business cycles, and our balanced mix of business models (e.g. equipment, components, systems, software, services and solutions) help us to absorb impacts from adverse developments in any single market.

Portfolio measures, at-equity investments, other investments and strategic alliances: Our strategy includes divesting our activities in some business areas and strengthening others through portfolio measures, including mergers and acquisitions. With respect to divestments, we may not be able to divest some of our activities as planned, and the divestitures we do carry out could have a negative impact on our business situation, financial condition, results of operations and reputation. Mergers and acquisitions are inherently risky because of difficulties that may arise when integrating people, operations, technologies and products. There can be no assurance that any of the businesses we acquire can be integrated successfully and in a timely manner as originally planned, or that they will perform as anticipated once integrated. In addition, we may incur significant acquisition, administrative, tax and other expenditures in connection with these transactions, including costs related to integration of acquired businesses. Furthermore, portfolio measures may result in additional financing needs and adversely affect our capital structure. Acquisitions can lead to substantial additions to intangible assets, including goodwill, in our statements of financial position. If we were to encounter continuing adverse business developments or if we were otherwise to perform worse than expected at acquisition activities, then these intangible assets, including goodwill, might have to be impaired, which could adversely affect our business situation, financial condition and results of operations. Our investment portfolio includes investments held for purposes other than trading and other investments. Any factors negatively influencing the financial condition and results of operations of our at-equity investments, such as Siemens Energy, and other investments could have an adverse effect on our equity pick-up related to these investments or may result in a related write-off. In addition, our business situation, financial condition and results of operations could also be adversely affected in connection with loans, guarantees or non-compliance with financial covenants related to these investments. Furthermore, such investments are inherently risky as we may not be able to sufficiently influence corporate governance processes or business decisions taken by our at-equity investments, by other investments and by strategic alliances, which may have a negative effect on our business and especially on our reputation. In addition, joint ventures bear the risk of difficulties that may arise when integrating people, operations, technologies and products. Strategic alliances may also pose risks for us because we compete in some business areas with companies with which we have strategic alliances. Besides other measures, we handle these risks with standardized processes as well as dedicated roles and responsibilities in the areas of mergers, acquisitions, divestments and carve-outs. This includes the systematic treatment of all contractual obligations and post-closing claims.

Increasing sustainability focus: Governments around the world continue to increase their focus on sustainability topics, resulting in the risk of increased costs to comply with new laws and related reporting requirements. In addition, increasing stakeholder and investor focus on sustainability topics brings reputational risk should our sustainability commitments, targets and activities be perceived as a deceptive use of green marketing or otherwise not credible. Climate change litigation has become a worldwide phenomenon with a corresponding risk to Siemens as a large corporation. We address these risks in a variety of ways including through our sustainability framework DEGREE, in which we have set ambitious sustainability targets. DEGREE includes measures to reduce our carbon footprint along with other initiatives addressing ESG topics more generally. We have implemented an ESG due diligence process that supports Siemens businesses with due diligence in the customer-oriented environment with a view to possible environmental and social risks as well as related human rights and reputational risks. Finally, we believe our overall portfolio is very well positioned to meet the current and future sustainability needs of our customers and the societies in which we operate.

Disruptive technologies: The markets in which our businesses operate experience rapid and significant changes due to the introduction of innovative and disruptive technologies. In the field of digitalization (e.g. Digital Twin, artificial intelligence, cloud computing), there are risks associated with new competitors, substitutions for existing products/solutions/services, new business models (e.g. in terms of pricing, financing, extended scopes for project business or subscription models in the software business), and finally the risk that our competitors may have more advanced time-to-market strategies and introduce their disruptive products and solutions faster than Siemens. Siemens generally differentiates its software offerings from those of other software companies through deep domain know-how. There are risks associated with technologies such as artificial intelligence, including generative artificial intelligence, that domain expertise will not be a significant distinguishing feature in the future, and that additional competitors may therefore emerge more easily or rapidly. Our operating results depend to a significant extent on our technological leadership, our ability to anticipate and adapt to changes in our markets, and our ability to optimize our cost base accordingly. Introducing new products and technologies requires a significant commitment to research and development, which in return requires expenditure of considerable financial resources that may not always result in success. Our results of operations may suffer if we invest in technologies that do not operate or may not be integrated as expected, or that are not accepted in the marketplace as anticipated, or if our products, solutions or systems are not introduced to the market in a timely manner, particularly compared to our competitors, or even become obsolete. We constantly apply for new patents and actively manage our intellectual property portfolio to secure our technological position. However, our patents and other intellectual property may not prevent competitors from independently developing or selling products and services that are similar to ours.

Competitive environment: The worldwide markets for our products, solutions and services are highly competitive in terms of pricing, product and service quality, product development and introduction time, customer service, financing terms and shifts in market demands. We face strong, established competitors as well as rising competitors from emerging markets and new industries, which may have a better cost structure or offer a better customer solution. Some industries in which we operate are undergoing consolidation, which may result in stronger competition, a change in our relative market position, an increase in inventory of finished or work-in-progress goods, or unexpected price erosion. Furthermore, there is a risk that critical suppliers could be taken over by competitors and a risk that competitors are increasingly offering services to our installed base. We address these risks with various measures, for example benchmarking, strategic initiatives, sales push initiatives, executing productivity measures and target cost projects, rightsizing of our footprint, outsourcings, mergers and joint ventures and optimizing our product and service portfolio. We continuously monitor and analyze competitive, market and industry information in order to be able to anticipate unfavorable changes in the competitive environment rather than merely reacting to such changes.

8.3.2 Operational risks

Cyber/Information security: Digital technologies are deeply integrated into our business portfolio. Further integration of information technology into products and services in conjunction with changing business strategies (such as outsourcing, globally distributed development, a lesser degree of sole production) are leading to an increasingly distributed supply chain, making efficient controls difficult. The fact of a large number of suppliers requires a significant effort for the initial and regular verification of the effective implementation of cybersecurity requirements by suppliers. Siemens business entities might lose market access if their products, solutions and services do not comply with increased regulations and legal requirements for cybersecurity in their respective countries. We observe a global increase of cybersecurity threats and higher levels of professionalism in computer crime, which pose a risk to the security of Siemens products, solutions and services; to Siemens IT systems and networks; and to the confidentiality, availability and integrity of data. Like other large multinational companies, we face active cyber threats from sophisticated adversaries that are supported by organized crime and nation-states engaged in economic espionage or even sabotage. According to external sources of relevant data, this trend has been accelerated by geopolitical developments and tensions worldwide. Especially the numbers of phishing attacks and malicious websites have increased significantly. There is a risk that confidential information or data-privacy-relevant information may be stolen or that the integrity of our portfolio may be compromised, such as by attacks on our networks, social engineering, data manipulations in critical applications, or a loss of critical resources, resulting in financial damages and violation of data privacy laws. Moreover, the information technology market is concentrated among a small number of information technology and software vendors, which could lead to dependence on a single provider. There can be no assurance that the measures aimed at protecting our intellectual property and portfolio will address these threats under all circumstances. Cybersecurity covers the IT of our entire enterprise including office IT, systems and applications, special-purpose networks, and our operating environments such as manufacturing and R&D. We strive to mitigate these risks by employing a number of cyber defense measures, including employee training, considering new models of flexible working environments, and comprehensive monitoring of our networks and systems with an artificial intelligence solution to identify attacks faster, and thereby prevent damage to society, critical infrastructures, our customers, our partners and Siemens overall. We initiated the industrial "Charter of Trust," signed by a growing group of global companies, which sets out principles for building trust in digital technologies and creating a more secure digital world. Nonetheless, our systems, products, solutions and services, as well as those of our service providers, remain potentially vulnerable to attacks. Such attacks could potentially lead to the publication, manipulation or leakage of information such as through industrial espionage. They could also result in deliberate improper use of our systems, vulnerable products, production downtimes and supply shortages, with potential adverse effects on our reputation, our competitiveness and results of operations. For increased protection of Siemens and reduction of a potential financial impact caused by cyber incidents, the currently insurable cybersecurity risks have been to a partial extent transferred to a consortium of insurance companies.

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Supply chain management: The financial performance of our operating units depends on reliable and effective supply chain management for components, sub-assemblies, energy, critical parts (e.g. semiconductors) and materials. Capacity constraints and supply shortages resulting from ineffective supply chain management may lead to production bottlenecks, delivery delays, quality issues and additional costs. We also rely on third parties to supply us with parts, components and services. Using third parties to manufacture, assemble and test our products may reduce our control over manufacturing yields, quality assurance, product delivery schedules and costs. Although we work closely with our suppliers to avoid supply-related problems, there can be no assurance that we will not encounter supply problems in the future, especially if we use single-source suppliers for critical components. Shortages and delays could materially harm our businesses. Unanticipated increases in the price of components or raw materials due to market shortages or other reasons could also adversely affect performance. Furthermore, we may be exposed to the risk of delays and interruptions in the supply chain as a consequence of catastrophic events (including pandemics), geopolitical uncertainties, energy shortages, sabotage, cyber incidents, suppliers' financial difficulties or suppliers not meeting our standards, particularly if we are unable to identify alternative sources of supply or means of transportation in a timely manner or at all. Besides other measures, we mitigate price fluctuation in global raw material markets with various hedging instruments.

Internal programs and initiatives: We are in a continuous process of operational optimization and constantly engage in cost-reduction initiatives, including ongoing capacity adjustment measures and structural initiatives. Consolidation of business activities and manufacturing facilities, outsourcings, joint ventures and the streamlining of product portfolios are all part of these cost-reduction efforts. These measures may not be implemented as planned, may turn out to be less effective than anticipated, may become effective later than estimated or may not become effective at all. Any future contribution of these measures to our profitability will be influenced by the actual savings achieved and by our ability to sustain them. In case of restructuring and outsourcing activities, there could be delays in product deliveries or we might even experience delivery failures. Furthermore, delays in critical R&D projects could lead to negative impacts in running projects. We constantly control and monitor the progress of these projects and initiatives using standardized controlling and milestone tracking approaches.

Shortage of skilled personnel: Competition for diverse and highly qualified personnel, such as specialists and experts in technical fields, remains intense in the industries and regions in which our businesses operate. We have ongoing demand for highly skilled people and a need to enhance diversity, inclusion and sense of belonging in our workforce. Our future success depends in part on our continued ability to attract engineers, tech talent and other qualified personnel. We address these topics for example by strengthening the capabilities and skills of our talent acquisition teams and a strategy of proactive search for people with the required capabilities in our respective industries and markets. In fiscal 2023 we rolled out our new Employer Branding in all our recruiting marketing activities and started a media campaign with focus on tech talent in our key markets. Technology and digitalization help us to be more effective in attracting and selecting diverse talent. In addition, we have a focus on diversity and structured succession planning. As with our existing people, we must also provide new talent with opportunities to grow and bond, especially soon after they join us. This appears especially relevant at a time of new, increasingly virtual working environments.

Project-related risks: A number of our segments conduct activities under long-term contracts that are awarded on a competitive bidding basis. Such contracts typically arise at Mobility and in various activities of Smart Infrastructure or Portfolio Companies. Some of these contracts are inherently risky because we may assume substantially all of the risks associated with completing a project and meeting post-completion warranty obligations. For example, we may face the risk that we must satisfy technical requirements of a project even though we have not gained experience with those requirements before winning the project. The profit margins realized on fixed-priced contracts may vary from original estimates as a result of changes in costs and productivity over a contract's term. We sometimes bear the risk of unanticipated project modifications, shortage of key personnel, quality problems, financial difficulties of our customers and/or significant partners, cost overruns or contractual penalties caused by unexpected technological problems, unexpected developments at the project sites, unforeseen changes or difficulties in the regulatory or political environment, performance problems with our suppliers, subcontractors and consortium partners or other logistical difficulties. Some of our multi-year contracts also contain demanding installation and maintenance requirements in addition to other performance criteria relating to timing, unit cost and compliance with government regulations, which, if not satisfied, could subject us to substantial contractual penalties, damages, non-payment and contract termination. There can be no assurance that contracts and projects, in particular those with long-term duration and fixed-price calculation, can be completed profitably. To tackle those risks, we established a global project management organization to systematically improve the technical and commercial capabilities of our project management personnel. For complex projects we conduct dedicated risk assessments in very early stages of the sales phase before we decide to hand over a binding offer to our customers.

8.3.3 Financial risks

Risks from pension obligations: The provisions for pensions and similar obligations may be affected by changes in actuarial assumptions, including the discount rate, as well as by movements in financial markets or a change in the mix of assets in our investment portfolio. Additionally, they are subject to legal risks with regard to plan design, among other factors. A significant increase in underfunding may have a negative effect on our capital structure and rating, and thus may tighten refinancing options and increase costs. In order to comply with local pension regulations in selected foreign countries, we may face an economic risk of increasing cash outflows due to changes in funding level according to local regulations of our pension plans in these countries or to changes in the regulations themselves.

Audits by tax authorities and changes in tax regulations: We operate in nearly all countries of the world and therefore are subject to many different tax regulations. Changes in tax laws in any of these jurisdictions could result in higher tax expenses and increased tax payments. Furthermore, legislative changes could impact our tax receivables and liabilities as well as deferred tax assets and deferred tax liabilities. In addition, the uncertain legal environment in some regions could limit our ability to enforce our rights. As a globally operating organization, we conduct business in countries subject to complex tax rules, which may be interpreted in different ways. Future interpretations or developments of tax regimes may affect our business situation, financial condition and results of operations. We are regularly audited by tax authorities in various jurisdictions and we continuously identify and assess relevant risks.

Market price risks: We are exposed to fluctuations in exchange rates, especially between the U.S. dollar and the euro, because a high percentage of our business volume is conducted as exports from Europe to regions using the U.S. dollar. In addition, we are exposed to effects involving the currencies of emerging markets, in particular the Chinese yuan. Appreciable changes in euro exchange rates could materially change our competitive position. We are also exposed to fluctuations in interest rates. Even hedging activities to mitigate such risks may result in a reverse effect. Fluctuations in exchange or interest rates, negative developments in the financial markets and changes

in central bank policies could therefore negatively impact our financial results. Market prices show higher volatility than in the past due to increased macroeconomic uncertainties resulting from inflation, geopolitical tensions and other factors noted above.

Liquidity and financing risks: Our treasury and financing activities could face adverse deposit and/or financing conditions from negative developments related to financial markets, such as limited availability of funds and hedging instruments; an updated evaluation of our solvency, particularly from rating agencies; negative interest rates; and impacts arising from more restrictive regulation of the financial sector, central bank policy, or the usage of financial instruments. Widening credit spreads due to uncertainty and risk aversion in the financial markets might lead to adverse changes in the market values of our financial assets, in particular our derivative financial instruments.

Credit risks: We provide our customers with various forms of direct and indirect financing of orders and projects, including guarantees. Siemens Financial Services in particular bears credit risks due to such financing activities if, for example, customers do not meet obligations arising from these financing arrangements, meet them only partially, or meet them late. The credit environment has become more dynamic due to a more uncertain macroeconomic outlook (e.g. inflation) and geopolitical tensions.

For further information on post-employment benefits, derivative financial instruments, hedging activities, financial risk management and related measures, see Notes 17, 24 and 25 in Notes to Consolidated Financial Statements for fiscal 2023.

8.3.4 Compliance risks

Changes of regulations, laws and policies: Regulatory requirements are being introduced or modified at an unprecedented rate, often with little or no advance implementation lead time. This creates a risk that new requirements become effective more quickly than they can be implemented in the associated systems and processes, potentially resulting in business disruptions and the need for manual mitigation interventions. As a diversified company with global businesses we are exposed to various product- and country-related regulations, laws and policies influencing our business activities and processes. According to observations and analysis, there is an increasing risk that existing technical regulations in target markets will suddenly change, or new ones will be set in force, which result in market access criteria that our products do not meet. The affected products would lose marketability in this market. Reducing the risk of a sales-stop depends on the required correction for the non-conformity. In case the product can technically stay as is, while it has to undergo new and additional conformity assessment and certification, there will be considerable effort and cost to carry out the needed testing and certification procedures. In a worse case, the affected product will need re-engineering or re-design to meet the requirements of the changed or new technical regulation even before it can become re-assessed and certified for market approval. The latter case will cause significant extra effort and cost to make the needed product changes and to maintain the country-specific product variant as an additional derivative item in the portfolio. In the worst case, if the two aforementioned ways of maintaining the product's marketability prove to be not feasible, we must stop selling the affected product in the market. The uncertain geopolitical situation has triggered unpredictable – and often conflicting – extraterritorial regulations, restrictions and sanctions, thus creating a potential risk that it will be difficult to simultaneously comply with all relevant regulatory requirements of certain transactions. Complex cross-jurisdictional regulations can vary between countries, even within the same region, each with slightly different rules and requirements, creating a risk that a global standard cannot be effectively implemented and maintained, potentially leading to a need for more custom or regional standards. We monitor the political and regulatory landscape in all our key markets to anticipate potential problem areas, with the aim of quickly adjusting our business activities and processes to changed conditions. However, any changes in regulations, laws and policies could adversely affect our business activities and processes as well as our financial condition and results of operations.

Current and future investigations regarding allegations of corruption, of antitrust violations and of other violations of law: Proceedings against us or our business partners regarding allegations of corruption, of antitrust violations and of other violations of law may lead to fines as well as penalties, sanctions, injunctions against future conduct, profit disgorgements, disqualifications from directly and indirectly engaging in certain types of business, the loss of business licenses or permits, other restrictions and legal consequences as well as negative public media coverage. Accordingly, we may, among other things, be required to comply with potential obligations and liabilities arising in connection with such investigations and proceedings, including potential tax penalties. Moreover, any findings related to public corruption that are not covered by the 2008 and 2009 corruption charge settlements, which we concluded with U.S. and German authorities, may endanger our business with government agencies and intergovernmental and supranational organizations. Monitors could again be appointed to review future business practices and we may otherwise be required to further modify our business practices and our compliance program.

In its global business, Siemens does part of its business with state-owned enterprises and governments. We also participate in projects funded by government agencies and intergovernmental and supranational organizations, such as multilateral development banks. Ongoing or potential future investigations into allegations of corruption, antitrust violations or other violations of law could as well impair relationships with such parties or could result in our exclusion from public contracts. Such investigations may also adversely affect existing private business relationships and our ability to pursue potentially important strategic projects and transactions, such as strategic alliances, joint ventures or other business alliances, or could result in the cancellation of certain of our existing contracts. Moreover, third parties, including our competitors, could initiate significant litigation.

In addition, future developments in ongoing and potential future investigations, such as responding to the requests of governmental authorities and cooperating with them, could divert management's attention and resources from other issues facing our business. Furthermore, we might be exposed to compliance risks in connection with recently acquired operations that are in the ongoing process of integration.

Along with other measures, Siemens has established a global compliance organization that conducts compliance risk mitigation processes such as Compliance Risk Assessments, among others, or initiates audit activities performed by the internal assurance department.

Sanctions and export control: As a globally operating organization, we conduct business with customers in countries which are subject to export control regulations, embargoes, economic sanctions, debarment policies or other forms of trade restrictions (hereafter referred to as "sanctions") imposed by the U.S., the EU, China or other countries or organizations. New or expanded sanctions in countries in which we do business may result in a curtailment of our existing business in such countries or indirectly in other countries. We are also aware of policies of national authorities and institutional investors, such as pension funds or insurance companies, requiring divestment of interests in and prohibiting investment in and transactions with entities doing business with countries identified by the U.S. Department of State as

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state sponsors of terrorism. As a result, it is possible that such policies may result in our inability to gain or retain certain investors or customers. In addition, the termination of our activities in sanctioned countries may expose us to customer claims and other actions. Our reputation could also suffer due to our activities with counterparties in or affiliated with these countries or due to unauthorized diversion of our products to restricted parties or destinations. Siemens addresses these risks by maintaining a comprehensive and robust control program.

Protectionism (including tariffs/trade war): Protectionist trade policies, de-coupling and changes in the political and regulatory environment in the markets in which we operate, such as import and export controls, tariffs and other trade barriers including debarment from certain markets, inbound and outbound investment screenings, and price or exchange controls, could affect our business in national markets and could impact our business situation, financial position and results of operations; we may also be exposed to penalties, other sanctions and reputational damage. In addition, the uncertainty of the legal environment in some regions could limit our ability to enforce our rights and subject us to increasing costs related to adjusting our compliance programs.

Environmental, health & safety and other governmental regulations: Some of the industries in which we operate are highly regulated. Current and future environmental, health, safety and other governmental regulations or changes thereto may require us to change the way we run our operations and could result in significant increases in our operating or production costs. Furthermore, we see the risk of potential environmental, health or safety incidents as well as potential non-compliance with environmental, health or safety regulations affecting Siemens and our contractors or sub-suppliers, resulting for example in serious injuries, business interruptions, penalties, loss of reputation and internal or external investigations.

In addition, while we have procedures in place to ensure compliance with applicable governmental regulations in the conduct of our business operations, it cannot be excluded that violations of applicable governmental regulations may be caused either by us or by third parties that we contract with, including suppliers or service providers whose activities may be attributed to us. Any such violations particularly expose us to the risk of liability, penalties, fines, reputational damage or loss of licenses or permits that are important to our business operations. In particular, we could also face liability for damage or remediation for environmental contamination at the facilities we design or operate. With regard to certain environmental risks, we maintain liability insurance at levels that our management believes are appropriate and consistent with industry practice. We may incur environmental losses beyond the limits, or outside the coverage, of such insurance, and such losses may have an adverse effect on our business situation, financial condition and results of operations.

Current or future litigation and legal and regulatory proceedings: Siemens is and potentially will be involved in numerous legal disputes and proceedings in various jurisdictions. These legal disputes and proceedings could result, in particular, in Siemens being subject to payment of damages and punitive damages, equitable remedies or sanctions, fines or disgorgement of profit. In individual cases this may also lead to formal or informal exclusion from tenders or the revocation or loss of business licenses or permits. Asserted claims are generally subject to interest rates. Some of these legal disputes and proceedings could result in adverse decisions for Siemens; or decisions, assessments or requirements of regulatory authorities could deviate from our expectations, which may have material effects on our business activities as well as our financial position, results of operations and cash flows. Siemens maintains liability insurance for certain legal risks at levels our management believes are appropriate and consistent with industry practice. However, the insurance policy does not protect Siemens against, in particular, reputational damage. Moreover, Siemens may incur losses relating to legal disputes and proceedings beyond the limits, or outside the coverage, of such insurance or exceeding any provisions made for losses related to legal disputes and proceedings. Finally, there can be no assurance that Siemens will be able to maintain adequate insurance coverage on commercially reasonable terms in the future.

For additional information with respect to specific proceedings, see Note 22 in Notes to Consolidated Financial Statements for fiscal 2023.

8.3.5 Assessment of the overall risk situation

The most significant challenges have been mentioned first in each of the four risk categories: strategic, operational, financial and compliance.

While our assessments of individual risks have changed during fiscal 2023 due to developments in the external environment, changes in our business portfolio, effects of our own mitigation measures and the revision of our risk assessment, the overall risk situation for Siemens did not change significantly as compared to the prior year. We currently see the strategic risk economic, political and geopolitical conditions as the most significant challenge for us followed by the operational risk cyber/information security.

At present, no risks have been identified that either individually or in combination could endanger our ability to continue as a going concern.

8.4 Opportunities

Within our ERM we regularly identify, evaluate and respond to opportunities that present themselves in our various fields of activity. Below we describe our most significant opportunities. Unless otherwise stated, the opportunities described relate to all organizational units. The order in which the opportunities are presented reflects the currently estimated relative exposure for Siemens associated with these opportunities and thus provides an indication of the opportunities' current importance to us. The described opportunities are not necessarily the only ones we encounter. In addition, our assessment of opportunities is subject to change because the Company, our markets and technologies are constantly advancing. It is also possible that opportunities we see today will never materialize.

Favorable political and regulatory environment including sustainability: A favorable political and regulatory environment including the transition towards a low-carbon economy could restore a more positive industrial investment sentiment that supports the growth of our markets. In addition, government initiatives and subsidies (including tax reforms, green and digital recovery plans, R&D among others) lead to more government spending (e.g. infrastructure, healthcare, mobility or digitalization investments) and may ultimately result in an opportunity for us to participate in ways that increase our revenue and profit. Investments to strengthen countries' resilience, energy and food security, as well as to diversify value chains close to major markets (reshoring, nearshoring) can present opportunities to businesses. By enabling our customers to reduce their greenhouse gas (GHG) emissions using our portfolio and by reducing CO2 emission in our own operations, Siemens strives to support the transition towards a low-carbon economy. Siemens also welcomes and supports recent

legislative and governmental measures to accelerate the mitigation of climate change, especially in Europe such as through the Green Deal or sustainable finance initiatives.

Value creation through innovation: We drive innovation by investing significantly in R&D in order to develop sustainable solutions for our customers while also strengthening our own competitiveness. Being an innovative company and constantly inventing new technologies that we expect will meet future demands arising from the megatrends of demographic change, urbanization, digitalization, environmental change, resource scarcity and glocalization is one of our core purposes. We are granted thousands of new patents every year and continuously develop new concepts and convincing new digital and data-driven business models. This helps us create the next generation of ground-breaking innovations in such fields as digital twin, artificial intelligence, automation and edge computing. Across our operating units, we are profiting from our strength in connecting the real and digital worlds. Our Xcelerator platform is an open, digital business platform featuring a curated portfolio of IoT-enabled hardware and software, an ecosystem and a marketplace to enhance the digital transformation of our customers. We see growth opportunities in opening up access to new markets and customers through new marketing and sales strategies, which we implement in our operating units. Our position along the value chains of automation and digitalization allows us to further increase market penetration. Along these value chains, we have identified several clear growth fields in which we see our greatest long-term potential. Hence, we are combining and developing our resources and capabilities for these growth fields.

Leveraging Market Potential: Through sales and services initiatives we continuously strive to grow and extend our businesses in established markets, open up new markets for existing portfolio elements and strengthen our installed base in order to gain a higher market share and increased profits. Furthermore, we aim to increase our sales via improved account management and new distribution channels.

Optimization of organization and processes: On the one hand, we leverage ideas to drive further improvements in our processes and cost structure, such as common computing architecture for image processing. Furthermore, we leverage ideas to drive further improvements in our processes and cost structure optimizing factory capacities for shorter lead times. On the other hand, we see an opportunity of further penetrating markets by quality initiative program and avoiding or reducing non conformance cost.

Mergers, acquisitions, equity investments, partnerships, divestments and streamlining our portfolio: We constantly monitor our current and potential markets to identify opportunities for strategic mergers, acquisitions, equity investments and partnerships, which may complement our organic growth. Such activities may help us to strengthen our position in our existing markets, provide access to new or underserved markets, or complement our technological portfolio in strategic areas. Opportunities might also arise when portfolio optimization measures generate gains, which enable us to further pursue our other strategies for growth and profitability.

Assessment of the overall opportunities situation: The most significant opportunity for Siemens is favorable political and regulatory environment (including sustainability) as described above.

While our assessments of individual opportunities have changed during fiscal 2023 due to developments in the external environment, changes in our business portfolio, our endeavors to profit from them and revision of our strategic plans, the overall opportunity situation for Siemens did not change significantly as compared to the prior year.

8.5 Significant characteristics of the internal control and risk management system

8.5.1 Internal Control System (ICS) and ERM

Our ICS and ERM are based on the principles, guidelines and measures introduced by the Managing Board, which are aimed at the organizational implementation of the Managing Board's decisions. Our ICS and ERM include the management of risks and opportunities relating to the achievement of business goals, the correctness and reliability of internal and external accounting, and compliance with the laws and regulations relevant to Siemens. Sustainability aspects are covered as well and are continuously developed based on the regulatory requirements.

Our ICS and ERM are based on the globally accepted COSO framework (Committee of Sponsoring Organizations of the Treadway Commission). Our ERM approach is based on the COSO Standard "Enterprise Risk Management – Integrating with Strategy and Performance" (2017) and the ISO (International Organization for Standardization) Standard 31000 (2018) and is adapted to Siemens requirements. Our ICS is based on the internationally recognized "Internal Control – Integrated Framework" (2013) also developed by COSO. The framework defines the elements of a control system and sets the standard for assessing the adequacy and effectiveness of the ICS. The frameworks connect the ERM process with our financial reporting process and our ICS, both systems are complementary.

All Siemens entities are part of our ICS and ERM. The scope of activities to be performed by each entity is different, depending, among others, on the entity's impact on the Consolidated Financial Statements of Siemens and the specific risks associated with the entity. The management of each entity is obliged to implement an adequate and effective ICS and ERM within their area of responsibility, based on the group-wide mandatory methodology.

Overall responsibility for our ICS and ERM lies with the Managing Board. The Siemens Risk and Internal Control (RIC) organization bundles and integrates the internal control and ERM processes and supports the Managing Board in designing and maintaining adequate and effective processes for implementing, monitoring and reporting on internal control and ERM activities. It consists of the central RIC departments of Siemens AG and the RIC departments at our organizational units. The central RIC departments are responsible for monitoring and coordinating the entire processes in order to ensure an adequate and effective ICS and ERM within the Group.

We have an overarching, integrated ICS and ERM methodology (RIC methodology) with a standardized procedure under which necessary controls are defined, documented in accordance with uniform standards, and tested regularly for their adequacy and effectiveness. For more information on ERM, see chapter 8.2 Risk management.

Our ICS and ERM and their contributing elements are regularly subject of audit activities by our internal audit function. These are carried out either as part of the risk-based annual audit plan or as part of audits scheduled during the year upon request. Siemens Healthineers has its own internal audit function and annual audit plan. Topics from the annual audit plan of Siemens Healthineers that are also relevant for our Managing Board and Audit Committee must be mandated first by Siemens Healthineers' Managing Board and Audit Committee

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and subsequently by our Managing Board and Audit Committee. The audit procedures for these topics will be – where reasonable – executed by joint teams including members of our and Siemens Healthineers' internal audit functions, thus respecting the interests of both Siemens AG and Siemens Healthineers.

At the end of each fiscal year, our Managing Board performs an evaluation of the adequacy and effectiveness of the ICS and ERM. This evaluation is based primarily on the Siemens "In Control"-Statement and quarterly Managing Board meetings. The purpose of the "In Control"-Statement is to provide an overview of the key elements of the ICS and ERM of Siemens AG and its affiliated companies at the end of the fiscal year, to summarize the activities undertaken to review its adequacy and effectiveness and highlight any critical control weaknesses identified as part of these activities. The information contained in this statement is provided to the Audit Committee of the Supervisory Board of Siemens AG to report on the effectiveness of the ICS and ERM. The Siemens "In Control"-Statement is supported by certifications at various corporate levels and by all affiliated companies. In the quarterly Managing Board meetings, the company-wide risk and opportunity situation is evaluated, the results of the internal control process are explained and once a year an overall conclusion is made about the adequacy and effectiveness of our ICS or ERM. Based on this, the Managing Board has no indication that our ICS or ERM in their respective wholes have not been adequate or effective as of September 30, 2023.

Nevertheless, there are inherent limitations on the effectiveness of any risk management and control system. For example, no system – even if deemed to be adequate and effective – can guarantee that all risks that will actually occur will be identified in advance or that any process violations will be ruled out under all circumstances.

The Audit Committee is systematically integrated into our ICS and ERM. In particular, it oversees the accounting and the accounting process as well as the adequacy and effectiveness of the ICS, ERM and the internal audit system.

Siemens Healthineers is largely subject to the Group-wide principles for our ICS and ERM and is responsible for adhering to those principles.

The integration of Varian into our ICS, which began in fiscal 2021 after the acquisition by Siemens Healthineers, continued in fiscal 2023 and was completed to a very large extent with regard to all Varian entities. The integration measures are planned to be completely finalized in fiscal 2024.

8.5.2 Compliance Management System (CMS)

Our ICS and ERM also comprise a CMS aligned to the Company's risk situation which is based on the three pillars – prevent, detect and react. It includes the legal risk areas of corruption, antitrust law, data protection, money laundering, export controls as well as human rights and is based on an extensive internal set of rules: The Siemens Business Conduct Guidelines (BCG) define the basic principles and standards of behavior that must be observed by all employees in the company units and in relation to customers, external partners and the public. In addition, there are extensive internal compliance regulations, including associated controls, which oblige all Siemens employees to ensure the implementation of the CMS. They contain topic-specific implementation regulations for the individual risk areas with regard to compliance processes and tools as well as additional guidelines and information. The compliance operating model contains binding specifications for the employees of the compliance organization and describes responsibilities and how the CMS works.

Compliance risk management and compliance reviews as part of the CMS aim to identify compliance risks at an early stage and thus enable to take appropriate and effective measures to avoid or minimize risks. The risk assessment is also integrated into individual business processes and tools. The results of CMS that are relevant to the Group are taken into account as part of the Company-wide ERM.

The Compliance Control Program aims to ensure compliance with and implementation of the CMS and processes used worldwide. It is part of the ICS and is continuously further developed and adapted to the current Siemens guidelines. In addition, current compliance issues are discussed at the management level on a regular basis.

The entire CMS is continuously adapted to business-specific risks and various local legal requirements. The findings from compliance risk management as well as compliance controls and audits are used to derive measures for its further development.

8.5.3 Significant characteristics of the accounting-related ICS and ERM

The overarching objective of our accounting-related ICS and ERM – as part of the overarching ICS and ERM – is to ensure that financial reporting is conducted in a proper manner, such that the Consolidated Financial Statements and the Combined Management Report of the Siemens Group and the Annual Financial Statements of Siemens AG as the parent company are prepared in accordance with all relevant regulations.

Our ICS and ERM are based on the globally recognized COSO framework, for further information see 8.5.1.

At the end of each fiscal year, our management performs an evaluation of the effectiveness of the accounting-related ICS. We have a standardized procedure under which necessary controls are defined, documented in accordance with uniform standards, and tested regularly for their effectiveness. Nevertheless, there are inherent limitations on the effectiveness of any control system, and no system, including one determined to be effective, may prevent or detect all misstatements.

Our Consolidated Financial Statements according to IFRS are prepared on the basis of a centrally issued conceptual framework which primarily consists of uniform Financial Reporting Guidelines and a chart of accounts. For Siemens AG and other companies within the Siemens Group required to prepare financial statements in accordance with German Commercial Code, this conceptual framework is complemented by mandatory regulations specific to the German Commercial Code. The need for adjustments in the conceptual framework due to regulatory changes is analyzed on an ongoing basis. Accounting departments are informed quarterly about current topics and deadlines from an accounting and closing process perspective.

The base data used in preparing our financial statements consists of the closing data reported by the operations of Siemens AG and its subsidiaries. The preparation of the closing data of most of our entities is supported by an internal shared services organization. Furthermore, other accounting activities, such as governance and monitoring activities, are usually bundled on a regional level. In particular cases, such as valuations relating to post-employment benefits, we use external experts. The reported closing data is used to prepare the financial statements in the consolidation system. The steps necessary to prepare the financial statements are subject to both manual and automated controls.

Qualification of employees involved in the accounting process is ensured through appropriate selection processes and training. As a fundamental principle, based on materiality considerations, the "four eyes" principle applies, and specific procedures must be adhered to for data authorization. Additional control mechanisms include target-performance comparisons and analyses of the composition of and changes in individual line items, both in the closing data submitted by reporting units and in the Consolidated Financial Statements. In line with our information security requirements, accounting-related IT systems contain defined access rules protecting them from unauthorized access. The manual and system-based control mechanisms referred to above generally also apply when reconciling the International Financial Reporting Standards (IFRS) closing data to the Annual Financial Statements of Siemens AG.

On a quarterly basis, we execute an internal certification process. Management at different levels of our organization, supported by confirmations by managements of entities under their responsibility, confirms the accuracy of the financial data that has been reported to Siemens' corporate headquarters and reports on the effectiveness of the related control systems.

Siemens Healthineers is subject to our Group-wide principles for the accounting-related internal control and risk management system and is responsible for adhering to those principles.

The integration of Varian into our accounting-related ICS, which began in fiscal 2021 after the acquisition by Siemens Healthineers, continued in fiscal 2023 and was completed to a very large extent with regard to all Varian entities. The integration measures are planned to be completely finalized in fiscal 2024.

Our internal audit function systematically reviews our financial reporting integrity, our accounting-related ICS and ERM. Siemens Healthineers has its own internal audit department and annual audit plan (see also 8.5.1). The Audit Committee is integrated into our accounting-related ICS. In particular, it oversees the accounting and accounting process and the adequacy and effectiveness of the associated ICS, the ERM and the internal audit system. Moreover, we have rules for accounting-related complaints.

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9. Siemens AG

The Annual Financial Statements of Siemens AG have been prepared in accordance with the regulations set forth in the German Commercial Code (Handelsgesetzbuch) and the German Stock Corporation Act (Aktiengesetz).

In fiscal 2023, results for Siemens AG arise mainly from the business activities of Digital Industries and Smart Infrastructure and are influenced significantly by the results of subsidiaries and investments Siemens AG owns either directly or indirectly. The business development of Siemens AG is fundamentally subject to the same risks and opportunities as the Siemens Group. Therefore, the foregoing explanations for the Siemens Group apply also for Siemens AG.

The Supervisory Board and the Managing Board propose to distribute a dividend of €4.70 per share of no par value entitled to the dividend, from the unappropriated net income of Siemens AG for the fiscal year ended September 30, 2023 amounting to €3.8 billion. The proposed dividend represents a total payout of €3.7 billion based on the estimated number of shares entitled to dividend at the date of the Annual Shareholders' Meeting. We intend to continue providing an attractive return to our shareholders. This includes striving for a dividend per share that exceeds the amount for the preceding year, or at least matches it. For fiscal 2024, we expect that net income of Siemens AG will be sufficient to fund the distribution of a commensurate dividend.

As of September 30, 2023, the number of employees was around 47.300.

9.1 Results of operations

Statement of Income of Siemens AG in accordance with German Commercial Code (condensed)

	Fiscal year		% Change
(in millions of €)	2023	2022	
Revenue	**19,660**	17,390	13%
Cost of sales	(13,671)	(12,502)	(9)%
Gross profit	**5,989**	4,888	23%
as percentage of revenue	*30%*	*28%*	
Research and development expenses	(2,084)	(1,785)	(17)%
Selling and general administrative expenses	(3,701)	(3,283)	(13)%
Other operating income (expenses), net	(53)	(306)	83%
Income (loss) from investments, net	**4,734**	4,204	13%
Interest and other financial income (expenses), net	(128)	(605)	79%
Income from business activity	**4,758**	3,115	53%
Income taxes	(298)	498	n/a
Net income	**4,460**	3,612	23%
Profit carried forward	**250**	185	35%
Allocation to other retained earnings	(950)	(185)	>-200%
Unappropriated net income	**3,760**	3,613	4%

On a geographical basis, 75% of revenue was generated in the Europe, C.I.S., Africa, Middle East region, 17% in the Asia, Australia region and 8% in the Americas region. Exports from Germany accounted for 57% of overall revenue. In fiscal 2023, orders for Siemens AG amounted to €16.1 billion.

The increases in **revenue, cost of sales** and **research and development expenses** were most evident at Digital Industries.

The R&D intensity (R&D costs as a percentage of revenue) was 10.6%, slightly above the level in fiscal 2022. The R&D activities of Siemens AG are fundamentally the same as for its corresponding business activities within the Siemens Group. R&D expenses in both periods related mainly to Digital Industries. On an average basis, Siemens AG employed 7,100 people in R&D in fiscal 2023.

The increase in **selling and general administrative expenses** was due mainly to higher selling expenses led by Digital Industries.

Other operating income (expenses), net, included mainly a loss of €0.2 billion from a disposal in connection with the carve-out of business activities into the Innomotics GmbH, partly offset by €0.1 billion income from an intragroup service contract. Fiscal 2022 included mainly expenses of €0.2 billion from the intragroup service contract and expenses of €0.1 billion for the recognition of a provision related to guarantees and expected obligations from consortium contracts.

Income (loss) from investments, net included mainly income from investments of €2.9 billion (fiscal 2022: €4.8 billion) and income from profit transfer agreements with affiliated companies of €1.6 billion (fiscal 2022: €3.5 billion). Additionally, in fiscal 2023 Siemens AG recorded a gain of €0.2 billion from the sale of a part of its stake in Siemens Energy AG and a gain of €0.2 billion from the reversal of an impairment on the remaining stake in Siemens Energy AG. The remaining stake held directly by Siemens AG amounted to 21.0% as of September 30, 2023. These gains were partly offset by a loss of €0.2 billion from an impairment on a stake in Thoughtworks Holding Inc. For comparison, in fiscal 2022 Siemens AG recorded losses of €4.0 billion from impairment of investments, which included an impairment of €2.9 billion on Siemens AG's stake in Siemens Energy AG, Germany.

Interest and other financial income (expenses), net included a negative interest result of €0.6 billion compared to a positive interest result of €0.4 billion a year earlier, which was driven by the effect of higher interest rates on intragroup-financing activities. Fiscal 2022 included impacts of €0.6 billion in connection with allowances on receivables from affiliated companies related to business activities in Russia, expenses from the recognition of provisions for risks relating to derivative financial instruments of €0.4 billion and a higher negative interest component of €0.3 billion from changes in pension and personnel-related provisions.

9.2 Net assets and financial position

Statement of Financial Position of Siemens AG in accordance with German Commercial Code (condensed)

	Sep. 30,		% Change
(in millions of €)	2023	2022	
Assets			
Non-current assets			
Intangible and tangible assets	1,307	1,081	21%
Financial assets	71,303	71,576	0%
	72,610	72,657	0%
Current assets			
Inventories, receivables and other assets	26,190	30,424	(14)%
Cash and cash equivalents, other securities	2,534	1,623	56%
	28,724	32,047	(10)%
Prepaid expenses	223	220	1%
Deferred tax assets	2,294	2,065	11%
Active difference resulting from offsetting	33	16	107%
Total assets	103,884	107,005	(3)%
Liabilities and equity			
Equity	21,422	20,623	4%
Special reserve with an equity portion	540	540	0%
Provisions			
Provisions for pensions and similar commitments	13,604	13,380	2%
Provisions for taxes and other provisions	4,666	4,313	8%
	18,270	17,693	3%
Liabilities			
Liabilities to banks	339	639	(47)%
Trade payables, liabilities to affiliated companies and other liabilities	63,079	67,275	(6)%
	63,417	67,914	(7)%
Deferred income	235	235	0%
Total liabilities and equity	103,884	107,005	(3)%

The change in **cash and cash equivalents, other securities** relates to the liquidity management conducted by Corporate Treasury, which was focused not solely on the business activities of Siemens AG. The liquidity management is based on the financing policy of the Siemens Group, which is aimed towards a balanced financing portfolio, a diversified maturity profile and a comfortable liquidity cushion. Intra-group financing activities drove both a decrease of €4.5 billion in receivables from affiliated companies, which resulted in lower **inventories, receivables and other assets,** and a decrease of €4.5 billion in liabilities to affiliated companies, which was the main reason for the decrease of **trade payables, liabilities to affiliated companies and other liabilities.**

The increase in **equity** was due to net income for the year of €4.5 billion and the transfer of €0.6 billion in treasury shares to employees in connection with our share-based payment programs. These factors were partly offset by dividends paid in fiscal 2023 (for fiscal 2022) of €3.4 billion and share buybacks during the year amounting to €0.9 billion. The equity ratio as of September 30, 2023 increased to 21%, from 19% a fiscal year earlier. For the disclosures in accordance with Section 160 para. 1 no. 2 of the German Stock Corporation Act about treasury shares, refer to Note 15 of our Notes to Annual Financial Statements for fiscal 2023.

9.3 Corporate Governance statement

The Corporate Governance statement pursuant to Sections 289f and 315d of the German Commercial Code is publicly available on the company's website at siemens.com/corporate-governance.

10. Takeover-relevant information (pursuant to Sections 289a and 315a of the German Commercial Code) and explanatory report

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10.1 Composition of common stock

Following the cancellation of 50 million registered shares of no par value of the Company (Siemens shares) in February 2023, the Company's capital stock amounts to €2.400 billion (as of September 30, 2023), divided into 800 million Siemens shares. The shares are fully paid in. All shares confer the same rights and obligations. The shareholders' rights and obligations are governed in detail by the provisions of the German Stock Corporation Act, in particular by Sections 12, 53a et seq., 118 et seq. and 186 of the German Stock Corporation Act.

10.2 Restrictions on voting rights or transfer of shares

At the Shareholders' Meeting, each share of stock has one vote and accounts for the shareholder's proportionate share in the Company's net income. An exception to this rule applies with regard to treasury shares held by the Company, which do not entitle the Company to any rights. Under Section 136 of the German Stock Corporation Act the voting right of the affected shares is excluded by law.

Siemens shares issued to employees worldwide under the Siemens share programs implemented since the beginning of fiscal 2009, in particular the Share Matching Plan, are freely transferable unless applicable local laws indicate otherwise. Under the rules of the Share Matching Plan, however, in order to receive one matching share free of charge for each three shares purchased, participants are required to hold the shares purchased by them for a vesting period of several years, during which the participants must be continuously employed by Siemens AG or any of its affiliated companies. The right to receive matching shares is forfeited if the purchased shares are sold, transferred, hedged on, pledged or hypothecated in any way during the relevant vesting period.

The von Siemens-Vermögensverwaltung GmbH (vSV) has, on a sustained basis, powers of attorney allowing it to exercise the voting rights for 10,059,581 Siemens shares (as of September 30, 2023) on behalf of members of the Siemens family. These shares are part of the total number of shares held by the family's members. The powers of attorney are based on an agreement between the vSV and, among others, members of the Siemens family. The shares are voted together by vSV, taking into account the suggestions of a family partnership established by the family's members or of one of this partnership's governing bodies.

10.3 Legislation and provisions of the Articles of Association applicable to the appointment and removal of members of the Managing Board and governing amendment to the Articles of Association

The appointment and removal of members of the Managing Board are subject to the provisions of Sections 84 and 85 of the German Stock Corporation Act and Section 31 of the German Codetermination Act (Mitbestimmungsgesetz). According to Section 8 para. 1 of the Articles of Association, the Managing Board is comprised of several members, the number of which is determined by the Supervisory Board.

According to Section 179 of the German Stock Corporation Act, any amendment to the Articles of Association requires a resolution of the Shareholders' Meeting. The authority to adopt purely formal amendments to the Articles of Association was transferred to the Supervisory Board under Section 13 para. 2 of the Articles of Association. In addition, by resolutions adopted during past Shareholders' Meetings, the Supervisory Board has been authorized to amend Section 4 of the Articles of Association in accordance with the utilization of the Authorized and Conditional Capitals, and after expiration of the then-applicable authorization and utilization period.

Resolutions of the Shareholders' Meeting require a simple majority vote, unless a greater majority is required by law (Section 23 para. 2 of the Articles of Association). Pursuant to Section 179 para. 2 of the German Stock Corporation Act, amendments to the Articles of Association require a majority of at least three-quarters of the capital stock represented at the time of the casting of the votes, unless another capital majority is prescribed by the Articles of Association.

10.4 Powers of the Managing Board to issue and repurchase shares

The Managing Board is authorized to increase, with the approval of the Supervisory Board, the capital stock until February 2, 2026 by up to €90 million through the issuance of up to 30 million Siemens shares against contributions in cash (Authorized Capital 2021). Subscription rights of existing shareholders are excluded. The new shares shall be offered exclusively to employees of the Company and any of its affiliated companies. To the extent permitted by law, such employee shares may also be issued in such a manner that the contribution to be paid on such shares is covered by that part of the annual net income which the Managing Board and the Supervisory Board may allocate to other retained earnings under Section 58 para. 2 of the German Stock Corporation Act.

Furthermore, the Managing Board is authorized to increase, with the approval of the Supervisory Board, the capital stock until January 29, 2024 by up to €510 million through the issuance of up to 170 million Siemens shares against contributions in cash and/or in kind (Authorized Capital 2019).

As of September 30, 2023, the total unissued authorized capital of Siemens AG therefore consisted of €600 million nominal that may be used, in installments with varying terms, by issuing up to 200 million Siemens shares.

By resolutions of the Shareholders' Meetings on January 30, 2019 and February 5, 2020, the Managing Board is authorized to issue bonds with conversion, exchange or option rights or conversion obligations, or a combination of these instruments, entitling the holders/creditors to subscribe to up to 80 million and up to 60 million Siemens shares, respectively. Based on these two authorizations, the Company or its affiliated companies may issue such convertible bonds and/or warrant bonds until January 29, 2024 and February 4, 2025, respectively, each in an aggregate principal amount of up to €15 billion. In order to grant shares of stock to holders/creditors of such convertible bonds

and/or warrant bonds, the capital stock was conditionally increased by resolutions of the Shareholders' Meetings in 2019 and 2020, by up to 80 million and up to 60 million Siemens shares, respectively (Conditional Capitals 2019 and 2020), i.e. in total by up to €420 million nominal through the issuance of up to 140 million Siemens shares.

The new shares under Authorized Capital 2019 and the aforementioned bonds are to be issued against contributions in cash or in kind. They are, as a matter of principle, to be offered to shareholders for subscription. The Managing Board is authorized to exclude, with the approval of the Supervisory Board, subscription rights of shareholders in the event of capital increases against contributions in kind. In the event of capital increases against contributions in cash, the Managing Board is authorized to exclude shareholders' subscription rights with the approval of the Supervisory Board in the following cases:

- The issue price of the new shares/bonds is not significantly lower than the stock market price of Siemens shares already listed or the theoretical market price of the bonds computed in accordance with generally accepted actuarial methods (exclusion of subscription rights, limited to 10% of the capital stock, in accordance with or by mutatis mutandis application of Section 186 para. 3 sentence 4 German Stock Corporation Act).
- The exclusion is necessary with regard to fractional amounts resulting from the subscription ratio.
- The exclusion is used to provide subscription rights as dilution compensation for holders/creditors of conversion or option rights/obligations on Siemens shares.

The new shares issued or to be issued against contributions in cash or in kind, and with shareholders' subscription rights excluded, may in certain cases be subject to further restrictions. The details of those restrictions are described in the respective authorizations. In addition, the Managing Board has declared, by way of a voluntary commitment, not to increase the capital stock from the Authorized Capital 2019 and the Conditional Capitals 2019 and 2020 by a total of more than 10% of the capital stock existing at the time of the Shareholders' Meeting on February 5, 2020, to the extent that capital increases with shareholders' subscription rights excluded are made from the Authorized Capital 2019 against contributions in cash or in kind or to service convertible bonds and/or warrant bonds issued under the authorizations approved on January 30, 2019 or February 5, 2020 with shareholders' subscription rights excluded. This voluntary commitment ends no later than February 4, 2025.

The Company may not repurchase Siemens shares unless so authorized by a resolution duly adopted by the shareholders at a general meeting or in other very limited circumstances set forth in the German Stock Corporation Act. On February 5, 2020, the Shareholders' Meeting authorized the Company to acquire until February 4, 2025 up to 10% of its capital stock existing at the date of adopting the resolution or – if the value is lower – as of the date on which the authorization is exercised. The aggregate of shares of stock of Siemens AG repurchased under this authorization and any other Siemens shares previously acquired and still held in treasury by the Company or attributable to the Company pursuant to Sections 71d and 71e of the German Stock Corporation Act may at no time exceed 10% of the then existing capital stock. Any repurchase of Siemens shares shall be accomplished at the discretion of the Managing Board either (1) by acquisition over the stock exchange, (2) through a public share repurchase offer or (3) through a public offer to swap Siemens shares for shares in a listed company within the meaning of Section 3 para. 2 German Stock Corporation Act. The Managing Board is additionally authorized to complete the repurchase of Siemens shares in accordance with the authorization described above by using certain derivatives (put and call options, forward purchases and any combination of these derivatives). In exercising this authorization, all stock repurchases based on the derivatives are limited to a maximum volume of 5% of Siemens' capital stock existing at the date of adopting the resolution at the Shareholders' Meeting. A derivative's term of maturity may not, in any case, exceed 18 months and must be chosen in such a way that the repurchase of Siemens shares upon exercise of the derivative will take place no later than February 4, 2025.

In addition to selling over the stock exchange or through a public sales offer to all shareholders, the Managing Board is authorized by resolution of the Shareholders' Meeting on February 5, 2020 to also use Siemens shares repurchased on the basis of this or any previously given authorization for every permissible purpose. In particular such shares may be:

- retired;
- used in connection with share-based compensation programs and/or employee share programs of the Company or any of its affiliated companies and issued to individuals currently or formerly employed by the Company or any of its affiliated companies as well as to board members of any of the Company's affiliated companies;
- offered and transferred, with the approval of the Supervisory Board, to third parties against non-cash contributions;
- sold by the Managing Board, with the approval of the Supervisory Board, against payment in cash if the price at which such Siemens shares are sold is not significantly lower than the market price of Siemens stock (exclusion of subscription rights, limited to 10% of the capital stock, by mutatis mutandis application of Section 186 para. 3 sentence 4 German Stock Corporation Act); or
- used to service or secure obligations or rights to acquire Siemens shares arising particularly from or in connection with convertible bonds or warrant bonds of the Company or its affiliated companies. Moreover, the Managing Board is authorized to exclude subscription rights in order to provide subscription rights as dilution compensation for holders/creditors of conversion or option rights/obligations on Siemens shares, and to use Siemens shares to service such subscription rights.

Furthermore, the Supervisory Board is authorized to use shares acquired on the basis of this or any previously given authorization to meet obligations or rights to acquire Siemens shares that were or will be agreed with members of the Managing Board within the framework of rules governing Managing Board compensation.

On June 24, 2021, the Company announced that it would launch a new five-year share buyback program, beginning in fiscal 2022. This buyback, which began on November 15, 2021 and extends at the latest until September 15, 2026, is limited to a maximum value of €3 billion (excluding incidental transaction charges) on purchases of no more than 50 million Siemens shares. Using the authorization given by the Annual Shareholders' Meeting on February 5, 2020, Siemens repurchased 21.0 million shares by September 30, 2023 under this share buyback. This buyback has the exclusive purposes of retirement, of issuing shares to employees, board members of affiliated companies and members of the Managing Board of Siemens AG, and of servicing/securing the obligations or rights to acquire Siemens shares arising particularly from or in connection with convertible bonds and warrant bonds.

As of September 30, 2023, the Company held 10,079,918 shares of stock in treasury.

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For details on the authorizations referred to above, especially the terms to exclude subscription rights, please refer to the relevant resolution and to Section 4 of the Articles of Association.

10.5 Significant agreements which take effect, alter or terminate upon a change of control of the Company following a takeover bid

As of September 30, 2023, Siemens AG maintained lines of credit in the amount of €7.45 billion.

In January 2023, Siemens AG entered into a bilateral loan agreement in the amount of US$250 million and in December 2022, Siemens AG entered into a bilateral loan agreement in the amount of PLN500 million; both loan agreements have been fully drawn.

In December 2021, a consolidated subsidiary as borrower and Siemens AG as guarantor entered into a bilateral loan agreement in the amount of €500 million, which has been fully drawn. In addition, in March 2020 and in June 2019 respectively, a consolidated subsidiary as borrower and Siemens AG as guarantor entered into a bilateral loan agreement, each of which has been drawn in the full amount of US$500 million.

The lines of credit, and the relevant loan agreements mentioned above provide their respective lenders with a right of termination in the event that (1) Siemens AG becomes a subsidiary of another company or (2) a person or a group of persons acting in concert acquires effective control over Siemens AG by being able to exercise decisive influence over its activities (Art. 3(2) of Council Regulation (EC) 139/2004).

Framework agreements concluded by Siemens AG under International Swaps and Derivatives Association Inc. documentation (ISDA Agreements) grant each counterparty a right of termination, including in certain cases of (i) a transformation (for example mergers and changes of form), (ii) an asset transfer or (iii) acquisition of ownership interests that enables the acquirer to exercise control over Siemens AG or its controlling bodies. Partially this right of termination exists only, if (1) the resulting entity fails to simultaneously assume Siemens AG's obligations under the ISDA Agreements or (2) the resulting entity's creditworthiness is materially weaker than Siemens AG's immediately prior to such event. Generally, ISDA Agreements are designed such that upon termination all outstanding payment claims documented under them are to be netted.

10.6 Compensation agreements with members of the Managing Board or employees in the event of a takeover bid

The contracts with the members of the Managing Board previously contained the right of the member to terminate his or her contract with the Company for good cause in the event of a change of control that results in a substantial change in the position of a Managing Board member (for example, due to a change in corporate strategy or a change in the Managing Board member's duties and responsibilities). A change of control exists if one or several shareholders acting jointly or in concert acquire a majority of the voting rights in Siemens AG and exercise a controlling influence, or if Siemens AG becomes a dependent enterprise as a result of entering into an intercompany agreement within the meaning of Section 291 of the German Stock Corporation Act, or if Siemens AG is to be merged into an existing corporation or other entity. If this right of termination is exercised, the Managing Board member is entitled to a severance payment in the amount of no more than two years' compensation. The calculation of the annual compensation includes not only the base compensation and the target amount for the bonus, but also the target amount for the stock awards, in each case based on the most recent completed fiscal year prior to termination of the contract. The stock-based compensation components for which a firm commitment already exists will remain unaffected. Additionally, the severance payments cover non-monetary benefits by including an amount of 5% of the total severance amount. Severance payments will be reduced by 10% as a lump-sum allowance for discounted values and for income earned elsewhere. However, this reduction will apply only to the portion of the severance payment that was calculated without taking account of the first six months of the remaining term of the Managing Board member's contract. There is no entitlement to a severance payment if the Managing Board member receives benefits from third parties in connection with a change of control. A right to terminate the contract does not exist if the change of control occurs within a period of twelve months prior to a Managing Board member's retirement.

On September 18, 2019, the Supervisory Board of Siemens AG resolved that the contracts with members of the Managing Board should not contain such right of termination in the future. This has already been taken into account in the case of contract extensions and in the case of new contracts with the newly appointed members of the Managing Board as of October 1, 2020.

10.7 Other takeover-relevant information

We are not aware of, nor have we during the last fiscal year been notified of, any shareholder directly or indirectly holding 10% or more of the voting rights. There are no Siemens shares with special rights conferring powers of control. Shares of stock issued by Siemens AG to employees under its share programs and/or as share-based compensation are transferred to the employees. The beneficiary employees who hold shares of employee stock may exercise their control rights in the same way as any other shareholder in accordance with applicable laws and the Articles of Association.

11. EU Taxonomy disclosure

The key performance indicators (KPI) in this section were determined based on Commission Delegated Regulation (EU) 2021/2178 in conjunction with the International Financial Reporting Standards applicable for the Consolidated Financial Statements. For calculating the eligibility and alignment KPIs, Siemens' business activities and associated revenue, capital expenditures (CapEx), and operating expenditures (OpEx) were predominantly directly mapped to an applicable economic activity listed in the Commission Delegated Acts in connection with EU regulation 2020/852. For the calculation of CapEx and OpEx, allocations were also made based on the revenue of the Taxonomy-eligible and aligned activities. To avoid double counting, a mapping was always made to one economic activity only. Following the eligibility assessment, the alignment with Substantial Contribution criteria for all eligible business activities was assessed and documented based on appropriate reporting hierarchy levels, such as business-segment, product-family or project level. Once a business activity demonstrated Substantial Contribution, the Do No Significant Harm (DNSH) criteria were assessed together with technical experts on the product, site, project and/or supplier level. For fiscal 2023, EU Taxonomy reporting is limited to the first two environmental objectives (climate change mitigation and climate change adaption). Based on its implemented group-wide structures on risk analysis, corporate guidelines and due diligence processes and mechanisms, Siemens fulfills the Minimum Safeguards requirements, which comprise the areas of human rights, anti-corruption and bribery, taxation, and fair competition.

Revenue KPI

The revenue KPI shows the ratio of revenue from Taxonomy-eligible and/or aligned economic activities to the total revenue in the Consolidated Statements of Income for the reporting year. Based on an assessment of the Siemens business portfolio, Taxonomy-eligible revenue accounted for 20.3% and Taxonomy-aligned revenue for 16.5% of total revenue. This translates into €15.7 billion in Taxonomy-eligible revenue and €12.8 billion in aligned revenue.

Taxonomy-eligible and aligned economic activities were primarily driven by the (i) Manufacture of low-carbon technologies for transport (Climate Change Mitigation, CCM 3.3), (ii) rail transportation infrastructure (CCM 6.14), (iii) Infrastructure enabling low-carbon road transport and public transport (CCM 6.15), all associated with Mobility businesses, as well as (iv) energy-efficient building technologies (CCM 3.5) and (v) services for energy-efficient building technologies (CCM 7.5), both related to Smart Infrastructure businesses.

The difference between Taxonomy-eligible revenue and Taxonomy-aligned revenue is mainly due to DNSH criteria related to pollution prevention as part of Appendix C, which go beyond existing national regulation. This is mainly because additionally required documentation is not completely available yet.

Capital expenditures KPI

The CapEx KPI shows the ratio of CapEx from Taxonomy-eligible and/or aligned economic activities to the total CapEx, reflecting additions (including additions from business combinations) to other intangible assets and property, plant and equipment in accordance with Note 13 to the Consolidated Financial Statements. In the reporting year, 34.5% (€1.3 billion) of Siemens' CapEx were eligible, and 12.2% (€0.5 billion) were aligned. The aligned CapEx is composed as follows: a majority of €0.4 billion is related to additions to property, plant and equipment, the remainder pertains to internally generated intangible assets and capitalized right-of-use assets.

This aligned CapEx includes €116 million related to a CapEx plan, associated with building projects to be finalized by fiscal 2028, summing up to a planned total volume of €1.4 billion (capitalizable and non-capitalizable costs). The buildings are designed to minimize energy use and carbon emissions (CCM 7.7).

Acquisition and ownership of buildings (CCM 7.7) related to Siemens' real estate portfolio represents the largest portion in overall CapEx eligibility. The difference between Taxonomy-eligible CapEx and Taxonomy-aligned CapEx is impacted by (i) only partial availability of information on energy performance certificates for our global portfolio and (ii) energy certificates below the required threshold defined in the Substantial Contribution criteria for the energy efficiency of buildings.

Operating expenditures KPI

The OpEx KPI shows the ratio of OpEx from Taxonomy-eligible and/or aligned economic activities to total OpEx. The total OpEx comprises direct non-capitalized costs related to research and development, building renovation measures, short-term leases, maintenance and repairs, and any other direct expenditures relating to the day-to-day servicing of assets of property, plant, and equipment per Annex I of the Commission Delegated Regulation (EU) 2021/2178. Accordingly, 12.4% (€0.9 billion) of Siemens' OpEx were eligible and 8.2% (€0.6 billion) were aligned.

The majority of eligible and/or aligned expenditures relate to processes and assets associated with the economic activities described for the revenue KPI: (i) Manufacture of low carbon technologies for transport (CCM 3.3) and (ii) rail transportation infrastructure (CCM 6.14). These two activities account for half of eligible OpEx and the majority of aligned OpEx.

This aligned OpEx includes €3 million related to a CapEx plan, associated with building projects to be finalized by fiscal 2028, summing up to a planned total volume of €1.4 billion (capitalizable and non-capitalizable costs). The buildings are designed to minimize energy use and carbon emissions (CCM 7.7).

Corresponding to revenue, the difference between Taxonomy-eligible OpEx and Taxonomy-aligned OpEx relates mainly to the documentation of DNSH criteria for pollution prevention (Appendix C).

EU Taxonomy – Revenue Economic activities	Codes	Revenue Absolute Revenue (in millions of €)	Revenue Proportion of Revenue %	Substantial contribution criteria Climate change mitigation %	Substantial contribution criteria Climate change adaptation %	DNSH criteria Climate change mitigation Y/N	DNSH criteria Climate change adaptation Y/N	DNSH criteria Water and marine resources Y/N	DNSH criteria Circular economy Y/N	DNSH criteria Pollution Y/N	DNSH criteria Biodiversity and ecosystems Y/N	Minimum safe-guards Y/N	Taxonomy-aligned proportion of revenue %	Category (E = enabling; T = transitional) E/T
A. Taxonomy-eligible activities														
A.1. Environmentally sustainable activities (Taxonomy-aligned)														
Manufacture of renewable energy technologies	3.1	58	0.1%	100%	0%		Y	Y	Y	Y	Y	Y	0.1%	E
Manufacture of low carbon technologies for transport	3.3	4,947	6.4%	100%	0%		Y	Y	Y	Y	Y	Y	6.4%	E
Manufacture of energy efficiency equipment for buildings	3.5	39	0.0%	100%	0%		Y	Y	Y	Y	Y	Y	0.0%	E
Manufacture of other low carbon technologies	3.6	122	0.2%	100%	0%		Y	Y	Y	Y	Y	Y	0.2%	E
Transmission and distribution of electricity	4.9	100	0.1%	100%	0%		Y	Y	Y	Y	Y	Y	0.1%	E
Infrastructure for rail transport	6.14	3,013	3.9%	100%	0%		Y	Y	Y	Y	Y	Y	3.9%	E
Infrastructure enabling low-carbon road transport and public transport	6.15	1,159	1.5%	100%	0%		Y	Y	Y	Y	Y	Y	1.5%	E
Infrastructure enabling low carbon water transport	6.16	16	0.0%	100%	0%		Y	Y	Y	Y	Y	Y	0.0%	E
Installation, maintenance and repair of energy efficiency equipment	7.3	433	0.6%	100%	0%		Y	Y	Y	Y	Y	Y	0.6%	E
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	7.5	2,574	3.3%	100%	0%		Y	Y	Y	Y	Y	Y	3.3%	E
Installation, maintenance and repair of renewable energy technologies	7.6	119	0.2%	100%	0%		Y	Y	Y	Y	Y	Y	0.2%	E
Acquisition and ownership of buildings	7.7	4	0.0%	100%	0%		Y	Y	Y	Y	Y	Y	0.0%	
Data-driven solutions for GHG emissions reductions	8.2	234	0.3%	100%	0%		Y	Y	Y	Y	Y	Y	0.3%	E
Professional services related to energy performance of buildings	9.3	4	0.0%	100%	0%		Y	Y	Y	Y	Y	Y	0.0%	E
Revenue of environmentally sustainable activities (Taxonomy-aligned) (A.1)		12,822	16.5%										16.5%	

EU Taxonomy – Revenue	Codes	Revenue		Substantial contribution criteria		DNSH criteria						Minimum safe-guards	Taxonomy-aligned proportion of revenue	Category (E = enabling; T = transitional)
		Absolute Revenue	Proportion of Revenue	Climate change mitigation	Climate change adaptation	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems			
Economic activities		(in millions of €)	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E/T
A.2. Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)														
Manufacture of low carbon technologies for transport	3.3	1,317	1.7%											
Manufacture of energy efficiency equipment for buildings	3.5	976	1.3%											
Manufacture of other low carbon technologies	3.6	130	0.2%											
Transmission and distribution of electricity	4.9	241	0.3%											
Infrastructure for rail transport	6.14	15	0.0%											
Infrastructure enabling low-carbon road transport and public transport	6.15	10	0.0%											
Installation, maintenance and repair of energy efficiency equipment	7.3	92	0.1%											
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	7.4	25	0.0%											
Acquisition and ownership of buildings	7.7	105	0.1%											
Data-driven solutions for GHG emissions reductions	8.2	14	0.0%											
Revenue of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2.)		2,927	3.8%											
Total (A.1 + A.2)		15,748	20.3%										16.5%	
B. Taxonomy-non-eligible activities														
Revenue of Taxonomy-non-eligible activities (B)		62,020	79.7%											
Total (A+B)		77,769	100.0%											

EU Taxonomy – CapEx	Codes	CapEx		Substantial contribution criteria		DNSH criteria						Minimum safe-guards	Taxonomy-aligned proportion of CapEx	Category (E = enabling; T = transitional)
Economic activities		Absolute CapEx (in millions of €)	Proportion of CapEx %	Climate change mitigation %	Climate change adaptation %	Climate change mitigation Y/N	Climate change adaptation Y/N	Water and marine resources Y/N	Circular economy Y/N	Pollution Y/N	Biodiversity and ecosystems Y/N	Y/N	%	E/T
A. Taxonomy-eligible activities														
A.1. Environmentally sustainable activities (Taxonomy-aligned)														
Manufacture of renewable energy technologies	3.1	2	0.1%	100%	0%		Y	Y	Y	Y	Y	Y	0.1%	E
Manufacture of low carbon technologies for transport	3.3	115	3.0%	100%	0%		Y	Y	Y	Y	Y	Y	3.0%	E
Transmission and distribution of electricity	4.9	1	0.0%	100%	0%		Y	Y	Y	Y	Y	Y	0.0%	E
Transport by motorbikes, passenger cars and light commercial vehicles	6.5	12	0.3%	100%	0%		Y	Y	Y	Y	Y	Y	0.3%	T
Infrastructure for rail transport	6.14	65	1.7%	100%	0%		Y	Y	Y	Y	Y	Y	1.7%	E
Infrastructure enabling low-carbon road transport and public transport	6.15	18	0.5%	100%	0%		Y	Y	Y	Y	Y	Y	0.5%	E
Installation, maintenance and repair of energy efficiency equipment	7.3	2	0.1%	100%	0%		Y	Y	Y	Y	Y	Y	0.1%	E
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	7.4	2	0.0%	100%	0%		Y	Y	Y	Y	Y	Y	0.0%	E
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	7.5	24	0.6%	100%	0%		Y	Y	Y	Y	Y	Y	0.6%	E
Installation, maintenance and repair of renewable energy technologies	7.6	7	0.2%	100%	0%		Y	Y	Y	Y	Y	Y	0.2%	E
Acquisition and ownership of buildings	7.7	206	5.4%	100%	0%		Y	Y	Y	Y	Y	Y	5.4%	
Data-driven solutions for GHG emissions reductions	8.2	10	0.3%	100%	0%		Y	Y	Y	Y	Y	Y	0.3%	E
Professional services related to energy performance of buildings[1]	9.3	0	0.0%	100%	0%		Y	Y	Y	Y	Y	Y	0.0%	E
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		464	12.2%										12.2%	

*Value below €0.5 million, therefore rounded to zero.

EU Taxonomy – CapEx	Codes	CapEx		Substantial contribution criteria		DNSH criteria						Minimum safe-guards	Taxonomy-aligned proportion of CapEx	Category (E = enabling; T = transitional)
		Absolute CapEx	Proportion of CapEx	Climate change mitigation	Climate change adaptation	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems			
Economic activities		(in millions of €)	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E/T
A.2. Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)														
Manufacture of low carbon technologies for transport	3.3	27	0.7%											
Manufacture of energy efficiency equipment for buildings	3.5	30	0.8%											
Manufacture of other low carbon technologies	3.6	6	0.1%											
Transmission and distribution of electricity	4.9	4	0.1%											
Transport by motorbikes, passenger cars and light commercial vehicles	6.5	67	1.8%											
Infrastructure for rail transport[1]	6.14	0	0.0%											
Infrastructure enabling low-carbon road transport and public transport[1]	6.15	0	0.0%											
Renovation of existing buildings	7.2	51	1.4%											
Installation, maintenance and repair of energy efficiency equipment	7.3	4	0.1%											
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	7.4	1	0.0%											
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	7.5	3	0.1%											
Installation, maintenance and repair of renewable energy technologies	7.6	2	0.1%											
Acquisition and ownership of buildings	7.7	652	17.1%											
Data-driven solutions for GHG emissions reductions[1]	8.2	0	0.0%											
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2.)		848	22.3%											
Total (A.1 + A.2)		1,312	34.5%										12.2%	
B. Taxonomy-non-eligible activities														
CapEx of Taxonomy-non-eligible activities (B)		2,496	65.5%											
Total (A+B)		3,808	100.0%											

[1] Value below €0.5 million, therefore rounded to zero.

EU Taxonomy – OpEx	Codes	OpEx		Substantial contribution criteria		DNSH criteria						Minimum safe-guards	Taxonomy-aligned proportion of OpEx	Category (E = enabling; T = transitional)
		Absolute OpEx	Proportion of OpEx	Climate change mitigation	Climate change adaptation	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems			
Economic activities		(in millions of €)	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E/T
A. Taxonomy-eligible activities														
A.1. Environmentally sustainable activities (Taxonomy-aligned)														
Manufacture of renewable energy technologies	3.1	8	0.1%	100%	0%		Y	Y	Y	Y	Y	Y	0.1%	E
Manufacture of low carbon technologies for transport	3.3	226	3.1%	100%	0%		Y	Y	Y	Y	Y	Y	3.1%	E
Transmission and distribution of electricity	4.9	1	0.0%	100%	0%		Y	Y	Y	Y	Y	Y	0.0%	E
Infrastructure for rail transport	6.14	196	2.7%	100%	0%		Y	Y	Y	Y	Y	Y	2.7%	E
Infrastructure enabling low-carbon road transport and public transport	6.15	69	0.9%	100%	0%		Y	Y	Y	Y	Y	Y	0.9%	E
Infrastructure enabling low carbon water transport	6.16	3	0.0%	100%	0%		Y	Y	Y	Y	Y	Y	0.0%	E
Installation, maintenance and repair of energy efficiency equipment	7.3	5	0.1%	100%	0%		Y	Y	Y	Y	Y	Y	0.1%	E
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)[1]	7.4	0	0.0%	100%	0%		Y	Y	Y	Y	Y	Y	0.0%	E
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	7.5	29	0.4%	100%	0%		Y	Y	Y	Y	Y	Y	0.4%	E
Installation, maintenance and repair of renewable energy technologies	7.6	1	0.0%	100%	0%		Y	Y	Y	Y	Y	Y	0.0%	E
Acquisition and ownership of buildings	7.7	7	0.1%	100%	0%		Y	Y	Y	Y	Y	Y	0.1%	
Data-driven solutions for GHG emissions reductions	8.2	54	0.7%	100%	0%		Y	Y	Y	Y	Y	Y	0.7%	E
Professional services related to energy performance of buildings[1]	9.3	0	0.0%	100%	0%		Y	Y	Y	Y	Y	Y	0.0%	E
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		597	8.2%										8.2%	

[1] Value below €0.5 million, therefore rounded to zero.

EU Taxonomy – OpEx	Codes	OpEx		Substantial contribution criteria		DNSH criteria						Minimum safe-guards	Taxonomy-aligned proportion of OpEx	Category (E = enabling; T = transitional)
		Absolute OpEx	Proportion of OpEx	Climate change mitigation	Climate change adaptation	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems			
Economic activities		(in millions of €)	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E/T
A.2. Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)														
Manufacture of low carbon technologies for transport	3.3	26	0.4%											
Manufacture of energy efficiency equipment for buildings	3.5	189	2.6%											
Manufacture of other low carbon technologies	3.6	24	0.3%											
Transmission and distribution of electricity	4.9	2	0.0%											
Infrastructure for rail transport[1]	6.14	0	0.0%											
Infrastructure enabling low-carbon road transport and public transport[1]	6.15	0	0.0%											
Construction of new buildings[1]	7.1	0	0.0%											
Renovation of existing buildings	7.2	15	0.2%											
Installation, maintenance and repair of energy efficiency equipment	7.3	16	0.2%											
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	7.4	1	0.0%											
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	7.5	3	0.0%											
Installation, maintenance and repair of renewable energy technologies	7.6	1	0.0%											
Acquisition and ownership of buildings	7.7	21	0.3%											
Data-driven solutions for GHG emissions reductions	8.2	9	0.1%											
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2.)		307	4.2%											
Total (A.1 + A.2)		905	12.4%										8.2%	
B. Taxonomy-non-eligible activities														
OpEx of Taxonomy-non-eligible activities (B)		6,369	87.6%											
Total (A+B)		7,274	100.0%											

[1] Value below €0.5 million, therefore rounded to zero.

Consolidated Financial Statements*

for fiscal 2023

* This document is an English language translation of the authoritative German version and is not provided in the European Single Electronic Format (ESEF). The legally required rendering in ESEF is filed in German language with the operator of the German Company Register and published in the German Company Register.

SIEMENS

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1. Consolidated Statements of Income

(in millions of €, per share amounts in €)	Note	Fiscal year 2023	2022
Revenue	2, 30	**77,769**	71,977
Cost of sales		**(48,116)**	(46,130)
Gross profit		**29,653**	25,847
Research and development expenses		**(6,183)**	(5,591)
Selling and general administrative expenses		**(13,941)**	(12,857)
Other operating income	5	**574**	2,171
Other operating expenses	6	**(454)**	(285)
Income (loss) from investments accounted for using the equity method, net	4	**906**	(2,085)
Interest income		**2,406**	1,632
Interest expenses		**(1,373)**	(689)
Other financial income (expenses), net		**(387)**	(987)
Income from continuing operations before income taxes		**11,201**	7,154
Income tax expenses	7	**(2,687)**	(2,741)
Income from continuing operations		**8,514**	4,413
Income (loss) from discontinued operations, net of income taxes		**15**	(21)
Net income		**8,529**	4,392
Attributable to:			
Non-controlling interests		**579**	669
Shareholders of Siemens AG		**7,949**	3,723
Basic earnings per share	28		
Income from continuing operations		**10.02**	4.67
Income (loss) from discontinued operations		**0.02**	(0.03)
Net income		**10.04**	4.65
Diluted earnings per share	28		
Income from continuing operations		**9.90**	4.62
Income (loss) from discontinued operations		**0.02**	(0.03)
Net income		**9.91**	4.59

2. Consolidated Statements of Comprehensive Income

(in millions of €)		Fiscal year 2023	2022
Net income		**8,529**	4,392
Remeasurements of defined benefit plans	17	**(104)**	(589)
therein: Income tax effects		***(84)***	*(560)*
Remeasurements of equity instruments		**(41)**	1
therein: Income tax effects		**–**	*(1)*
Income (loss) from investments accounted for using the equity method, net		**10**	72
Items that will not be reclassified to profit or loss		**(135)**	(516)
Currency translation differences		**(4,262)**	6,803
Derivative financial instruments		**(8)**	(74)
therein: Income tax effects		***(15)***	45
Income (loss) from investments accounted for using the equity method, net		**(161)**	398
Items that may be reclassified subsequently to profit or loss		**(4,431)**	7,127
Other comprehensive income, net of income taxes		**(4,566)**	6,611
Total comprehensive income		**3,962**	11,003
Attributable to:			
Non-controlling interests		**(10)**	1,450
Shareholders of Siemens AG		**3,972**	9,553

3. Consolidated Statements of Financial Position

(in millions of €)	Note	Sep 30, 2023	Sep 30, 2022
Assets			
Cash and cash equivalents		**10,084**	10,465
Trade and other receivables	8	**17,405**	16,701
Other current financial assets	9	**10,605**	9,696
Contract assets	10	**7,581**	7,559
Inventories	11	**11,548**	10,626
Current income tax assets		**1,363**	1,432
Other current assets	11	**1,955**	1,935
Assets classified as held for disposal		**99**	413
Total current assets		**60,639**	58,829
Goodwill	3, 12	**32,224**	33,861
Other intangible assets	3, 13	**10,641**	12,196
Property, plant and equipment	13	**11,938**	11,733
Investments accounted for using the equity method	4	**3,014**	4,955
Other financial assets	14, 23	**22,855**	25,903
Deferred tax assets	7	**2,231**	2,459
Other assets		**1,523**	1,565
Total non-current assets		**84,428**	92,673
Total assets		**145,067**	151,502
Liabilities and equity			
Short-term debt and current maturities of long-term debt	16	**7,483**	6,658
Trade payables		**10,130**	10,317
Other current financial liabilities		**1,601**	1,616
Contract liabilities	10	**12,571**	12,049
Current provisions	18	**2,320**	2,156
Current income tax liabilities		**2,566**	2,381
Other current liabilities	15	**8,182**	7,448
Liabilities associated with assets classified as held for disposal		**50**	61
Total current liabilities		**44,901**	42,686
Long-term debt	16	**39,113**	43,978
Provisions for pensions and similar obligations	17	**1,426**	2,275
Deferred tax liabilities	7	**1,655**	2,381
Provisions	18	**1,794**	1,857
Other financial liabilities		**1,453**	1,867
Other liabilities		**1,666**	1,654
Total non-current liabilities		**47,106**	54,011
Total liabilities		**92,007**	96,697
Equity	4, 19		
Issued capital		**2,400**	2,550
Capital reserve		**7,411**	7,174
Retained earnings		**36,874**	38,959
Other components of equity		**2,282**	6,159
Treasury shares, at cost		**(1,177)**	(5,948)
Total equity attributable to shareholders of Siemens AG		**47,791**	48,895
Non-controlling interests		**5,270**	5,910
Total equity		**53,060**	54,805
Total liabilities and equity		**145,067**	151,502

4. Consolidated Statements of Cash Flows

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(in millions of €)	Fiscal year 2023	2022
Cash flows from operating activities		
Net income	8,529	4,392
Adjustments to reconcile net income to cash flows from operating activities – continuing operations		
(Income) loss from discontinued operations, net of income taxes	(15)	21
Amortization, depreciation and impairments	3,608	3,561
Income tax expenses	2,687	2,741
Interest (income) expenses, net	(1,033)	(942)
(Income) loss related to investing activities	(979)	432
Other non-cash (income) expenses	(652)	2,903
Change in operating net working capital from		
Contract assets	(425)	(432)
Inventories	(1,345)	(1,456)
Trade and other receivables	(1,655)	(972)
Trade payables	190	1,352
Contract liabilities	1,069	2,046
Additions to assets leased to others in operating leases	(444)	(394)
Change in other assets and liabilities	3,184	(2,584)
Income taxes paid	(2,902)	(2,173)
Dividends received	258	348
Interest received	2,205	1,481
Cash flows from operating activities – continuing operations	12,281	10,322
Cash flows from operating activities – discontinued operations	(41)	(81)
Cash flows from operating activities – continuing and discontinued operations	12,239	10,241
Cash flows from investing activities		
Additions to intangible assets and property, plant and equipment	(2,218)	(2,084)
Acquisitions of businesses, net of cash acquired	(407)	(2,207)
Purchase of investments and financial assets for investment purposes	(723)	(1,404)
Change in receivables from financing activities	(1,461)	(1,100)
Disposal of intangibles and property, plant and equipment	237	276
Disposal of businesses, net of cash disposed	368	2,078
Disposal of investments and financial assets for investment purposes	746	1,973
Cash flows from investing activities – continuing operations	(3,458)	(2,467)
Cash flows from investing activities – discontinued operations	281	(23)
Cash flows from investing activities – continuing and discontinued operations	(3,176)	(2,490)
Cash flows from financing activities		
Purchase of treasury shares	(884)	(1,565)
Re-issuance of treasury shares and other transactions with owners	(404)	(305)
Issuance of long-term debt	2,470	4,969
Repayment of long-term debt (including current maturities of long-term debt)	(5,252)	(6,663)
Change in short-term debt and other financing activities	300	455
Interest paid	(1,208)	(824)
Dividends paid to shareholders of Siemens AG	(3,362)	(3,215)
Dividends attributable to non-controlling interests	(389)	(354)
Cash flows from financing activities – continuing operations	(8,730)	(7,502)
Cash flows from financing activities – discontinued operations	(1)	(1)
Cash flows from financing activities – continuing and discontinued operations	(8,731)	(7,502)
Effect of changes in exchange rates on cash and cash equivalents	(721)	679
Change in cash and cash equivalents	(388)	927
Cash and cash equivalents at beginning of period	10,472	9,545
Cash and cash equivalents at end of period	10,084	10,472
Less: Cash and cash equivalents of assets classified as held for disposal and discontinued operations at end of period	–	7
Cash and cash equivalents at end of period (Consolidated Statements of Financial Position)	10,084	10,465

5. Consolidated Statements of Changes in Equity

(in millions of €)	Issued capital	Capital reserve	Retained earnings	Currency translation differences	Equity instruments	Derivative financial instruments	Treasury shares at cost	Total equity attributable to share-holders of Siemens AG	Non controlling interests	Total equity
Balance as of October 1, 2021	2,550	7,040	39,607	(40)	(13)	(179)	(4,804)	44,160	4,831	48,991
Net income	–	–	3,723	–	–	–	–	3,723	669	4,392
Other comprehensive income, net of income taxes	–	–	(562)	6,346	1	45	–	5,830	781	6,611
Dividends	–	–	(3,215)	–	–	–	–	(3,215)	(354)	(3,569)
Share-based payment	–	83	(69)	–	–	–	–	14	–	14
Purchase of treasury shares	–	–	–	–	–	–	(1,588)	(1,588)	–	(1,588)
Re-issuance of treasury shares	–	45	–	–	–	–	444	490	–	490
Disposal of equity instruments	–	–	(41)	–	–	–	–	(41)	–	(41)
Transactions with non-controlling interests	–	6	(153)	–	–	–	–	(146)	(19)	(166)
Other changes in equity	–	–	(331)	–	–	–	–	(331)	3	(328)
Balance as of September 30, 2022	2,550	7,174	38,959	6,306	(12)	(134)	(5,948)	48,895	5,910	54,805
Balance as of October 1, 2022	2,550	7,174	38,959	6,306	(12)	(134)	(5,948)	48,895	5,910	54,805
Net income	–	–	7,949	–	–	–	–	7,949	579	8,529
Other comprehensive income, net of income taxes	–	–	(100)	(3,881)	(41)	45	–	(3,977)	(589)	(4,566)
Dividends	–	–	(3,362)	–	–	–	–	(3,362)	(400)	(3,762)
Share-based payment	–	176	(46)	–	–	–	–	130	–	130
Purchase of treasury shares	–	–	–	–	–	–	(884)	(884)	–	(884)
Re-issuance of treasury shares	–	57	–	–	–	–	445	502	–	502
Cancellation of treasury shares	(150)	–	(5,061)	–	–	–	5,211	–	–	–
Disposal of equity instruments	–	–	14	–	–	–	–	14	–	14
Changes in equity resulting from major portfolio transactions	–	–	(1,553)	–	–	–	–	(1,553)	–	(1,553)
Other transactions with non-controlling interests	–	3	71	–	–	–	–	75	(267)	(193)
Other changes in equity	–	–	3	–	–	–	–	3	37	41
Balance as of September 30, 2023	2,400	7,411	36,874	2,425	(53)	(89)	(1,177)	47,791	5,270	53,060

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6. Notes to Consolidated Financial Statements

NOTE 1 Basis of presentation

The accompanying Consolidated Financial Statements present the operations of Siemens Aktiengesellschaft with registered offices in Berlin (registry number HRB 12300) and Munich (registry number HRB 6684), Germany, and its subsidiaries (the Company or Siemens). They have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union as well as with the additional requirements set forth in Section 315e (1) of the German Commercial Code (HGB). The Consolidated Financial Statements are in accordance with IFRS as issued by the International Accounting Standards Board (IASB). The Consolidated Financial Statements were authorized for issue by the Managing Board on December 4, 2023. Siemens prepares and reports its Consolidated Financial Statements in euros (€). Due to rounding, numbers presented may not add up precisely to totals provided. Siemens is a German based multinational focused technology company.

NOTE 2 Material accounting policies and critical accounting estimates

Certain of the following accounting policies require critical accounting estimates that involve complex and subjective judgments and the use of assumptions, some of which may be for matters that are inherently uncertain and susceptible to change. Such critical accounting estimates could change from period to period and have a material impact on the Company's results of operations, financial positions and cash flows. Critical accounting estimates could also involve estimates where Siemens reasonably could have used a different estimate in the current accounting period. Siemens cautions that future events often vary from forecasts and that estimates routinely require adjustment.

Siemens operates in an increasingly complex and uncertain macroeconomic and geopolitical environment, particularly due to the war in Ukraine and the conflict in Israel-Gaza/Middle East. Notably, we face continuing inflation, increased interest rates, volatile foreign currencies and share prices along with a rising apprehension of a slow-down of economic growth in significant markets compared to prior years. Uncertainties increase in prognosis and forecasts, in applying critical accounting estimates and in using management judgements. Those trends could impact fair values and carrying amounts of assets and liabilities, amount and timing of results of operations and cash flows of Siemens. Severity and duration of those trends are decisive on the magnitude of its impact on Siemens' Consolidated Financial Statements. Siemens based its estimates and assumptions on existing knowledge and best information available.

Basis of consolidation – The Consolidated Financial Statements include the accounts of Siemens AG and its subsidiaries over which the Company has control. Siemens controls an investee if it has power over the investee. In addition, Siemens is exposed to, or has rights to, variable returns from the involvement with the investee and Siemens is able to use its power over the investee to affect the amount of Siemens' return.

Business combinations – Cost of an acquisition is measured at the fair value of the assets given and liabilities incurred or assumed at the date of exchange. Identifiable assets acquired and liabilities assumed in a business combination (including contingent liabilities) are initially measured at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. Non-controlling interests are measured at the proportional fair value of assets acquired and liabilities assumed (partial goodwill method). If there is no loss of control, transactions with non-controlling interests are accounted for as equity transactions not affecting net income. At the date control is lost, any retained equity interests are remeasured to fair value. In case of a written put option on non-controlling interests the Company assesses whether the prerequisites for the transfer of present ownership interest are fulfilled at the balance sheet date. If the Company is not the beneficial owner of the shares underlying the put option, the exercise of the put option will be assumed at each balance sheet date and treated as equity transaction between shareholders with the recognition of a purchase liability at the respective exercise price. The non-controlling interests participate in profits and losses during the reporting period.

Associates and joint ventures – Associates are companies over which Siemens has the ability to exercise significant influence over operating and financial policies (generally through direct or indirect ownership of 20% to 50% of the voting rights). Joint ventures are entities over which Siemens and one or more parties have joint control. Joint control requires unanimous consent of the parties sharing control in decision making on relevant activities.

Associates and joint ventures are recorded in the Consolidated Financial Statements using the equity method and are initially recognized at cost. If the investment was retained in a transaction in which Siemens lost control of a subsidiary, the fair value of the investment represents the cost on initial recognition. Siemens' share of its associate's or joint venture's post-acquisition profits or losses is recognized in the Consolidated Statements of Income, and its share of post-acquisition changes in equity that have not been recognized in the associate's or joint venture's profit or loss is recognized directly in equity. The cumulative post-acquisition changes also include effects from fair value adjustments and are adjusted against the carrying amount of the investment. When Siemens' share of losses in an associate or joint venture equals or exceeds its interest in the investment, Siemens does not recognize further losses, unless it incurs obligations or makes payments on behalf of the associate or joint venture. The interest in an associate or joint venture is the carrying amount of the investment together with any long-term interests that, in substance, form part of Siemens' net investment in the associate or joint venture.

Siemens reviews associates and joint ventures for impairment whenever there is objective evidence that its investment is impaired, for example a significant or prolonged decline in the fair value of the investment below its cost. In addition, Siemens similarly assesses whether there are indications that an impairment loss recorded in prior periods may no longer exist or may have decreased. If this is the case, any reversal of an impairment loss is recognized to the extent that the recoverable amount subsequently increases, not exceeding the carrying amount, had no impairment loss been recognized in previous periods. Impairments and reversal of impairments include the use of judgements.

Foreign currency translation – Assets and liabilities of foreign subsidiaries, where the functional currency is other than the euro, are translated using the spot exchange rate at the end of the reporting period, while the Consolidated Statements of Income are translated using average exchange rates during the period. Differences arising from such translations are recognized within equity and reclassified to net income when the gain or loss on disposal of the foreign subsidiary is recognized. The Consolidated Statements of Cash Flows are translated at average exchange rates during the period, whereas cash and cash equivalents are translated at the spot exchange rate at the end of the reporting period.

Foreign currency transaction – Transactions that are denominated in a currency other than the functional currency of an entity, are recorded at that functional currency applying the spot exchange rate at the date when the underlying transactions are initially recognized. At the end of the reporting period, foreign currency-denominated monetary assets and liabilities are revalued to functional currency applying the spot exchange rate prevailing at that date. Gains and losses arising from these foreign currency revaluations are recognized in net income. Those foreign currency-denominated transactions which are classified as non-monetary are remeasured using the historical spot exchange rate.

Revenue recognition – Siemens recognizes revenue when, or as control over distinct goods or services is transferred to the customer; i.e. when the customer is able to direct the use of the transferred goods or services and obtains substantially all of the remaining benefits, provided a contract with enforceable rights and obligations exists and amongst others collectability of consideration is probable taking our customer's creditworthiness into account. Revenue is the transaction price Siemens expects to be entitled to. Variable consideration is included in the transaction price if it is highly probable that a significant reversal of revenue will not occur once associated uncertainties are resolved. The amount of variable consideration is calculated by either using the expected value or the most likely amount depending on which is expected to better predict the amount of variable consideration. Consideration is adjusted for the time value of money if the period between the transfer of goods or services and the receipt of payment exceeds twelve months and there is a significant financing benefit either to the customer or Siemens. If a contract contains more than one distinct good or service, the transaction price is allocated to each performance obligation based on relative stand-alone selling prices. If stand-alone selling prices are not observable, the Company reasonably estimates those. Revenue is recognized for each performance obligation either at a point in time or over time.

Revenues from construction-type contracts: Revenues are recognized over time under the percentage-of-completion method, based on the percentage of costs incurred to date compared to total estimated costs. An expected loss on the contract is recognized as an expense immediately. Payment terms are usually 30 days from the date of invoice issued according to the contractual terms.

The percentage-of-completion method places considerable importance on accurate estimates of the extent of progress towards completion and may involve estimates on the scope of deliveries and services required to fulfill the contractually defined obligations. These significant estimates include total estimated costs, total estimated revenues, contract risks, including technical, political and regulatory risks, risks from supply chain constraints and other judgments. Under the percentage-of-completion method, changes in estimates may lead to an increase or decrease of revenue. In addition, Siemens needs to assess whether the contract is expected to continue or whether it is terminated. In determining whether the continuation or termination of a contract is expected to be the most likely scenario, all relevant facts and circumstances relating to the contract are considered on an individual basis.

Revenues from maintenance and service contracts: Revenues are recognized over time on a straight-line basis or, if the performance pattern is other than straight-line, as services are provided, i.e. under the percentage-of-completion method as described above. Payment terms are usually 30 days from the date of invoice issued according to the contractual terms.

Revenues from product sales: Revenues are recognized at a point in time when control of the goods passes to the buyer, usually upon delivery of the goods. Invoices are issued at that point in time and are usually payable within 30 days.

Revenues from software contracts: Software contracts usually comprise the sale of subscription licenses and perpetual licenses, which are both on-premise, as well as technical support services including updates and unspecified upgrades and the sale of software-as-a-service. Subscription contracts generally contain two separate performance obligations: time-based software license and technical support service. Revenues for perpetual and time-based licenses granting the customer a right to use Siemens' intellectual property are recognized at a point in time, i.e. when control of the license passes to the customer. Revenues for technical support services including updates and unspecified upgrades are recognized over time on a straight-line basis as the customer simultaneously receives and consumes the benefits provided by Siemens' services. Software-as-a-service contracts including related cloud services represent one performance obligation for which revenues are recognized over time on a straight-line basis. Payment terms for all transactions are usually 30 days from the date of invoice issued according to the contractual terms.

Income from interest – Interest is recognized using the effective interest method.

Functional costs – In general, operating expenses by types are assigned to the functions following the functional area of the corresponding profit and cost centers. Amortization, depreciation and impairment of intangible assets and property, plant and equipment are included in functional costs depending on the use of the assets.

Product-related expenses – Provisions for estimated costs related to product warranties are recorded in line item Cost of sales at the time the related sale is recognized.

Research and development costs – Costs of research activities are expensed as incurred. Costs of development activities are capitalized when the recognition criteria in IAS 38 are met. Capitalized development costs are stated at cost less accumulated amortization and impairment losses with an amortization period of generally three to 25 years.

Earnings per share – Basic earnings per share are computed by dividing income from continuing operations, income from discontinued operations and net income, all attributable to ordinary shareholders of Siemens AG by the weighted average number of shares outstanding during the year. Diluted earnings per share are calculated by assuming conversion or exercise of all potentially dilutive securities and share-based payment plans.

Goodwill – Goodwill is not amortized, instead, goodwill is tested for impairment annually, as well as whenever there are events or changes in circumstances (triggering events) which suggest that the carrying amount may not be recoverable. Goodwill is carried at cost less accumulated impairment losses. The goodwill impairment test is performed at the level of a cash-generating unit or a group of cash-generating units, generally represented by a segment. Siemens Healthineers is tested one level below the segment. This is the lowest level at which goodwill is monitored for internal management purposes.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the (group of) cash-generating unit(s) that is expected to benefit from the synergies of the business combination. If the carrying amount of the (group of) cash-generating unit(s), to which the goodwill is allocated, exceeds its recoverable amount, an impairment loss on goodwill allocated to that (group of) cash-generating unit(s) is recognized. The recoverable amount is the higher of the (group of) cash-generating unit(s)' fair value less costs to sell and its value in use. If either of these values exceeds the carrying amount, it is not always necessary to determine both values. These

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values are generally determined based on discounted cash flow calculations. Impairment losses on goodwill are not reversed in future periods.

The determination of the recoverable amount of a (group of) cash-generating unit(s) to which goodwill is allocated involves the use of estimates by management. The outcome predicted by these estimates is influenced e.g. by the successful integration of acquired entities, volatility of capital markets, interest rate developments, foreign exchange rate fluctuations and the outlook on economic trends. In determining recoverable amounts, discounted cash flow calculations generally use five-year projections (in exceptional cases up to ten years) that are based on financial forecasts. Cash flow projections consider past experience and represent management's best estimate about future developments. Cash flows after the planning period are extrapolated using individual growth rates. Key assumptions on which management has based its determination of fair value less costs to sell and value in use include estimated growth rates and weighted average cost of capital. These estimates, including the methodology used, can have a material impact on the respective values and ultimately the amount of any goodwill impairment.

Other intangible assets – The Company amortizes intangible assets with finite useful lives on a straight-line basis over their respective estimated useful lives. Estimated useful lives for patents, licenses and other similar rights generally range from three to five years, except for intangible assets with finite useful lives acquired in business combinations. Intangible assets acquired in business combinations primarily consist of customer relationships and trademarks as well as technology. Useful lives in specific acquisitions ranged from two to 30 years for customer relationships and trademarks and for technology from five to 22 years.

Property, plant and equipment – Property, plant and equipment, is valued at cost less accumulated depreciation and impairment losses. Depreciation expense is recognized using the straight-line method. The following useful lives are assumed:

Factory and office buildings	20 to 50 years
Other buildings	5 to 10 years
Technical machinery & equipment	generally 10 years
Office & other equipment	generally 5 years
Equipment leased to others	generally 3 to 7 years

Impairment of property, plant and equipment and other intangible assets – *The Company reviews property, plant and equipment and* other intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. In addition, intangible assets not yet available for use are subject to an annual impairment test. Impairment testing of property, plant and equipment and other intangible assets involves the use of estimates in determining the assets' recoverable amount, which can have a material impact on the respective values and ultimately the amount of any impairment.

Leases – A contract is or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Further information on leases can be found in Notes 8, 13 and 16.

Lessor: Leases are classified as either finance or operating leases, determined based on whether substantially all the risks and rewards incidental to ownership of an underlying asset are transferred. If this is the case, the lease is classified as a finance lease; if not, it is an operating lease. Receivables from finance leases are recognized at an amount equal to the net investment in the lease. The assets underlying the operating leases are presented in Property, plant and equipment and depreciated on a straight-line basis over their useful lives or to their estimated residual value. Operating lease income is recognized on a straight-line basis over the lease term.

Lessee: Siemens recognizes right-of-use assets and lease liabilities for leases with a term of more than twelve months if the underlying asset is not of low value. Payments for short-term and low-value leases are expensed over the lease term. Extension options are included in the lease term if their exercise is reasonably certain. Right-of-use assets are measured at cost less accumulated depreciation expense and impairment losses adjusted for any remeasurements. Right-of-use assets are depreciated under the straight-line method over the shorter of the lease term and the useful life of the underlying assets. Lease liabilities are measured at the present value of the lease payments due over the lease term, generally discounted using the incremental borrowing rate. Lease liabilities are subsequently measured at amortized cost using the effective interest method. They are remeasured in case of modifications or reassessments of the lease.

Discontinued operations and non-current assets held for disposal – Discontinued operations are reported when a component of an entity is classified as held for disposal or has been disposed of, if the component represents a separate major line of business or geographical area of operations and is part of a single coordinated plan to disposal. A non-current asset or a disposal group is held for disposal, if its carrying amount will be recovered principally through a sale transaction or through a distribution to owners rather than through continuing use. Depreciation and amortization cease for assets classified as held for disposal. In the Consolidated Statements of Income and of Cash Flows, discontinued operations are reported separately from continuing operations; prior periods are presented on a comparable basis. The disclosures in the Notes to the Consolidated Financial Statements outside of Note 3 relate to continuing operations or assets and liabilities not held for disposal. The non-current asset held for disposal or the disposal group is measured at the lower of its carrying amount and fair value less costs to sell. The determination of the fair value less costs to sell includes the use of estimates and assumptions that tend to be uncertain.

Income taxes – Tax positions are calculated taking into consideration the respective local tax laws, relevant court decisions and applicable tax authorities' views. Tax regulations can be complex and possibly subject to different interpretations of tax payers and local tax authorities. Different interpretations of existing or new tax laws as a result of tax reforms or other tax legislative procedures may result in additional tax payments for prior years and are taken into account based on management's considerations. Under the liability method, deferred tax assets and liabilities are recognized for expected tax consequences of future periods attributable to differences between the financial statement carrying amounts of assets and liabilities and their respective tax bases. Deferred tax assets are recognized if sufficient future taxable profit is available, including income from forecasted operating earnings, the reversal of existing taxable temporary differences and available tax planning opportunities that Siemens would execute. As of each period-end, Siemens evaluates the recoverability of deferred tax assets, based on taxable income of past periods and projected future taxable profits. As future developments are uncertain and partly beyond Siemens's control, assumptions are necessary to estimate future taxable profits as well as the period in which deferred tax assets will recover. Estimates are revised in the period in which there is sufficient evidence to revise the assumption.

Expected tax effects, arising from prospectively applying the global minimum taxation rules (Pillar Two), are not considered in calculating deferred tax assets and liabilities. Currently, it is expected to apply Pillar Two to the entire Siemens Group commencing with fiscal 2025.

Contract assets, contract liabilities, receivables – When either party to a contract with customers has performed, Siemens presents a contract asset, a contract liability or a receivable depending on the relationship between Siemens' performance and the customer's payment. Contract assets and liabilities are presented as current since incurred in the normal operating cycle. Receivables are recognized when the right to consideration becomes unconditional. Valuation allowances for credit risks are made for contract assets and receivables in accordance with the accounting policy for financial assets measured at amortized cost.

Inventories – Inventories are valued at the lower of acquisition or production costs and net realizable value, costs being generally determined based on an average or first-in, first-out method. Determining net realizable value of inventories involves accounting estimates for quantity, technical and price risks.

Defined benefit plans – Siemens measures the entitlements by applying the projected unit credit method. The approach reflects an actuarially calculated net present value of the future benefit entitlement for services already rendered. In determining the net present value of the future benefit entitlement for service already rendered (Defined Benefit Obligation (DBO)), the expected rates of salary and pension increases are considered. The assumptions used for the calculation of the DBO as of the period-end of the preceding fiscal year are used to determine the calculation of service cost and interest income and expense of the following year. Significant plans apply individual spot rates from full discount rate curves to determine service cost and interest expense. The net interest income or expense for the fiscal year will be based on the discount rate for the respective year multiplied by the net defined benefit liability (asset) at the preceding fiscal year's period-end date.

Service cost, past service cost and settlement gains (losses) for pensions and similar obligations as well as administration costs unrelated to the management of plan assets are allocated among functional costs. Past service cost and settlement gains (losses) are recognized immediately in profit or loss. For unfunded plans, the amount in line item Provisions for pensions and similar obligations equals the DBO. For funded plans, Siemens offsets the fair value of the plan assets from the DBO. Siemens recognizes the net amount, after adjustments for effects relating to any asset ceiling.

Remeasurements comprise actuarial gains and losses as well as the difference between the return on plan assets and the amounts included in net interest on the net defined benefit liability (asset). They are recognized in Other comprehensive income, net of income taxes.

Actuarial valuations rely on key assumptions including discount rates, expected compensation increases, rate of pension progression and mortality rates. Discount rates used are determined by reference to yields on high-quality corporate bonds of appropriate duration and currency at the end of the reporting period. In case such yields are not available, discount rates are based on government bonds yields. Due to changing market, economic and social conditions, the underlying key assumptions may differ from actual developments.

Entitlements resulting from plans based on asset returns from underlying assets are generally measured at the fair value of the underlying assets at period-end. If the performance of the underlying assets is lower than a guaranteed return, the DBO is measured by projecting forward the contributions at the guaranteed fixed return and discounting back to a present value.

Provisions – A provision is recognized in the Statement of Financial Position when (1) it is probable that the Company has a present legal or constructive obligation as a result of a past event and (2) it is probable that an outflow of economic benefits will be required to settle the obligation and (3) a reliable estimate can be made of the amount of the obligation. If the effect is material, provisions are recognized at present value by discounting the expected future cash flows at a pretax rate that reflects current market assessments of the time value of money. When a contract becomes onerous, the present obligation under the contract is recognized as a provision.

Significant estimates are involved in the determination of provisions related to onerous contracts, warranty costs, asset retirement obligations, legal and regulatory proceedings as well as governmental investigations (Legal Proceedings). Siemens records a provision for onerous contracts with customers when current estimates of total estimated costs exceed estimated revenue. Onerous contracts with customers are identified by monitoring the progress of the project and updating the estimates which requires significant judgment relating to achieving certain performance standards as well as estimates involving warranty costs and estimates regarding project delays including the assessment of responsibility splits between the contract partners for these delays.

Legal Proceedings often involve complex legal issues and are subject to substantial uncertainties. Accordingly, considerable judgment is part of determining whether it is probable that there is a present obligation as a result of a past event at the end of the reporting period, whether it is probable that such a Legal Proceeding will result in an outflow of resources and whether the amount of the obligation can be reliably estimated. Internal and external counsels are generally part of the determination process. Due to new developments, it may be necessary, to record a provision for an ongoing Legal Proceeding or to adjust the amount of a previously recognized provision. Upon resolution of a Legal Proceeding, Siemens may incur charges in excess of the recorded provisions for such matters. The outcome of Legal Proceedings may have a material effect on Siemens' financial position, its results of operations and/or its cash flows.

Termination benefits – Termination benefits are provided as a result of an entity's offer made in order to encourage voluntary redundancy before the regular retirement date or from an entity's decision to terminate the employment. Termination benefits in accordance with IAS 19, Employee Benefits, are recognized as a liability and an expense when the entity can no longer withdraw the offer of those benefits.

Financial instruments – A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Based on their contractual cash flow characteristics and the business model they are held in, financial instruments are classified as financial assets and financial liabilities measured at cost or amortized cost, measured at fair value, loan commitments, contract assets and receivables from finance leases. Regular way purchases or sales of financial assets are accounted for at the trade date. Initially, financial instruments are recognized at fair value and net of transaction costs, if not categorized at FVTPL. Subsequently, financial assets and liabilities are measured according to the category to which they are assigned to:

Financial assets measured at fair value through profit and loss (FVTPL): a) mandatorily measured at FVTPL: Debt financial assets are measured at FVTPL if the business model they are held in is not a hold-to-collect or a hold-and-sell business model, or if their contractual cash flows do not represent solely payments of principal and interest. Equity instruments are measured at FVTPL unless the FVOCI-option is elected. b) Financial assets designated as measured at FVTPL are irrevocably designated at initial recognition if the designation significantly reduces accounting mismatches that would otherwise arise if assets and liabilities as well as recognizing gains (losses) were measured on different bases.

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Financial assets measured at fair value through other comprehensive income (FVOCI): are equity instruments for which Siemens irrevocably elects to present subsequent fair value changes in OCI at initial recognition of the instrument. Unrealized gains and losses, net of deferred income tax expenses, as well as gains and losses on the subsequent sale of the instruments are recognized in line item Other comprehensive income, net of income taxes.

Financial assets measured at amortized cost: Loans, receivables and other debt instruments held in a hold-to-collect business model with contractual cash flows that represent solely payments of principal and interest are measured at amortized cost using the effective interest method less valuation allowances for expected credit losses.

Valuation allowances are set up for expected credit losses, representing a forward-looking estimate of future credit losses involving significant judgment. Expected credit loss is the gross carrying amount less collateral, multiplied by the probability of default and a factor reflecting the loss in the event of default. Valuation allowances are not recognized as far as the gross carrying amount is sufficiently collateralized. Probabilities of default are mainly derived from internal rating grades. A simplified approach is used to assess expected credit losses from trade receivables, lease receivables and contract assets by applying their lifetime expected credit losses. The valuation allowance for loans and other long-term debt instruments primarily held at Financial Services (SFS) is measured according to a three-stage impairment approach:

Stage 1: At inception, twelve-month expected credit losses are recognized based on a twelve months probability of default.

Stage 2: If the credit risk of a financial asset increases significantly without being credit-impaired, lifetime expected credit losses are recognized based on a lifetime probability of default. A significant increase in credit risk is determined for each individual financial instrument using internal credit ratings. A rating deterioration does not trigger a transfer into Stage 2, if the credit rating remains within the investment grade range. More than 30 days past due payments will not be transferred into Stage 2, if the delay is not credit-risk-related.

Stage 3: If the financial asset is credit-impaired, valuation allowances equal lifetime expected credit losses. A financial asset is considered credit-impaired when there is observable information about significant financial difficulties and a high vulnerability to default, however, the definition of default is not yet met. Impairment triggers include liquidity problems, a request for debt restructuring or a breach of contract. A credit-risk driven contractual modification always results in a credit-impaired financial asset.

Financial assets are written off as uncollectible if recovery appears unlikely. Generally, if the limitation period expired, when a debtor's sworn statement of affairs is received, or when the receivable is not pursued due to its minor value. Receivables are written off when bankruptcy proceedings close.

A financial asset is derecognized when the rights to cash flows expire or the financial asset is transferred to another party. Significant modifications of contractual terms of a financial asset measured at amortized cost result in derecognition and recognition of a new financial asset; for insignificant modifications, the carrying amount of the financial asset is adjusted without derecognition.

Cash and cash equivalents – The Company considers all highly liquid investments with less than three months maturity from the date of acquisition to be cash equivalents. Cash and cash equivalents are measured at cost.

Loan Commitments – Expected credit losses for irrevocable loan commitments are determined using the three-stage impairment approach for financial assets measured at amortized cost and recognized as a liability.

Financial liabilities – except for derivative financial instruments, Siemens measures financial liabilities at amortized cost using the effective interest method.

Derivative financial instruments – Derivative financial instruments, such as foreign currency exchange contracts and interest rate swap contracts are measured at fair value unless they are designated as hedging instruments, for which hedge accounting is applied. Changes in the fair value of derivative financial instruments are recognized either in net income or, in the case of a cash flow hedge, in line item Other comprehensive income, net of income taxes (applicable deferred income tax). Certain derivative instruments embedded in host contracts are also accounted for separately as derivatives.

Fair value hedges: The carrying amount of the hedged item is adjusted by the gain or loss attributable to the hedged risk. Where an unrecognized firm commitment is designated as hedged item, the subsequent cumulative change in its fair value is recognized as a separate financial asset or liability with corresponding gain or loss recognized in net income. For hedged items carried at amortized cost, the adjustment is amortized until maturity of the hedged item. For hedged firm commitments the initial carrying amount of the assets or liabilities that result from meeting the firm commitments are adjusted to include the cumulative changes in the fair value that were previously recognized as separate financial assets or liabilities.

Cash flow hedges: The effective portion of changes in the fair value of derivative instruments designated as cash flow hedges are recognized in line item Other comprehensive income, net of income taxes, and any ineffective portion is recognized immediately in net income. Amounts accumulated in equity are reclassified into net income in the same periods in which the hedged item affects net income.

Share-based payment – Share-based payment awards at Siemens are predominately designed as equity-settled. Fair value is measured at grant date and is expensed over the vesting period. Fair value is determined as the price of the underlying shares, considering dividends during the vesting period the grantees are not entitled to as well as market conditions and non-vesting conditions, if applicable. Plans granting the rights to receive subsidiary shares constitute own shares and, accordingly, are accounted as equity-settled.

Insurance contracts – In June 2020, the IASB issued IFRS 17 Insurance contracts (IFRS 17), effective for reporting periods beginning on or after January 1, 2023. Siemens will adopt the standard commencing with fiscal 2024. IFRS 17 introduces and applies uniform accounting policies for insurance contracts and supersedes IFRS 4 Insurance contracts. The adoption of IFRS 17 is not expected to have a significant impact on Siemens' Consolidated Financial Statements.

Prior-year information – The presentation of certain prior-year information has been reclassified to conform to the current year presentation.

NOTE 3 Acquisitions and dispositions

Acquisitions

In fiscal 2023, Siemens completed several individually minor acquisitions for a total purchase price of €373 million, mainly paid in cash. In fiscal 2022 acquisitions totaled €2.0 billion. In fiscal 2023 and 2022, the (preliminary) purchase price allocations resulted in Other intangible assets of €180 million and €1.1 billion, respectively, and in Goodwill of €203 million and €1.5 billion, respectively. Goodwill comprises intangible assets that are not separable such as employee know-how and expected synergy effects. The purchase price allocation for some of the acquired businesses is preliminary, as a detailed analysis of the assets and liabilities has not been finalized.

Disposals

In November 2022, Siemens sold its Commercial Vehicles business for a consideration of €184 million in cash and recognized a pre-tax gain on the disposal of €148 million, which is presented in Other operating income. The business was previously reported at Portfolio Companies.

NOTE 4 Interests in other entities

Investments accounted for using the equity method

	Sep 30,	
(in millions of €)	2023	2022
Share of profit (loss), net	(1,298)	(97)
Gains (losses) on disposals, net	618	609
Impairments and reversals of impairment	1,586	(2,597)
Income (loss) from investments accounted for using the equity method, net	906	(2,085)

Siemens Energy AG, an associate accounted for using the equity method, is globally active in the transmission and generation of electrical power and is publicly listed. The fair value of our investment in Siemens Energy AG is €2.5 billion and €2.9 billion, respectively, as of September 30, 2023 and 2022, determined based on Siemens Energy's market capitalization (level 1 of the fair value hierarchy). In fiscal 2023 and 2022, Siemens Energy AG added a loss to Share of profit (loss), net of €(1,478) million and €(207) million, respectively. The loss includes Siemens' share of Siemens Energy AG's net losses of €(1,405) million and €(142) million as well as effects from fair value adjustments at initial recognition of €(73) million and €(65) million, respectively. In fiscal 2023, Siemens Energy AG acquired and redeemed shares of Siemens Gamesa Renewable Energy, S.A. from the minority shareholders. The acquisition and redemption of shares of Siemens Gamesa Renewable Energy, S.A. reduced equity within Siemens Energy AG's consolidated financial statements. Recognizing Siemens' share in this equity transaction decreased the carrying amount of our investment in Siemens Energy AG by €1,553 million, which is recognized in Equity directly. In March 2023, Siemens Energy AG completed a capital increase, in which Siemens did not participate. The transaction decreased Siemens' stake in Siemens Energy AG from 35.1% to 31.9%, which resulted in a gain of €235 million, disclosed in Income (loss) from investments accounted for using the equity method and in Reconciling items of Segment information. As of March 31, 2023, the recoverable amount of our investment in Siemens Energy AG of €5.2 billion, determined based on its market capitalization (level 1 of the fair value hierarchy), increased significantly compared to the level when the impairment was recorded in fiscal 2022. This triggered a partial reversal of the previous impairment of €1,594 million, which is included in Income (loss) from investments accounted for using the equity method and in Reconciling items of Segment information. In June 2023, Siemens contributed a 6.8% stake in Siemens Energy AG (54 million shares) to the Siemens Pension-Trust e.V. at fair value (share price of €15.67; Level 1 of the fair value hierarchy). Siemens' stake in Siemens Energy AG declined from 31.9% to 25.1%. The contribution resulted in a gain of €318 million disclosed at Income (loss) from investments accounted for using the equity method and at Reconciling items of Segment information.

Below summarized consolidated financial information of Siemens Energy AG are disclosed at a 100 per cent basis. They are adjusted to align with Siemens' accounting policies and to incorporate effects from fair value adjustments at initial recognition.

(in millions of €)	Sep 30, 2023	Sep 30, 2022
Ownership interest	25.1%	35.1%
Current assets	26,567	28,665
Non-current assets excluding goodwill	16,321	17,279
Current liabilities	31,599	27,941
Non-current liabilities	8,487	7,134
Net Assets	2,802	10,870
attributable to shareholders of Siemens Energy AG	2,207	10,528
Siemens interest in the net assets of Siemens Energy AG at fiscal year-end	554	3,695
Consolidation adjustments including goodwill	2,098	2,670
Accumulated (impairment) and reversal of impairment (balance at fiscal year-end)	(873)	(2,703)
Carrying amount of Siemens Energy AG at fiscal year-end	1,779	3,662

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	Fiscal year	
	2023	2022
Revenue	31,119	28,997
Income (loss) from continuing operations, net of income taxes	(4,813)	(833)
Other comprehensive income, net of income taxes	(244)	622
Total comprehensive income (loss), net of income taxes	(5,057)	(211)
attributable to shareholders of Siemens Energy AG	*(5,075)*	*(2)*
attributable to Siemens	*(1,605)*	*(1)*

As of September 30, 2023, and 2022, the carrying amount of all individually not material associates amounts to €901 million and €943 million, respectively. As of September 30, 2023, and 2022, the carrying amount of all individually not material joint ventures amounts to €334 million and €350 million, respectively. The aggregate amount of the Siemens' share in the following line items of these associates and joint ventures is presented below:

	Associates		Joint ventures	
(in millions of €)	Sep 30, 2023	Sep 30, 2022	Sep 30, 2023	Sep 30, 2022
Income (loss) from continuing operations	95	20	86	99
Other comprehensive income	(21)	132	(14)	193
Total comprehensive income	73	152	72	292

Subsidiary with material non-controlling interests

Summarized consolidated financial information, in accordance with IFRS and before intercompany eliminations, is presented below.

	Siemens Healthineers AG registered in Munich, Germany	
(in millions of €)	Sep 30, 2023	Sep 30, 2022
Ownership interests held by non-controlling interests	24%	25%
Accumulated non-controlling interests	4,341	4,887
Current assets	14,136	13,379
Non-current assets	32,548	35,677
Current liabilities	13,440	12,024
Non-current liabilities	15,110	17,180

	Fiscal year	
	2023	2022
Net income attributable to non-controlling interests	372	514
Dividends paid to non-controlling interests	273	251
Revenue	21,680	21,714
Income (loss) from continuing operations, net of income taxes	1,525	2,054
Other comprehensive income, net of income taxes	1,989	2,881
Total comprehensive income, net of income taxes	(464)	4,935
Total cash flows	361	(8)

NOTE 5 Other operating income

Other operating income in fiscal 2023 and 2022, mainly includes gains from disposals of businesses of €232 million and €1,884 million, respectively, (thereof in fiscal 2022: mail and parcel-handling business of Siemens Logistics GmbH €1,084 million and Yunex Traffic €738 million) gains from sales of property, plant and equipment of €174 million and €125 million, respectively, as well as insurance related income in both years.

NOTE 6 Other operating expenses

Other operating expenses in fiscal 2023, and 2022, include losses on the sale of property, plant and equipment as well as effects from insurance, personnel, legal and regulatory matters.

NOTE 7 Income taxes

Income tax expenses (benefits) consist of the following:

	Fiscal year	
(in millions of €)	2023	2022
Current taxes	**3,250**	3,163
Deferred taxes	**(563)**	(422)
Income tax expenses	**2,687**	2,741

Current income tax expenses in fiscal 2023 and 2022 include adjustments recognized for current taxes of prior years in the amount of €73 million and €220 million, respectively. In fiscal 2023 and 2022, deferred taxes include tax effects from the origination and reversal of temporary differences of €(670) million and €(430) million, respectively. Deferred taxes include tax expenses of €125 million from the write-down of previously recognized deferred tax assets on tax loss carryforwards and temporary differences (in fiscal 2022, €(202) million tax from the recognition of previously unrecognized deferred taxes on tax loss carryforwards and temporary differences).

In Germany, the calculation of current taxes is based on a combined tax rate of 31%, consisting of a corporate tax rate of 15%, a solidarity surcharge thereon of 5.5% and an average trade tax rate of 15%. For foreign subsidiaries, current taxes are calculated based on the local tax law and applicable tax rates in the individual foreign countries. Deferred tax assets and liabilities in Germany and abroad are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled.

Global minimum taxation rules (Pillar Two) were enacted in some jurisdictions, in which Siemens currently operates. We expect to apply Pillar Two worldwide commencing with fiscal 2025 and anticipate an increase in current taxes in a low double-digit million euro range.

Current and deferred income tax expenses differ from the amounts computed by applying a combined statutory German income tax rate of 31% as follows:

	Fiscal year	
(in millions of €)	2023	2022
Expected income tax expenses	**3,472**	2,218
Increase (decrease) in income taxes resulting from:		
Non-deductible expenses	**831**	1,947
Tax-free income	**(1,142)**	(769)
Taxes for prior years	**(8)**	215
Change in realizability of deferred tax assets and tax credits	**36**	(198)
Change in tax rates	**(6)**	12
Foreign tax rate differential	**(752)**	(591)
Tax effect of investments accounted for using the equity method	**410**	14
Other, net (primarily German trade tax differentials)	**(154)**	(106)
Actual income tax expenses	**2,687**	2,741

Deferred income tax assets and (liabilities) on a net basis are summarized as follows:

	Sep 30,	
(in millions of €)	2023	2022
Deferred taxes due to temporary differences		
Intangible assets	**(2,208)**	(2,957)
Pensions and similar obligations	**1,709**	1,943
Current assets and liabilities	**640**	459
Non-current assets and liabilities	**(318)**	(355)
Tax loss carryforwards and tax credits	**753**	989
Total deferred taxes, net	**576**	78

Minus amounts represent deferred tax liabilities.

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Deferred tax balances developed as follows:

	Fiscal year	
(in millions of €)	*2023*	*2022*
Balance at beginning of fiscal year of deferred tax (assets) liabilities	(78)	(527)
Income taxes presented in the Consolidated Statements of Income	(563)	(422)
Changes in items of the Consolidated Statements of Comprehensive Income	99	515
Additions from acquisitions not impacting net income	18	172
Other (includes mainly currency translation differences)	(52)	184
Balance at end of fiscal year of deferred tax (assets) liabilities	(576)	(78)

Minus amounts represent deferred tax assets.

Deferred tax assets have not been recognized with respect of the following items (gross amounts):

	Sep 30,	
(in millions of €)	2023	2022
Deductible temporary differences	550	443
Tax loss carryforwards	1,314	1,164
	1,864	1,607

Of the tax loss carryforward, an amount of €189 million and €245 million for fiscal 2023 and 2022, respectively can be carried forward for a limited period. A material portion thereof will expire until 2031 and 2030, respectively.

Siemens has not recognized deferred tax liabilities for income taxes or foreign withholding taxes on the cumulative earnings of subsidiaries of €29,720 million and €29,687 million, respectively in fiscal 2023 and 2022, because the earnings are intended to be permanently reinvested in the subsidiaries.

Including items charged or credited directly to equity and the expenses (benefits) from continuing and discontinued operations, the income tax expenses (benefits) consist of the following:

	Fiscal year	
(in millions of €)	2023	2022
Continuing operations	2,687	2,741
Discontinued operations	9	3
Income and expenses recognized directly in equity	(4)	538
	2,692	3,282

An uncertain tax regulation arising from a foreign tax reform may result in potential future tax payments amounting to a middle three-digit million euro range. Due to the low probability and the character of a contingent liability, no tax liability was recognized.

NOTE 8 Trade and other receivables

	Sep 30,	
(in millions of €)	2023	2022
Trade receivables from the sale of goods and services	15,454	14,666
Receivables from finance leases	1,952	2,036
	17,405	16,701

In fiscal 2023 and 2022, the long-term portion of receivables from finance leases is reported in Other financial assets amounting to €4,606 million and €4,277 million, respectively.

Future minimum lease payments to be received are as follows:

	Sep 30,	
(in millions of €)	2023	2022
Within one year	2,384	2,299
After one year but not more than two years	1,721	1,653
After two years but not more than three years	1,243	1,171
After three years but not more than four years	829	758
After four years but not more than five years	489	456
More than five years	808	769
	7,475	7,106

Future minimum lease payments reconcile to the net investment in the lease as follows:

	Sep 30,	
(in millions of €)	2023	2022
Future minimum lease payments	7,475	7,106
Less: Unearned finance income relating to future minimum lease payments	(922)	(756)
Present value of future minimum lease payments	6,552	6,350
Plus present value of unguaranteed residual value	144	136
Net investment in the lease	6,696	6,486

Investments in finance leases primarily relate to industrial machinery, medical equipment, transportation systems, equipment for information technology and office machines.

In fiscal 2023 and 2022, finance income on the net investment in the lease is €372 million and €453 million.

NOTE 9 Other current financial assets

	Sep 30,	
(in millions of €)	2023	2022
Loans receivable	7,588	6,216
Interest-bearing debt securities	1,047	1,239
Derivative financial instruments	573	957
Other	1,397	1,285
	10,605	9,696

NOTE 10 Contract assets and liabilities

As of September 30, 2023, and 2022, amounts expected to be settled after twelve months are €1,487 million and €1,321 million for contract assets and €1,812 million and €1,628 million for contract liabilities, respectively. In fiscal 2023, and 2022, revenue includes €7,799 million and €6,158 million, respectively, which was included in contract liabilities at the beginning of the fiscal year.

NOTE 11 Inventories and Other current assets

Inventories

	Sep 30,	
(in millions of €)	2023	2022
Raw materials and supplies	3,516	3,197
Work in progress	4,029	3,631
Finished goods and products held for resale	3,715	3,419
Advances to suppliers	287	379
	11,548	10,626

Cost of sales includes inventories recognized as expense amounting to €47,350 million and €45,159 million, respectively, in fiscal 2023 and 2022. Compared to prior year, write-downs increased by €131 million in fiscal 2023. In fiscal 2022, write-downs increased by €94 million compared to fiscal 2021.

Other current assets

In fiscal 2023, and 2022, Other current assets include other tax receivables of €784 million and €810 million, prepaid expenses of €543 million and €509 million, respectively, and €283 million and €261 million, respectively, in reimbursement claims relating to activities in Russia.

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NOTE 12 Goodwill

(in millions of €)	Fiscal year 2023	2022
Cost		
Balance at begin of fiscal year	35,721	31,360
Translation differences and other	(1,899)	3,014
Acquisitions and purchase accounting adjustments	198	1,505
Dispositions and reclassifications to assets classified as held for disposal	(110)	(159)
Balance at fiscal year-end	33,910	35,721
Accumulated impairment losses and other changes		
Balance at begin of fiscal year	1,859	1,688
Translation differences and other	(118)	217
Impairment losses recognized during the period	8	13
Dispositions and reclassifications to assets classified as held for disposal	(63)	(59)
Balance at fiscal year-end	1,686	1,859
Carrying amount		
Balance at begin of fiscal year	33,861	29,672
Balance at fiscal year-end	32,224	33,861

Siemens performs the mandatory annual impairment test in the three months ended September 30. Key assumptions on which Siemens based its determinations of the fair value less costs to sell for the (group of) cash-generating unit(s) being part of the segments include terminal value growth rates up to 1.9% in fiscal 2023 and 2022, and after-tax discount rates of 7.5% to 9.5% in fiscal 2023 and 6.5% to 9.0% in fiscal 2022.

To estimate the fair value less costs to sell of the cash-generating units or groups of cash-generating units, cash flows were projected for the next five years (in exceptional cases up to ten years) based on past experience, actual operating results and management's best estimate about future developments as well as market assumptions. The determined fair value of the cash-generating units or groups of cash-generating units is assigned to level 3 of the fair value hierarchy.

The fair value less costs to sell is mainly driven by the terminal value, which is particularly sensitive to changes in the assumptions on the terminal value growth rate and discount rate. Both assumptions are determined individually for each cash-generating unit or group of cash-generating units. Discount rates are based on the weighted average cost of capital (WACC). Siemens Financial Services' discount rate represents its specific cost of equity. The discount rates are calculated based on a risk-free rate of interest and a market risk premium. In addition, the discount rates reflect the current market assessment of the risks specific to each cash-generating unit or group of cash-generating units by taking into account specific peer group information on beta factors, leverage and cost of debt as well as country specific premiums. The parameters for calculating the discount rates are based on external sources of information. The peer group is subject to an annual review and adjusted, if necessary. Terminal value growth rates take into consideration external macroeconomic sources of data and industry specific trends.

The following table presents key assumptions used to determine fair value less costs to sell for impairment test purposes for the groups of cash-generating units to which a significant amount of goodwill is allocated:

	Sep 30, 2023		
(in millions of €)	Goodwill	Terminal value growth rate	After-tax discount rate
Varian of Siemens Healthineers	7,874	1,9%	8,5%
Digital Industries	7,828	1,9%	9,5%
Imaging of Siemens Healthineers	6,782	1,9%	8,0%

Revenue figures in the detailed forecast planning period of the groups of cash-generating units to which a significant amount of goodwill is allocated are based on average revenue growth rates (excluding portfolio effects) of between 7.3% and 8.4% (8.3% and 10.3% in fiscal 2022).

	Sep 30, 2022		
(in millions of €)	Goodwill	Terminal value growth rate	After-tax discount rate
Digital Industries	8,226	1.9%	9.0%
Varian of Siemens Healthineers	8,134	1.9%	8.0%
Imaging of Siemens Healthineers	7,260	1.9%	7.5%

The sensitivity analysis for the groups of cash-generating units to which a significant amount of goodwill is allocated was based on a reduction in after-tax future cash flows by 10% or an increase in after-tax discount rates by one percentage point or a reduction in the terminal value growth rate by one percentage point. Siemens concluded that no impairment loss would need to be recognized on goodwill in any of these groups of cash-generating units.

NOTE 13 Other intangible assets and property, plant and equipment

(in millions of €)	Gross carrying amount 10/01/2022	Translation differences	Additions through business combinations	Additions	Reclassifications	Retirements[1]	Gross carrying amount 09/30/2023	Accumulated depreciation/amortization and impairment	Carrying amount 09/30/2023	Depreciation/amortization and impairment in fiscal 2023
Internally generated technology	4,215	(150)	–	301	–	(202)	4,165	(2,170)	**1,995**	(168)
Acquired technology including patents, licenses and similar rights	8,383	(490)	43	48	–	(102)	7,882	(4,465)	**3,417**	(702)
Customer relationships and trademarks	9,484	(438)	160	–	–	(1,007)	8,200	(2,971)	**5,229**	(451)
Other intangible assets	22,082	(1,077)	203	349	–	(1,310)	20,247	(9,605)	**10,641**	(1,321)
Land and buildings	10,610	(425)	1	831	424	(548)	10,894	(5,073)	**5,821**	(753)
Technical machinery and equipment	5,190	(177)	–	289	215	(185)	5,333	(3,691)	**1,642**	(307)
Office and other equipment	5,742	(223)	15	748	103	(485)	5,900	(4,482)	**1,418**	(674)
Equipment leased to others	4,025	(149)	–	643	12	(675)	3,857	(2,088)	**1,769**	(543)
Advances to suppliers and construction in progress	1,359	(41)	–	742	(755)	(8)	1,296	(8)	**1,288**	(2)
Property, plant and equipment	26,926	(1,015)	17	3,252	–	(1,901)	27,280	(15,342)	**11,938**	(2,279)

[1] Includes assets reclassified to Assets classified as held for disposal and dispositions of those entities.

(in millions of €)	Gross carrying amount 10/01/2021	Translation differences	Additions through business combinations	Additions	Reclassifications	Retirements[1]	Gross carrying amount 09/30/2022	Accumulated depreciation/amortization and impairment	Carrying amount 09/30/2022	Depreciation/amortization and impairment in fiscal 2022
Internally generated technology	3,704	335	–	295	–	(119)	4,215	(2,164)	**2,051**	(199)
Acquired technology including patents, licenses and similar rights	7,179	983	259	50	–	(89)	8,383	(4,052)	**4,331**	(579)
Customer relationships and trademarks	7,966	698	911	–	–	(91)	9,484	(3,669)	**5,815**	(478)
Other intangible assets	18,849	2,017	1,169	345	–	(298)	22,082	(9,886)	**12,196**	(1,256)
Land and buildings	9,454	656	22	888	337	(746)	10,610	(4,902)	**5,708**	(802)
Technical machinery and equipment	4,826	256	–	201	149	(242)	5,190	(3,671)	**1,519**	(309)
Office and other equipment	5,406	320	–	627	80	(692)	5,742	(4,420)	**1,321**	(631)
Equipment leased to others	3,860	213	4	553	2	(608)	4,025	(2,188)	**1,838**	(543)
Advances to suppliers and construction in progress	1,055	58	–	834	(568)	(19)	1,359	(12)	**1,347**	(7)
Property, plant and equipment	24,601	1,503	26	3,104	–	(2,307)	26,926	(15,193)	**11,733**	(2,292)

[1] Includes assets reclassified to Assets classified as held for disposal and dispositions of those entities.

The carrying amount of Advances to suppliers and construction in progress includes €1,125 million and €1,218 million, respectively, of property, plant and equipment under construction in fiscal 2023 and 2022. As of September 30, 2023, and 2022, contractual commitments for purchases of property, plant and equipment are €694 million and €627 million, respectively.

In fiscal 2023, Siemens Healthineers incurred impairment losses in the endovascular robotics solution business of €262 million, mainly on other intangible assets, due to a decision to refocus certain activities within this business. The impairment loss is primarily reported at Cost of sales. The recoverable amount of the cash generating unit of €(69) million is fair value less costs to sell, determined by applying a discounted cash flow model (Level 3 of the fair value hierarchy) using a 10% after tax discount rate and a term corresponding to the expected useful life of the respective asset.

Right-of-use assets are presented in Property, plant and equipment in accordance with their nature; right-of-use assets have a carrying amount of €2,546 million and €2,608 million as of September 30, 2023, and 2022, respectively; additions are €924 million and €918 million and depreciation expense is €770 million and €760 million in fiscal 2023 and 2022. Right-of-use assets mainly relate to leases of land and buildings with a carrying amount of €2,176 million and €2,309 million as of September 30, 2023, and 2022, additions of €604 million and €650 million and depreciation expense of €554 million and €558 million in fiscal 2023, and 2022. Equipment leased to others mainly relate to Technical machinery and equipment as well as to Office and other equipment owned by Siemens with a carrying amount of €1,248 million and €298 million, respectively, as of September 30, 2023 and €1,323 million and €337 million, respectively, as of September 30, 2022.

In fiscal 2023 and 2022, expenses recognized for short-term leases are €64 million and €56 million, respectively; expenses for low-value leases not accounted for under the right-of-use model are €27 million and €22 million, respectively. Sale and Leaseback transactions resulted in gains of €2 million and €94 million, respectively, in fiscal 2023 and 2022.

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Future minimum lease payments to be received under operating leases are:

(in millions of €)	Sep 30, 2023	2022
Within one year	372	392
After one year but not more than two years	284	298
After two years but not more than three years	215	228
After three years but not more than four years	161	163
After four years but not more than five years	101	111
More than five years	139	130
	1,272	1,323

In fiscal 2023 and 2022, income from operating leases is €610 million and €687 million, respectively, thereof from variable lease payments €137 million and €144 million, respectively.

NOTE 14 Other financial assets

(in millions of €)	Sep 30, 2023	2022
Loans receivable	14,917	16,551
Receivables from finance leases	4,606	4,277
Derivative financial instruments	1,213	2,868
Equity instruments	1,360	1,470
Other	760	737
	22,855	25,903

Item Loans receivable primarily relate to long-term loan transactions of SFS.

NOTE 15 Other current liabilities

(in millions of €)	Sep 30, 2023	2022
Liabilities to personnel	5,522	5,126
Deferred income	105	79
Accruals for pending invoices	569	550
Other	1,985	1,692
	8,182	7,448

In fiscal 2023 and 2022, Other includes miscellaneous tax liabilities of €899 million and €743 million, respectively, as well as various accruals of €368 million and €419 million, respectively.

NOTE 16 Debt

	Current debt		Non-current debt	
(in millions of €)	Sep 30, 2023	Sep 30, 2022	Sep 30, 2023	Sep 30, 2022
Notes and bonds	5,545	4,797	35,383	39,964
Loans from banks	733	1,071	1,461	1,673
Other financial indebtedness	511	87	38	42
Lease liabilities	693	703	2,230	2,299
Total debt	7,483	6,658	39,113	43,978

In fiscal 2023 and 2022, Siemens recognized interest expenses on lease liabilities of €71 million and €48 million and expenses relating to variable lease payments not included in the measurement of lease liabilities of €100 million and €93 million, respectively. In fiscal 2023 and 2022, cash flows to which Siemens is potentially exposed and which are not reflected in the measurement of lease liabilities, relate primarily to lease contracts entered into, however which have not yet commenced as well as to extension options whose exercise is not yet reasonably certain totaling €2.9 billion and €3.1 billion, respectively, and, in addition, to variable lease payments mainly relating to incidental and operating costs for buildings leased by Siemens.

Changes in liabilities arising from financing activities

(in millions of €)	10/01/2022	Cash flows	Non-cash changes				09/30/2023
			(Acquisitions)/Dispositions	Foreign currency translation	Fair value hedge adjustments	Reclassifications and other changes	
Non-current notes and bonds	39,964	2,470	–	(1,911)	153	(5,291)	**35,383**
Current notes and bonds	4,797	(4,574)	–	114	(59)	5,267	**5,545**
Loans from banks (current and non-current)	2,745	(404)	39	(144)	–	(41)	**2,194**
Other financial indebtedness (current and non-current)	128	546	–	(123)	–	(3)	**549**
Lease liabilities (current and non-current)	3,002	(771)	(3)	(97)	–	793	**2,924**
Total debt	50,636	(2,733)	35	(2,162)	94	725	**46,596**

In addition, other financing activities resulted in €251 million cash flows in fiscal 2023.

(in millions of €)	10/01/2021	Cash flows	Non-cash changes				09/30/2022
			(Acquisitions)/Dispositions	Foreign currency translation	Fair value hedge adjustments	Reclassifications and other changes	
Non-current notes and bonds	37,505	4,969	–	3,224	(1,255)	(4,480)	39,964
Current notes and bonds	5,867	(6,060)	–	553	(19)	4,456	4,797
Loans from banks (current and non-current)	2,282	320	361	159	–	(377)	2,745
Other financial indebtedness (current and non-current)	116	(453)	–	463	–	3	128
Lease liabilities (current and non-current)	2,929	(604)	(72)	127	–	622	3,002
Total debt	48,700	(1,829)	289	4,526	(1,274)	224	50,636

In addition, other financing activities resulted in €590 million cash flows in fiscal 2022.

Credit facilities

As of September 30, 2023, and 2022, Siemens has €7.45 billion lines of credit, which are unused. The €7.0 billion syndicated loan facility matures in February 2026. In September 2023, the unused €450 million revolving bilateral credit facility was extended to September 2024. The facilities are for general corporate purposes.

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Notes and bonds

	Sep 30, 2023		Sep 30, 2022	
(interest/issued/maturity)	Currency Notional amount (in millions)	Carrying amount in millions of € [1]	Currency Notional amount (in millions)	Carrying amount in millions of € [1]
2.75%/2012/September 2025/GBP fixed-rate instruments	£ 350	377	£ 350	355
3.75%/2012/September 2042/GBP fixed-rate instruments	£ 650	741	£ 650	725
2.875%/2013/March 2028/EUR fixed-rate instruments	€ 1,000	1,001	€ 1,000	998
3.5%/2013/March 2028/US$ fixed-rate instruments	US$ 100	93	US$ 100	101
0.375%/2018/September 2023/EUR fixed-rate instruments	–	–	€ 1,000	999
1.0%/2018/September 2027/EUR fixed-rate instruments	€ 750	677	€ 750	676
1.375%/2018/September 2030/EUR fixed-rate instruments	€ 1,000	996	€ 1,000	995
0.3%/2019/February 2024/EUR fixed-rate instruments	€ 750	737	€ 750	724
0.9%/2019/February 2028/EUR fixed-rate instruments	€ 650	572	€ 650	569
1.25%/2019/February 2031/EUR fixed-rate instruments	€ 800	664	€ 800	665
1.75%/2019/February 2039/EUR fixed-rate instruments	€ 800	576	€ 800	601
0.0%/2019/September 2024/EUR fixed-rate instruments	€ 500	484	€ 500	479
0.125%/2019/September 2029/EUR fixed-rate instruments	€ 1,000	995	€ 1,000	995
0.5%/2019/September 2034/EUR fixed-rate instruments	€ 1,000	993	€ 1,000	992
0.0%/2020/February 2023/EUR fixed-rate instruments	–	–	€ 1,250	1,251
0.0%/2020/February 2026/EUR fixed-rate instruments	€ 1,000	953	€ 1,000	950
0.25%/2020/February 2029/EUR fixed-rate instruments	€ 1,000	998	€ 1,000	997
0.5%/2020/February 2032/EUR fixed-rate instruments	€ 750	748	€ 750	748
1.0%/2020/February 2025/GBP fixed-rate instruments	£ 850	932	£ 850	878
0.25%/2020/June 2024/EUR fixed-rate instruments	€ 1,000	976	€ 1,000	962
0.375%/2020/June 2026/EUR fixed-rate instruments	€ 1,000	924	€ 1,000	921
0.875%/2020/June 2023/GBP fixed-rate instruments	–	–	£ 450	497
0.625%/2022/February 2027/EUR fixed-rate instruments	€ 500	455	€ 500	454
1.0%/2022/February 2030/EUR fixed-rate instruments	€ 750	746	€ 750	746
1.25%/2022/February 2035/EUR fixed-rate instruments	€ 750	739	€ 750	738
2.25%/2022/March 2025/EUR fixed-rate instruments	€ 1,000	998	€ 1,000	997
2.5%/2022/September 2027/EUR fixed-rate instruments	€ 500	499	€ 500	499
2.75%/2022/September 2030/EUR fixed-rate instruments	€ 500	497	€ 500	497
3.0%/2022/September 2033/EUR fixed-rate instruments	€ 1,000	997	€ 1,000	997
3.375%/2023/August 2031/EUR fixed-rate instruments	€ 1,250	1,244	–	–
3.5%/2023/February 2036/EUR fixed-rate instruments	€ 500	492	–	–
3.625%/2023/February 2043/EUR fixed-rate instruments	€ 750	735	–	–
Total Debt Issuance Program		21,842		22,006
6.125%/2006/August 2026/US$ fixed-rate instruments	US$ 1,750	1,758	US$ 1,750	1,968
3.25%/2015/May 2025/US$ fixed-rate-instruments	US$ 1,500	1,350	US$ 1,500	1,458
4.4%/2015/May 2045/US$ fixed-rate-instruments	US$ 1,750	1,635	US$ 1,750	1,776
2.0%/2016/September 2023/US$-fixed-rate-instruments	–	–	US$ 750	768
2.35%/2016/October 2026/US$-fixed-rate-instruments	US$ 1,700	1,602	US$ 1,700	1,740
3.3%/2016/September 2046/US$-fixed-rate-instruments	US$ 1,000	937	US$ 1,000	1,018
3.125%/2017/March 2024/US$ fixed-rate-instruments	US$ 1,000	929	US$ 1,000	992
3.4%/2017/March 2027/US$ fixed-rate-instruments	US$ 1,250	1,178	US$ 1,250	1,280
4.2%/2017/March 2047/US fixed-rate-instruments	US$ 1,500	1,404	US$ 1,500	1,526
0.4%/2021/March 2023/US$ fixed-rate-instruments	–	–	US$ 1,250	1,282
Compounded SOFR+0.43%/2021/March 2024/US$ floating-rate instruments	US$ 1,000	944	US$ 1,000	1,025
0.65%/2021/March 2024/US$ fixed-rate-instruments	US$ 1,500	1,416	US$ 1,500	1,538
1.2%/2021/March 2026/US$ fixed-rate-instruments	US$ 1,750	1,649	US$ 1,750	1,790
1.7%/2021/March 2028/US$ fixed-rate-instruments	US$ 1,250	1,176	US$ 1,250	1,277
2.15%/2021/March 2031/US$ fixed-rate-instruments	US$ 1,750	1,645	US$ 1,750	1,788
2.875%/2021/March 2041/US$ fixed-rate-instruments	US$ 1,500	1,405	US$ 1,500	1,527
2023/February 2024/EUR fixed-rate instruments	€ 60	60	–	–
Total Stand Alone Bonds		19,087		22,755
Total		40,929		44,761

[1] Includes adjustments for fair value hedge accounting.

Debt Issuance Program – The Company has a program in place to issue debt instruments under which, as of September 30, 2023 and 2022, up to €30.0 billion of instruments can be issued. As of September 30, 2023, €22.7 billion in notional amounts were issued and are outstanding (€23.0 billion as of September 30, 2022).

In February 2023, the 0.0% €1.25 billion fixed-rate instruments, in June 2023, the 0.875% £450 million fixed-rate instruments and in September 2023, the 0.375% €1.0 billion fixed-rate instruments were redeemed at face value. In February 2023, Siemens issued fixed-rate instruments totaling €2.5 billion in three tranches: 3.375% €1.25 billion due August 2031; 3.5% €500 million due February 2036 and 3.625% €750 million due February 2043.

Stand Alone Bonds – In March 2023, the 0.4% US$1.25 billion fixed-rate instruments and in September 2023, the 2.0% US$750 million fixed-rate instruments were redeemed at face value.

Assignable and term loans

As of September 30, 2023, and 2022, five bilateral term loan facilities are outstanding (in aggregate €1.8 billion and €2.1 billion, respectively).

In fiscal 2023, two bilateral term loan facilities were newly signed: one bilateral PLN 500 million (€108 million) term loan facility maturing in fiscal 2026 with one one-year extension option and one bilateral US$250 million (€236 million) term loan facility maturing in fiscal 2025 with one one-year extension option, which was extended in October 2023 to mature in fiscal 2026 with no remaining extension option.

The previous bilateral €250 million term loan facility and the bilateral €350 million term loan facility, both maturing in fiscal 2023, were redeemed as due.

Of the two persisting bilateral term loan facilities of US$500 million (€472 million) each, one matures in fiscal 2024, and the second in fiscal 2025. The existing bilateral €500 million term loan facility matures in fiscal 2025.

Commercial paper program

As of September 30, 2023, and 2022, Siemens has a US$9.0 billion (€8.5 billion and €9.2 billion, respectively, as of September 30, 2023 and 2022) commercial paper program in place including US$ extendible notes capabilities. As of September 30, 2023, US$49 million (€46 million) were outstanding; as of September 30, 2022, none were outstanding. Siemens' commercial papers have a maturity of generally less than 90 days. Interest rates ranged from 3.06% to 5.29% in fiscal 2023 and from 0.08% to 3.06% in fiscal 2022.

NOTE 17 Post-employment benefits

Defined benefit plans

The defined benefit plans open to new entrants are based predominantly on contributions made by the Company. Only to a certain extent, those plans are affected by longevity, inflation and compensation increases and take country specific differences into account. The Company's major plans are funded with assets in segregated entities. In accordance with local laws these plans are managed in the interest of the beneficiaries by way of contractual trust agreements with each separate legal entity. The defined benefit plans cover 442,000 participants, including 183,000 actives, 82,000 deferreds with vested benefits and 177,000 retirees and surviving dependents.

Germany

In Germany, pension benefits are provided through the following plans: BSAV (Beitragsorientierte Siemens Altersversorgung), frozen legacy plans as well as deferred compensation plans. The majority of active employees participate in the BSAV. Those benefits are based predominantly on notional contributions and the return on the corresponding assets of this plan, subject to a minimum return guaranteed by the employer. At inception of the BSAV, benefits provided under the frozen legacy plans were modified to substantially eliminate the effects of compensation increases. However, the frozen plans still expose Siemens to investment risk, interest rate risk, inflation risk and longevity risk. The pension plans are funded via contractual trust arrangements (CTA). In Germany no legal or regulatory minimum funding requirements apply.

U.S.

In the U.S., the Pension Plans are sponsored by Siemens, which for the most part have been frozen to new entrants and to future benefit accruals, except for interest credits on cash balance accounts. Siemens has appointed the Investment Committee as the named fiduciary for the management of the assets of the Plans. The Plans' assets are held in Trusts and the trustees of the Trusts are responsible for the administration of the assets of the Trusts, taking directions from the Investment Committee. The Plans are subject to the funding requirements under the Employee Retirement Income Security Act of 1974 as amended (ERISA). There is a regulatory requirement to maintain a minimum funding level of 80% in the defined benefit plans in order to avoid benefit restrictions. At their discretion, sponsoring employers may contribute in excess of this regulatory requirement. Annual contributions are calculated by independent actuaries.

U.K.

Pension benefits are mainly offered through the Siemens Benefit Scheme for which, until the start of retirement, an inflation increase of the majority of accrued benefits is mandatory. The required funding is determined by a funding valuation carried out every third year based on legal requirements. Due to deviating guidelines for the determination of the discount rates, the technical funding deficit is usually larger than the IFRS funding deficit. To reduce the deficit Siemens entered into an agreement with the trustees to provide annual payments of £31 (€35) million until fiscal 2033. The agreement also provides for a cumulative advance payment by Siemens AG compensating the remaining annual payments at the date of early termination of the agreement due to cancellation or insolvency.

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Switzerland

Following the Swiss law of occupational benefits (BVG) each employer has to grant post-employment benefits for qualifying employees. Accordingly, Siemens in Switzerland sponsors several cash balance plans. These plans are administered by external foundations. The board of the main foundation is composed of equally many employer and employee representatives. The board of the foundation is responsible for investment policy and asset management, as well as for any changes in the plan rules and the determination of contributions to finance the benefits. The Company is required to make total contributions at least as high as the sum of the employee contributions set out in the plan rules. In case of an underfunded plan the Company together with the employees may be asked to pay supplementary contributions according to a well-defined framework of recovery measures.

Development of the defined benefit plans

	Defined benefit obligation (DBO)[1] (I)		Fair value of plan assets (II)		Effects of asset ceiling (III)		Net defined benefit balance (I – II + III)	
	Fiscal year		Fiscal year		Fiscal year		Fiscal year	
(in millions of €)	2023	2022	2023	2022	2023	2022	2023	2022
Balance at begin of fiscal year	27,853	35,542	26,523	33,543	620	16	1,949	2,015
Current service cost	386	482	–	–	–	–	386	482
Interest expenses	1,056	366	–	–	14	1	1,070	367
Interest income	–	–	990	327	–	–	(990)	(327)
Other[2]	(2)	(15)	(10)	(10)	–	–	8	(6)
Components of defined benefit costs recognized in the Consolidated Statements of income	1,440	832	980	317	14	1	474	516
Return on plan assets excluding amounts included in net interest income and net interest expenses	–	–	(788)	(7,018)	–	–	788	7,018
Actuarial (gains) losses	(696)	(7,581)	–	–	–	–	(696)	(7,581)
Effects of asset ceiling	–	–	–	–	(50)	602	(50)	602
Remeasurements recognized in the Consolidated Statements of Comprehensive Income	(696)	(7,581)	(788)	(7,018)	(50)	602	42	39
Employer contributions	–	–	1,104	513	–	–	(1,104)	(513)
Plan participants' contributions	126	128	126	128	–	–	–	–
Benefits paid	(1,811)	(1,788)	(1,687)	(1,660)	–	–	(124)	(128)
Settlement payments	(15)	–	(11)	–	–	–	(5)	–
Business combinations, disposals and other	(5)	(155)	12	(154)	–	(7)	(17)	(8)
Foreign currency translation effects	(281)	874	(204)	854	(6)	8	(83)	28
Other reconciling items	(1,987)	(941)	(660)	(319)	(6)	1	(1,333)	(620)
Balance at fiscal year-end	26,610	27,853	26,055	26,523	578	620	1,132	1,949
Germany	*16,023*	*16,676*	*15,760*	*15,475*	–	–	*262*	*1,201*
U.S.	*2,240*	*2,568*	*2,057*	*2,314*	–	–	*183*	*254*
U.K.	*3,654*	*3,933*	*3,591*	*4,105*	*12*	*13*	*76*	*(159)*
CH	*3,175*	*3,075*	*3,783*	*3,731*	*561*	*604*	*(47)*	*(52)*
Other countries	*1,518*	*1,599*	*864*	*899*	*4*	*3*	*658*	*704*
Total	26,610	27,853	26,055	26,523	578	620	1,132	1,949
thereof provisions for pensions and similar obligations							*1,426*	*2,278*
thereof net defined benefit assets (presented in Other assets)							*293*	*328*

[1] Total Defined benefit obligation (DBO) includes other post-employment benefits of €284 million and €299 million in fiscal 2023 and 2022 respectively, which primarily consist of transition payments to German employees after retirement as well as post-employment health care and life insurance benefits to employees in the U.S.

[2] Includes past service benefits/costs, settlement gains/losses and administration costs related to liabilities.

Net interest expenses relating to provisions for pensions and similar obligations amount to €97 million and €51 million, respectively, in fiscal 2023 and 2022. The DBO is attributable to actives 29% and 29%, to deferreds with vested benefits 12% and 13% and to retirees and surviving dependents 60% and 58%, respectively, in fiscal 2023 and 2022.

The DBO remeasurements comprise actuarial (gains) and losses resulting from:

	Fiscal year	
(in millions of €)	2023	2022
Changes in demographic assumptions	(82)	(49)
Changes in financial assumptions	(1,246)	(7,986)
Experience (gains) losses	631	454
Total	(696)	(7,581)

DBO remeasurements in fiscal 2023 include losses of €813 million arising from inflation-related adjustments of pension benefits in Germany.

Actuarial assumptions

The weighted-average discount rate used for the actuarial valuation of the DBO was as follows:

	Sep 30,	
	2023	2022
Discount rate	**4.6%**	3.9%
EUR	**4.5%**	3.7%
USD	**5.9%**	5.5%
GBP	**5.5%**	4.8%
CHF	**2.1%**	2.2%

Discount rates are derived from high-quality corporate bonds in the respective currency zones. As of September 30, 2023, discount rates are provided by external actuaries, which increased our weighted average discount rate by 0.21 percentage points.

Applied mortality tables are:

Germany	Siemens specific tables (Siemens Bio 2017/2023)
U.S.	Pri-2012 with generational projection from the US Social Security Administration's Long Range Demographic Assumptions
U.K.	SAPS S3 (Standard mortality tables for Self Administered Pension Schemes with allowance for future mortality improvements)
CH	BVG 2020 G with generational projection according to CMI model with a long-term trend rate of 1.25%

The mortality tables used in Germany (Siemens Bio 2017/2023) are mainly derived from data of the German Siemens population and to a lesser extent from data of the Federal Statistical Office in Germany by applying formulas in accordance with recognized actuarial standards.

The weighted-average assumptions for pension increase for countries with significant effects are shown in the following table. Inflation effects, if applicable, are included in the assumptions below.

	Sep 30,	
	2023	2022
Pension increase		
Germany	**2.3%**	2.0%
U.K.	**3.0%**	3.2%

Sensitivity analysis

A one-half-percentage-point change of the above assumptions would result in the following increase (decrease) of the DBO:

	Effect on DBO due to a one-half percentage-point			
	increase	decrease	increase	decrease
	Sep 30,			
(in millions of €)	2023		2022	
Discount rate	**(1,123)**	**1,208**	(1,328)	1,450
Rate of pension increase	**788**	**(642)**	973	(813)

The DBO effect of a 10% reduction in mortality rates for all beneficiaries would be an increase of €714 million and €800 million, respectively, as of September 30, 2023 and 2022.

As in prior years, sensitivity determinations apply the same methodology as those applied in determining post-employment benefit obligations. Sensitivities reflect changes in the DBO solely for the assumption changed.

Asset Liability Matching Strategies

As a significant risk, the Company considers a decline in the plans' funded status due to adverse developments of plan assets and/or defined benefit obligations resulting from changing parameters. Accordingly, Siemens implemented a risk management concept aligned with the defined benefit obligations (Asset Liability Matching). Risk management is based on a worldwide defined risk threshold (Value at Risk). The concept, the Value at Risk and the asset development including the investment strategy are monitored and adjusted on an ongoing basis under consultation of senior external experts. Independent asset managers are selected based on quantitative and qualitative analyses, which include their performance and risk evaluation. Derivatives are used to reduce risks as part of risk management.

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Disaggregation of plan assets

(in millions of €)	Sep 30, 2023	2022
Equity securities	3,360	3,185
Fixed income securities	10,504	10,635
Government bonds	*2,639*	*2,517*
Corporate bonds	*7,865*	*8,118*
Alternative investments	5,207	5,491
Multi strategy funds	3,329	3,501
Derivatives	499	602
Cash and cash equivalents	818	699
Insurance contracts	2,039	2,090
Other assets	299	321
Total	26,055	26,523

Virtually all equity securities have quoted prices in active markets. The fair value of fixed income securities is based on prices provided by price service agencies. The fixed income securities are traded in active markets and almost all fixed income securities are investment grade. Alternative investments include hedge funds, private equity and real estate investments, thereof real estate used by the Company with a fair value of €608 million and €734 million, respectively, as of September 30, 2023 and 2022. Multi strategy funds mainly comprise absolute return funds and diversified growth funds that invest in various asset classes within a single fund and aim to stabilize return and reduce volatility. Derivatives predominantly consist of financial instruments for hedging interest rate risk and inflation risk.

Future cash flows

Employer contributions expected to be paid to defined benefit plans in fiscal 2024 are €230 million. Over the next ten fiscal years, average annual benefit payments of €1,945 million and €1,869 million, respectively, are expected as of September 30, 2023 and 2022. The weighted average duration of the DBO for Siemens defined benefit plans was 9 and 10 years, respectively, as of September 30, 2023 and 2022.

Defined contribution plans and state plans

Amounts recognized as expenses for defined contribution plans are €611 million and €611 million in fiscal 2023 and 2022, respectively. Contributions to state plans amount to €1,723 million and €1,630 million, respectively, in fiscal 2023 and 2022.

NOTE 18 Provisions

(in millions of €)	Warranties	Order related losses and risks	Asset retirement obligations	Other	Total
Balance as of October 1, 2022	1,497	481	564	1,471	4,013
thereof: non-current	*551*	*235*	*185*	*886*	*1,857*
Additions	769	284	5	371	1,428
Usage	(388)	(156)	(11)	(198)	(753)
Reversals	(212)	(101)	(2)	(189)	(504)
Translation differences	(46)	(37)	(5)	(30)	(118)
Accretion expense and effect of changes in discount rates	3	–	(3)	4	5
Other changes including reclassifications to held for disposal and disposition of those entities	(57)	(1)	7	92	42
Balance as of September 30, 2023	1,566	470	556	1,521	4,113
thereof: non-current	*585*	*207*	*179*	*823*	*1,794*

The majority of the Company's provisions are generally expected to result in cash outflows during the next five years.

Warranties mainly relate to products sold. Order related losses and risks are provided for anticipated losses and risks on uncompleted construction, sales and leasing contracts.

The Company is subject to asset retirement obligations related to certain items of property, plant and equipment. Such asset retirement obligations are primarily attributable to environmental clean-up costs and to costs primarily associated with the removal of leasehold improvements at the end of the lease term.

Environmental clean-up costs relate to remediation and environmental protection liabilities which have been accrued based on the estimated costs of decommissioning the site for the production of uranium and mixed-oxide fuel elements in Hanau, Germany (Hanau facilities), as well as for a nuclear research and service center in Karlstein, Germany (Karlstein facilities). In May 2021, Siemens AG and the Federal Republic of Germany entered into a contract under public-law, based on which the obligation of final disposal of nuclear waste is transferred to the Federal Republic of Germany for a payment of €360 million. The contract and therefore the payment is subject to the approval of the EU commission under state-aid rules. Estimation uncertainties still relate to assumptions made to measure the obligations that remain with Siemens AG, regarding conditioning and packaging of nuclear waste, as well as intermediate storage and transport to the final storage facility "Schacht Konrad" or a logistics depot until year-end 2032. As of September 30, 2023, and 2022, the provisions total €480 million and €487 million, respectively.

Other includes provisions for life and industrial business reinsurance contracts (liability, property, construction) in connection with the Siemens Energy business of €267 million and €339 million as of September 30, 2023 and 2022; thereof life €145 million and €159 million and industrial business €122 million and €180 million, respectively, as of September 30, 2023 and 2022. The provisions are for incurred and reported insurance losses as well as for incurred, hence, not yet reported insurance losses as of fiscal year-end. The provision is determined using actuarial standard valuation methodologies, which are parameterized based on historical loss data. Life reinsurance contracts have an average term of 19 years, whereas the cash outflows for the industrial business reinsurance contracts are expected within the next five years. Other also includes provisions for Legal Proceedings, as far as the risks that are subject to such Legal Proceedings are not already covered by project accounting. Provisions for Legal Proceedings amounted to €227 million and €236 million as of September 30, 2023 and 2022, respectively. As of September 30, 2023, and 2022, €260 million and €181 million are included for claims and charges resulting from the construction business. Furthermore, Other includes provision for indemnifications in connection with dispositions of businesses of €82 million and €92 million as of September 30, 2023 and 2022. Such indemnifications may protect the buyer from potential tax, legal and other risks in conjunction with the purchased business.

NOTE 19 Equity

As of September 30, 2023, and 2022, Siemens' issued capital is divided into 800 million and 850 million registered shares, respectively, with no par value and a notional value of €3.00 per share. The shares are paid in full. At the Shareholders' Meeting, each share has one vote and accounts for the shareholders' proportionate share in the Company's net income. All shares confer the same rights and obligations. In fiscal 2023, Siemens cancelled 50 million treasury shares, thereby reducing issued capital by €150 million to €2.4 billion.

In fiscal 2023 and 2022, Siemens repurchased 6,853,091 shares and 14,185,791 shares, respectively. In fiscal 2023 and 2022, Siemens transferred 4,227,344 and 4,376,201 treasury shares, respectively. As of September 30, 2023, and 2022, the Company has treasury shares of 10,079,918 and 57,454,171 respectively.

Share based payment expenses increased Capital reserve by €444 million and €376 million (including non-controlling interests), respectively, in fiscal 2023 and 2022. In connection with the settlement of share based payment awards, Siemens treasury shares (at cost) were transferred to employees amounting to €265 million and €257 million, respectively, in fiscal 2023 and 2022, which decreased Capital reserve and Retained earnings by €221 million and €44 million, respectively in 2023 and by €191 million and €66 million in fiscal 2022.

As of September 30, 2023, and 2022, total authorized capital of Siemens AG is €600 million nominal issuable in installments based on various time-limited authorizations, by issuance of up to 200 million registered shares of no par value. Siemens AG's conditional capital is €420.6 million or 140.2 million shares as of September 30, 2023 and 2022; which, primarily, can be used to serve convertible bonds or warrants under warrant bonds that could or can be issued based on various time-limited authorizations approved by the respective Shareholders' Meeting.

Dividends paid per share were €4.25 and €4.00, respectively, in fiscal 2023 and 2022. The Managing Board and the Supervisory Board propose to distribute a dividend of €4.70 per share to holders entitled to dividends, in total representing approximately €3.7 billion in expected payments. Payment of the proposed dividend is contingent upon approval at the Shareholders' Meeting on February 8, 2024.

NOTE 20 Additional capital disclosures

A key consideration of our capital structure management is to maintain ready access to capital markets through various debt instruments and to sustain our ability to repay and service our debt obligations over time. In order to achieve our target, Siemens intends to maintain an Industrial net debt divided by EBITDA (continuing operations) ratio of up to 1.5 in accordance with our Financial Framework. The ratio indicates the approximate number of years that would be needed to cover the Industrial net debt through Income from continuing operations, excluding interest, other financial income (expenses), taxes, depreciation, amortization and impairments.

	Sep 30,	
(in millions of €)	2023	2022
Short-term debt and current maturities of long-term debt	7,483	6,658
Plus: Long-term debt	39,113	43,978
Less: Cash and cash equivalents	(10,084)	(10,465)
Less: Current interest-bearing debt securities	(1,047)	(1,239)
Less: Fair value of foreign currency and interest hedges relating to short- and long-term debt[1]	(621)	(1,720)
Net debt	34,843	37,212
Less: Siemens Financial Services debt[2]	(28,756)	(29,107)
Plus: Provisions for pensions and similar obligations	1,426	2,275
Plus: Credit guarantees	411	515
Industrial net debt	7,924	10,896
Income from continuing operations before income taxes	11,201	7,154
Plus/Less: Interest income, interest expenses and other financial income (expenses), net	(646)	45
Plus: Amortization, depreciation and impairments	3,608	3,561
EBITDA	14,163	10,759
Industrial net debt/EBITDA	0.6	1.0

[1] Debt is generally reported at a value approximately representing the amount to be repaid. Accordingly, debt in a hedging relationship is adjusted for fair values of interest hedges as well as for foreign currency hedge effects. Siemens deducts resulting changes in fair value, to derive an amount of debt that approximates the amount that will be repaid.

[2] The adjustment considers that both Moody's and S&P view Siemens Financial Services as a captive finance company. These rating agencies generally recognize and accept higher levels of debt attributable to captive finance subsidiaries in determining credit ratings. Following this concept, Siemens excludes Siemens Financial Services debt.

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The SFS business is capital intensive and operates with a larger amount of debt to finance its operations compared to the industrial business.

(in millions of €)	Sep 30, 2023	Sep 30, 2022
Allocated equity	3,133	3,087
Siemens Financial Services debt	28,756	29,107
Debt to equity ratio	9.18	9.43

Equity allocated to SFS differs from the carrying amount of equity as it is mainly allocated based on the risks of the underlying business.

Siemens' current corporate credit ratings are:

	Sep 30, 2023		Sep 30, 2022	
	Moody's Investors Service	S&P Global Ratings	Moody's Investors Service	S&P Global Ratings
Long-term debt	Aa3	A+	A1	A+
Short-term debt	P-1	A-1+	P-1	A-1+

NOTE 21 Commitments and contingencies

The following table presents the undiscounted amount of maximum potential future payments for major groups of guarantees:

(in millions of €)	Sep 30, 2023	Sep 30, 2022
Credit guarantees	411	515
Performance guarantees	5,746	9,309
	6,156	9,824

Credit guarantees cover the financial obligations of third parties generally in cases where Siemens is the vendor and (or) contractual partner or Siemens is liable for obligations of associated companies accounted for using the equity method. Additionally, credit guarantees are issued in the course of the SFS business. Credit guarantees generally provide that in the event of default or non-payment by the primary debtor, Siemens will be required to settle such financial obligations. The maximum amount of these guarantees is equal to the outstanding balance of the credit or, in case a credit line is subject to variable utilization, the nominal amount of the credit line. These guarantees have typically residual terms of up to three years (in fiscal 2022 four years). The Company held collateral mainly through inventories and trade receivables. As of September 30, 2023, and 2022, Credit guarantees include €95 million and €123 million for which Siemens holds reimbursement rights towards Siemens Energy. Siemens accrued €18 million and €2 million relating to credit guarantees as of September 30, 2023 and 2022, respectively.

Furthermore, Siemens issues performance guarantees, which mainly include performance bonds. In the event of non-fulfillment of contractual obligations by the primary obligor, Siemens will be required to pay up to an agreed-upon maximum amount. These agreements typically have terms of up to ten years. As of September 30, 2023, and 2022, Performance guarantees include €5,341 million and €8,562 million for which Siemens holds reimbursement rights towards Siemens Energy; the related contract liability amount for parent company guarantees is generally reduced using the straight-line method over the planned term of the underlying delivery or service agreement. As of September 30, 2023, and 2022, the Company accrued €58 million and €54 million, respectively, relating to performance guarantees.

As of September 30, 2023, and 2022, in addition to guarantees disclosed in the table above, there are contingent liabilities of €402 million and €421 million which mainly result from other guarantees and legal proceedings. Other guarantees include €71 million and €99 million for which Siemens holds reimbursement rights towards Siemens Energy.

NOTE 22 Legal proceedings

Siemens is involved in numerous Legal Proceedings in various jurisdictions. These Legal Proceedings could result, in particular, in Siemens being subject to payment of damages and punitive damages, equitable remedies or sanctions, fines or disgorgement of profit. In individual cases this may also lead to formal or informal exclusion from tenders or the revocation or loss of business licenses or permits. In addition, further Legal Proceedings may be commenced or the scope of pending Legal Proceedings may be extended. Asserted claims are generally subject to interest rates.

Some of these Legal Proceedings could result in adverse decisions for Siemens, which may have material effects on its business activities as well as its financial position, results of operations and cash flows.

For Legal Proceedings information required under IAS 37, Provisions, Contingent Liabilities and Contingent Assets is not disclosed if the Company concludes that disclosure can be expected to seriously prejudice the outcome of the matter.

Proceedings out of or in connection with alleged compliance violations

As previously reported, in July 2008, Hellenic Telecommunications Organization S.A. (OTE) filed a lawsuit against Siemens AG with the district court of Munich, Germany, seeking to compel Siemens AG to disclose the outcome of its internal investigations with respect to OTE. OTE seeks to obtain information with respect to allegations of undue influence and/or acts of bribery in connection with contracts concluded between Siemens AG and OTE from calendar 1992 to 2006. At the end of July 2010, OTE expanded its claim and requested

payment of damages by Siemens AG of at least €57 million to OTE for alleged bribery payments to OTE employees. In October 2014, OTE increased its damage claim to the amount of at least €68 million. Siemens AG continues to defend itself against the expanded claim.

As previously reported, in May 2014, the Public Affairs Office (Ministério Público) São Paulo initiated a lawsuit against Siemens Ltda. as well as other companies and several individuals claiming, inter alia, damages in an amount of BRL2.5 billion (approximately €471 million as of September 2023) plus adjustments for inflation and related interest in relation to train refurbishment contracts entered into between 2008 and 2011. In January 2015, the district court of São Paulo admitted a lawsuit of the State of São Paulo and two customers against Siemens Ltda., Siemens AG and other companies and individuals claiming damages in an unspecified amount. In March 2015, the district court of São Paulo admitted a lawsuit of the Public Affairs Office (Ministério Público) São Paulo against Siemens Ltda. and other companies claiming, inter alia, damages in an amount of BRL487 million (approximately €92 million as of September 2023) plus adjustments for inflation and related interest in relation to train maintenance contracts entered into in 2000 and 2002. In September 2015, the district court of São Paulo admitted another lawsuit of the Public Affairs Office (Ministério Público) São Paulo against Siemens Ltda. and other companies claiming, inter alia, damages in an amount of BRL918 million (approximately €173 million as of September 2023) plus adjustments for inflation and related interest in relation to train maintenance contracts entered into in 2006 and 2007. Siemens is defending itself against these actions. It cannot be excluded that further significant damage claims will be brought by customers or the state against Siemens.

As previously reported, in June 2015, Siemens Ltda. appealed to the Supreme Court against a decision of a previous court to suspend Siemens Ltda. from participating in public tenders and signing contracts with public administrations in Brazil for a five year term based on alleged irregularities in calendar 1999 and 2004 in public tenders with the Brazilian Postal authority. In June 2018, the court accepted Siemens' appeal and declared the earlier instance decision as void. In June 2021, the court referred the case back to the court of first instance. In February 2018, the Ministério Público in Brasilia filed a lawsuit based on the same set of facts, mainly claiming the exclusion of Siemens Ltda. from public tenders for a ten year term. Siemens Ltda. is defending itself against the lawsuit. Siemens Ltda. is currently not excluded from participating in public tenders.

NOTE 23 Additional disclosures on financial instruments

The following table discloses the carrying amounts of each category of financial assets and financial liabilities:

	Sep 30,	
(in millions of €)	2023	2022
Loans, receivables and other debt instruments measured at amortized cost[1]	**47,021**	46,386
Cash and cash equivalents	**10,084**	10,465
Derivatives designated in a hedge accounting relationship	**1,466**	2,701
Financial assets mandatorily measured at FVTPL[2]	**1,578**	2,368
Financial assets designated as measured at FVTPL[3]	**136**	154
Equity instruments measured at FVOCI[1]	**665**	692
Financial assets	**60,950**	62,766
Financial liabilities measured at amortized cost[4]	**58,202**	62,536
Derivatives not designated in a hedge accounting relationship[5]	**296**	651
Derivatives designated in a hedge accounting relationship[5]	**1,282**	1,249
Financial liabilities	**59,779**	64,436

[1] Reported in the following line items of the Statements of Financial Position as of September 30, 2023 and 2022, respectively: Trade and other receivables, Other current financial assets and Other financial assets, except for separately disclosed €1,691 million and €1,767 million equity instruments in Other financial assets (thereof €665 million and €692 million at FVOCI), €136 million and €154 million financial assets designated as measured at FVTPL and €1,786 million and €3,825 million derivative financial instruments (thereof in Other financial assets €1,213 million and €2,868 million) as well as €232 million and €169 million debt instruments measured at FVTPL in Other financial assets. Includes €15,454 million and €14,666 million trade receivables from the sale of goods and services, thereof €640 million and €766 million with a term of more than twelve months as of September 30, 2023 and 2022.
[2] Reported in line items Other current financial assets and Other financial assets.
[3] Reported in Other financial assets.
[4] Includes fair value hedge adjustments. Reported in the following line items of the Statements of Financial Position: Short-term debt and current maturities of long-term debt, Trade payables, Other current financial liabilities, Long-term debt and Other financial liabilities, except for separately disclosed derivative financial instruments of €1,578 million and €1,900 million as of September 30, 2023 and 2022, respectively.
[5] Reported in line items Other current financial liabilities and Other financial liabilities.

Cash and cash equivalents include €89 million and €164 million as of September 30, 2023 and 2022, respectively, which are not available for use by Siemens mainly due to minimum reserve requirements with banks. As of September 30, 2023, and 2022, the carrying amount of financial assets Siemens pledged as collateral is €164 million and €166 million, respectively.

The following table presents the fair values and carrying amounts of financial assets and financial liabilities measured at cost or amortized cost for which the carrying amounts do not approximate fair value:

	Sep 30, 2023		Sep 30, 2022	
(in millions of €)	Fair value	Carrying amount	Fair value	Carrying amount
Notes and bonds	**37,059**	**40,929**	40,622	44,764
Loans from banks and other financial indebtedness	**2,681**	**2,744**	2,821	2,870

Fixed-rate and variable-rate receivables with a remaining term of more than twelve months, including receivables from finance leases, are evaluated by the Company based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer, and the risk characteristics of the financed project. Based on this evaluation, allowances for these receivables are recognized.

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The fair value of notes and bonds is based on prices provided by price service agencies at the period-end date (Level 2). The fair value of loans from banks and other financial indebtedness as well as other non-current financial liabilities are estimated by discounting future cash flows using rates currently available for debt of similar terms and remaining maturities (Level 2).

The following table allocates financial assets and financial liabilities measured at fair value to the three levels of the fair value hierarchy:

	Sep 30, 2023			
(in millions of €)	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value	349	2,193	1,302	3,844
Equity instruments measured at FVTPL	213	334	479	1,026
Equity instruments measured at FVOCI	–	2	663	665
Debt instruments measured at FVTPL	136	71	161	367
Derivative financial instruments	–	1,786	–	1,786
Not designated in a hedge accounting relationship (including embedded derivatives)	–	*320*	–	*320*
In connection with fair value hedges	–	*34*	–	*34*
In connection with cash flow hedges	–	*1,432*	–	*1,432*
Financial liabilities measured at fair value – Derivative financial instruments	–	1,578	–	1,578
Not designated in a hedge accounting relationship (including embedded derivatives)	–	*296*	–	*296*
In connection with fair value hedges	–	*954*	–	*954*
In connection with cash flow hedges	–	*328*	–	*328*

	Sep 30, 2022			
(in millions of €)	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value	521	4,164	1,230	5,916
Equity instruments measured at FVTPL	367	336	372	1,075
Equity instruments measured at FVOCI	–	2	691	692
Debt instruments measured at FVTPL	154	1	168	323
Derivative financial instruments	–	3,825	–	3,825
Not designated in a hedge accounting relationship (including embedded derivatives)	–	*1,124*	–	*1,124*
In connection with fair value hedges	–	*3*	–	*3*
In connection with cash flow hedges	–	*2,699*	–	*2,699*
Financial liabilities measured at fair value – Derivative financial instruments	–	1,900	–	1,900
Not designated in a hedge accounting relationship (including embedded derivatives)	–	*651*	–	*651*
In connection with fair value hedges	–	*925*	–	*925*
In connection with cash flow hedges	–	*325*	–	*325*

Fair value of equity instruments quoted in an active market is based on price quotations at period-end date. Fair value of debt instruments, is either based on prices provided by price service agencies or is estimated by discounting future cash flows using current market interest rates.

Fair values of derivative financial instruments are determined in accordance with the specific type of instrument. Fair values of derivative interest rate contracts are estimated by discounting expected future cash flows using current market interest rates and yield curves over the remaining term of the instrument. Interest rate futures are valued based on quoted market prices, if available. Fair values of foreign currency derivatives are based on forward exchange rates. Options are generally valued based on quoted market prices or based on option pricing models. No compensating effects from underlying transactions (e.g. firm commitments and forecast transactions) are considered.

The Company limits default risks resulting from derivative financial instruments by generally transacting with financial institutions with a minimum credit rating of investment grade. Based on Siemens' net risk exposure towards the counterparty, the resulting credit risk is considered via a credit valuation adjustment.

As of September 30, 2023, and 2022, Level 3 financial assets include venture capital investments of €578 million and €607 million (Next47 investments). In fiscal 2023 and 2022, new level 3 investments and purchases amounted to €156 million and €221 million, respectively. Sales of Level 3 financial assets amounted to €40 million and €100 million, respectively, in fiscal 2023 and 2022.

Net gains (losses) resulting from financial instruments are:

	Fiscal year	
(in millions of €)	2023	2022
Cash and cash equivalents	(38)	87
Loans, receivables and other debt instruments measured at amortized cost	(306)	(568)
Financial liabilities measured at amortized cost	(25)	(56)
Financial assets and financial liabilities at FVTPL	(1,283)	2,126

Amounts include foreign currency gains (losses) from recognizing and measuring financial assets and liabilities. Net gains (losses) on financial assets and liabilities measured at FVTPL resulted from those mandatorily measured at FVTPL and comprise fair value changes of derivative financial instruments for which hedge accounting is not applied including interest income (expense), as well as dividends from and fair value changes of equity instruments measured at FVTPL.

Interest income (expense) includes interest from financial assets and financial liabilities not at fair value through profit or loss:

	Fiscal year	
(in millions of €)	2023	2022
Total interest income on financial assets	**2,380**	1,626
Total interest expenses on financial liabilities	**(1,476)**	(841)

Valuation allowances for expected credit losses

	Loans, receivables and other debt instruments measured at amortized cost				Contract Assets	Lease Receivables
	Loans and other debt instruments under the general approach			Trade receivables and other debt instruments under the simplified approach		
(in millions of €)	Stage 1	Stage 2	Stage 3			
Valuation allowance as of October 1, 2022	**106**	**22**	**227**	**567**	**140**	**172**
Change in valuation allowances recorded in the Consolidated Statements of Income in the current period	**106**	**3**	**74**	**41**	**(1)**	**5**
Write-offs charged against the allowance	**n/a**	**n/a**	**(135)**	**(69)**	**–**	**(36)**
Recoveries of amounts previously written off	**n/a**	**n/a**	**4**	**9**	**–**	**4**
Foreign exchange translation differences and other changes	**(112)**	**(6)**	**104**	**(48)**	**(4)**	**(8)**
Reclassifications to line item Assets held for disposal and dispositions of entities	**–**	**–**	**–**	**(2)**	**–**	**–**
Valuation allowance as of September 30, 2023	**100**	**18**	**274**	**498**	**134**	**137**

	Loans, receivables and other debt instruments measured at amortized cost				Contract Assets	Lease Receivables
	Loans and other debt instruments under the general approach			Trade receivables and other debt instruments under the simplified approach		
(in millions of €)	Stage 1	Stage 2	Stage 3			
Valuation allowance as of October 1, 2021	**86**	**15**	**98**	**535**	**53**	**212**
Change in valuation allowances recorded in the Consolidated Statements of Income in the current period	**132**	**4**	**13**	**116**	**82**	**620**
Write-offs charged against the allowance	**n/a**	**n/a**	**(15)**	**(133)**	**–**	**(28)**
Recoveries of amounts previously written off	**n/a**	**n/a**	**1**	**16**	**–**	**6**
Foreign exchange translation differences and other changes	**(113)**	**3**	**131**	**52**	**6**	**93**
Reclassifications to line item Assets held for disposal and dispositions of entities	**–**	**–**	**–**	**(19)**	**–**	**(732)**
Valuation allowance as of September 30, 2022	**106**	**22**	**227**	**567**	**140**	**172**

Impairment losses on financial instruments are presented in line items Cost of sales, Selling and general administrative expenses and Other financial income (expenses), net. Net losses (gains) in fiscal 2023 are €247 million and in fiscal 2022 €966 million (thereof €566 million due to credit impaired lease receivables in connection with the sale of our leasing business in Russia). In fiscal 2023 and 2022, impairment losses net of (gains) from reversal of impairments at SFS total €181 million and €259 million, respectively. Impairment losses and (gains) from reversal of impairments at SFS are presented in Other financial income (expenses), net.

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Offsetting

Siemens enters into master netting and similar agreements for derivative financial instruments. Potential offsetting effects are as follows:

	Financial assets		Financial liabilities	
	Sep 30,		Sep 30,	
(in millions of €)	2023	2022	2023	2022
Gross amounts	1,705	3,711	1,559	1,864
Amounts offset in the Statement of Financial Position	–	–	–	–
Net amounts in the Statement of Financial Position	1,705	3,711	1,558	1,863
Related amounts not offset in the Statement of Financial Position	863	1,444	865	1,449
Net amounts	842	2,266	694	414

NOTE 24 Derivative financial instruments and hedging activities

To hedge foreign currency exchange and interest rate risks, derivatives are contracted to achieve a 1:1 hedge ratio so that the main characteristics match the underlying hedged items (e.g. nominal amount, maturity) in a critical term match, which ensures an economic relationship between hedging instruments and hedged items suitable for hedge accounting. The nominal amounts of hedging instruments by maturity are:

	Sep 30, 2023		Sep 30, 2022	
(in millions of €)	Up to 12 months	More than 12 months	Up to 12 months	More than 12 months
Foreign currency exchange contracts	8,325	11,538	5,872	16,751
Interest rate swaps	3,090	10,597	763	11,210
therein: included in cash flow hedges	–	–	*205*	–
therein: included in fair value hedges	*3,090*	*10,597*	*558*	*11,210*

Fair values of each type of derivative financial instruments reported as financial assets or financial liabilities in line items Other current financial assets (liabilities) or Other financial assets (liabilities) are:

	Sep 30, 2023		Sep 30, 2022	
(in millions of €)	Asset	Liability	Asset	Liability
Foreign currency exchange contracts	1,637	603	3,086	722
therein: included in cash flow hedges	*1,431*	*328*	*2,648*	*319*
Interest rate swaps and combined interest and currency swaps	73	955	644	1,088
therein: included in cash flow hedges	–	–	*49*	–
therein: included in fair value hedges	*34*	*954*	*3*	*925*
Other (embedded derivatives, options, commodity swaps)	76	20	95	89
	1,786	1,578	3,825	1,900

Other components of equity, net of income taxes, relating to cash flow hedges reconciles as follows:

	Interest rate risk	Foreign currency risk	
(in millions of €)	Cash flow hedge reserve	Cash flow hedge reserve	Cost of hedging reserve
Balance as of October 1, 2022	53	(170)	(213)
Hedging gains (losses) presented in OCI	(1)	75	241
Reclassification to net income	(28)	(59)	(135)
Balance as of September 30, 2023	**24**	**(153)**	**(107)**
thereof: discontinued hedge accounting	–	*(26)*	–

Amounts reclassified to net income in connection with interest rate risk hedges and non-operative foreign currency hedges are presented in Other financial income (expenses), net. Reclassifications of foreign currency risk hedges with operative business purposes are presented as functional costs. Costs of hedging reserve is the forward element of forward contracts that are not designated as hedge accounting and which are amortized to interest expense on a straight-line basis as the hedged item is time-period related.

Foreign currency exchange rate risk management

Derivative financial instruments not designated in a hedging relationship

The Company manages its risks associated with fluctuations in foreign currency denominated receivables, payables, debt, firm commitments and forecast transactions primarily through a Company-wide portfolio approach. Under this approach the Company-wide risks are aggregated centrally, and various derivative financial instruments, primarily foreign currency exchange contracts, foreign currency

swaps and options, are utilized to minimize such risks. Such a strategy does not qualify for hedge accounting treatment. The Company also accounts for foreign currency derivatives, which are embedded in sale and purchase contracts.

Cash flow hedges

The Company's operating units apply hedge accounting to certain significant forecast transactions and firm commitments denominated in foreign currencies. Particularly, the Company entered into foreign currency exchange contracts to reduce the risk of variability of future cash flows resulting from forecast sales and purchases as well as firm commitments. The risk mainly results from contracts denominated in US$ both from Siemens' operating units entering into long-term contracts e.g. from the project business and from the standard product business. In fiscal 2023 and 2022, the risk is hedged against the euro at an average rate of 1.2780 €/US$ and 1.2293 €/US$ (forward purchases of US$), respectively, and 1.1027 €/US$ and 1.0258 €/US$ (forward sales of US$), respectively. As of September 30, 2023, and 2022, the hedging transactions have an average remaining maturity until 2028 and 2027 (forward purchases of US$) as well as 2024 and 2023 (forward sales of US$), respectively.

Included are Siemens' foreign currency forward contracts, entered into in fiscal 2021, to hedge foreign currency risks relating to US$10 billion (€10 billion) bonds granted to Siemens Healthineers, through which a synthetic Euro financing structure is achieved. It factually, also turns interest into € with volume weighted average interest rates of currently about 0.7% and 0.3%, respectively, in fiscal 2023 and 2022.

Interest rate risk management

Derivative financial instruments not designated in a hedging relationship

Interest rate risk management uses derivative financial instruments under a portfolio-based approach to manage interest risk actively. The approach does not qualify for hedge accounting. Gains and losses in connection with interest rate swap agreements are recorded in Other financial income (expenses), net. The interest rate risk management includes SFS business, for which the interest rate risk was formerly managed separately.

Cash flow hedges of floating-rate commercial papers

In September 2023, Siemens ended cash flow hedge accounting. Previously, Siemens applied cash flow hedge accounting to a revolving portfolio of floating-rate commercial papers of nominal US$200 million.

Fair value hedges of fixed-rate debt obligations

Under interest rate swap agreements outstanding in fiscal 2023 and 2022, the Company agreed to pay a variable rate of interest multiplied by a notional principal amount, and to receive in return an amount equal to a specified fixed rate of interest multiplied by the same notional principal amount. These interest rate swap agreements offset future changes in interest rates designated as hedged risk on the fair value of the underlying fixed-rate debt obligations. As of September 30, 2023, and 2022, the carrying amounts of €13,164 million and €10,718 million, respectively, of fixed-rate debt obligations are designated in fair value hedges, including €(876) million and €(973) million cumulative fair value hedge adjustments. Unamortized fair value hedge adjustments of €112 million and €169 million as of September 30, 2023 and 2022, respectively, relate to no longer applied hedge accounting. The amounts are amortized over the remaining term of the underlying debt, maturing until 2042. Carrying amount adjustments to debt of €(95) million and €1,273 million, respectively, in fiscal 2023 and 2022 are included in Other financial income (expenses), net; the related swap agreements resulted in gains (losses) of €74 million and €(1,236) million, respectively, in fiscal 2023 and 2022. Net cash receipts and payments relating to such interest rate swap agreements are recorded as interest expenses.

The Company had interest rate swap contracts to pay variable rates of interest of an average of 3.00% and (0.86% as of September 30, 2023 and 2022, respectively and received fixed rates of interest (average rate of 1.81% and 1.07%, as of September 30, 2023 and 2022, respectively). The notional amount of indebtedness hedged as of September 30, 2023 and 2022 was €13,687 million and €11,719 million, respectively. This changed 33% and 26% of the Company's underlying notes and bonds from fixed interest rates into variable interest rates as of September 30, 2023 and 2022, respectively. The notional amounts of these contracts mature at varying dates based on the maturity of the underlying hedged items. The net fair value of interest rate swap contracts (excluding accrued interest) used to hedge indebtedness as of September 30, 2023 and 2022 was €(844) million and €(959) million, respectively.

NOTE 25 Financial risk management

Increasing market fluctuations may result in significant earnings and cash flow volatility risk for Siemens. The Company's operating business as well as its investment and financing activities are affected particularly by changes in foreign exchange rates and interest rates. In order to optimize the allocation of financial resources across Siemens' segments and entities, as well as to achieve its aims, Siemens identifies, analyzes and manages the associated market risks. The Company seeks to manage and control these risks primarily through its regular operating and financing activities and uses derivative financial instruments when deemed appropriate.

Foreign currency exchange rate risk is quantified based on a sensitivity analysis. In order to quantify remaining market risks Siemens has implemented a system based on Value at Risk (VaR), which is also used for internal management of Corporate Treasury activities. The VaR figures are calculated based on historical volatilities and correlations of various risk factors, a ten day holding period, and a 99.5% confidence level.

Actual results that are included in the Consolidated Statements of Income or Consolidated Statements of Comprehensive Income may differ substantially from VaR figures due to fundamental conceptual differences. While the Consolidated Statements of Income and Consolidated Statements of Comprehensive Income are prepared in accordance with IFRS, the VaR figures are the output of a model with a purely financial perspective and represent the potential financial loss, which will not be exceeded within ten days with a probability of 99.5%. Although VaR is an important tool for measuring market risk, the assumptions on which the model is based give rise to some limitations including the following. A ten day holding period assumes that it is possible to dispose of the underlying positions within this period. This may not be valid during continuing periods of illiquid markets. A 99.5% confidence level means that there is a 0.5% statistical

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probability that losses could exceed the calculated VaR. The use of historical data as a basis for estimating the statistic behavior of the relevant markets and finally determining the possible range of the future outcomes on the basis of this statistic behavior may not always cover all possible scenarios, especially those of an exceptional nature.

Any market sensitive instruments, including equity and interest-bearing investments that our Company's pension plans hold are not included in the following quantitative and qualitative disclosures.

Foreign currency exchange rate risk

Transaction risk

Each Siemens unit conducting businesses with international counterparties leading to future cash flows denominated in a currency other than its functional currency is exposed to risks from changes in foreign currency exchange rates. In the ordinary course of business, Siemens units are exposed to foreign currency exchange rate fluctuations, particularly between the U.S. dollar and the euro. Foreign currency exchange rate exposure is partly balanced by purchasing of goods, commodities and services in the respective currencies as well as production activities and other contributions along the value chain in the local markets.

Operating units are prohibited from borrowing or investing in foreign currencies on a speculative basis. Intercompany financing or investments of operating units are preferably carried out in their functional currency or on a hedged basis.

According to the Company policy, Siemens units are responsible for recording, assessing and monitoring their foreign currency transaction exposure. Foreign currency transaction exposure of Siemens units from contracted business and cash balances in foreign currency is generally hedged approximately by 100% with Corporate Treasury. Foreign currency transaction exposure of Siemens units from planned business above defined thresholds has to be hedged with Corporate Treasury within a band of 75% to 100% for a hedging period of at least three months.

Generally, the operating units conclude their hedging activities internally with Corporate Treasury. By applying a cost-optimizing portfolio approach, Corporate Treasury itself hedges foreign currency exchange rate risks with external counterparties and limits them.

The following table demonstrates the sensitivity of net income and equity to a reasonably possible change in the euro versus the most important currency exchange rates compared to the respective year-end exchange rates. The analysis does not include effects of foreign currency translation. The effect on net income is due to changes in the fair values of monetary assets and liabilities including non-designated foreign currency derivatives and embedded derivatives. The effect on equity is due to changes in the fair values of forward exchange contracts designated as cash flow hedges. In fiscal 2023, the sensitivity of net income with regard to the U.S. dollar decreased compared to the prior year mainly due to a decrease of monetary assets and liabilities and a higher hedge ratio. The sensitivity of equity with regard to the U.S. dollar decreased due to a decline in the nominal amount of U.S. dollar forward exchange contracts designated as cash flow hedges.

		Sep 30, 2023			Sep 30, 2022		
(in Mio. €)	Change in € versus	USD	GBP	CNY	USD	GBP	CNY
Net income	+5%	27	15	(3)	122	22	(3)
	(5)%	(27)	(15)	3	(122)	(22)	3
Equity	+5%	(3)	62	19	71	72	12
	(5)%	3	(62)	(19)	(71)	(72)	(12)

Translation risk

Many Siemens units are located outside the Eurozone. Because the financial reporting currency of Siemens is the euro, the financial statements of these subsidiaries are translated into euro for the preparation of the Consolidated Financial Statements. To consider the effects of foreign currency translation in the risk management, the general assumption is that investments in foreign-based operations are permanent and that reinvestment is continuous. Effects from foreign currency exchange rate fluctuations on the translation of net asset amounts into euro are reflected in the Company's consolidated equity position.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. This risk arises whenever interest terms of financial assets and liabilities are different. In order to manage the Company's position with regard to interest rate risk, interest income and interest expenses, Corporate Treasury performs a comprehensive corporate interest rate risk management by using fixed or variable interest rates from bond issuances and derivative financial instruments when appropriate. The interest rate risk is mitigated by managing interest rate risk within an integrated Asset Liability Management approach and results primarily from funding in the U.S. dollar, British pound and euro. This includes SFS business, for which the interest rate risk was formerly managed separately.

If there are no conflicting country-specific regulations, all Siemens operating units generally obtain any required financing through Corporate Treasury in the form of loans or intercompany clearing accounts. The same concept is adopted for deposits of cash generated by the units.

As of September 30, 2023 and 2022, the VaR relating to the interest rate was €683 million and €864 million. The decrease was driven mainly by a decrease in interest rate sensitivity for the U.S. dollar and a lower interest rate volatility for the euro.

Liquidity risk

Liquidity risk results from the Company's inability to meet its financial liabilities. Siemens follows a deliberated financing policy that is aimed towards a balanced financing portfolio, a diversified maturity profile and a comfortable liquidity cushion. Siemens mitigates liquidity risk by the implementation of effective working capital and cash management, arranged credit facilities with highly rated financial institutions, via a debt issuance program and via a global multi-currency commercial paper program. Liquidity risk may also be mitigated by the Siemens Bank GmbH, which increases the flexibility of depositing cash or refinancing.

In addition, Siemens constantly monitors funding options available in the capital markets, as well as trends in the availability and costs of such funding, with a view to maintaining financial flexibility and limiting repayment risks.

The following table reflects our contractually fixed pay-offs for settlement, repayments and interest. The disclosed expected undiscounted net cash outflows from derivative financial liabilities are determined based on each particular settlement date of an instrument and based on the earliest date on which Siemens could be required to pay. Cash outflows for financial liabilities (including interest) without fixed amount or timing are based on the conditions existing at September 30, 2023.

			Fiscal year	
(in millions of €)	2024	2025	2026 to 2028	2029 and thereafter
Non-derivative financial liabilities				
Notes and bonds	6,598	4,642	14,599	24,763
Loans from banks	820	1,308	159	21
Other financial indebtedness	519	2	36	–
Lease liabilities	753	609	982	918
Trade payables	10,107	21	3	–
Other financial liabilities	1,134	186	170	8
Derivative financial liabilities	760	307	355	262
Credit guarantees[1]	411	–	–	–
Irrevocable loan commitments[2]	3,370	325	156	6

[1] Based on the maximum amounts Siemens could be required to settle in the event of default by the primary debtor.
[2] A considerable portion result from asset-based lending transactions meaning that the respective loans can only be drawn after sufficient collateral has been provided by the borrower.

Credit risk

Credit risk is defined as an unexpected loss in financial instruments if the contractual partner is failing to discharge its obligations in full and on time or if the value of collateral declines.

Siemens provides its customers with various forms of direct and indirect financing particularly in connection with large projects. Hence, credit risks are determined by the solvency of the debtors, the recoverability of the collaterals, the success of projects we invested in and the global economic development.

The effective monitoring and controlling of credit risk through credit evaluations and ratings is a core competency of our risk management system. In this context, Siemens has implemented a binding credit policy.

Siemens maintains a Credit Risk Intelligence Unit to which numerous operating units from the Siemens Group regularly transfer business partner data as a basis for a centralized internal rating and credit limit recommendation process. Due to the identification, quantification and active management of credit risks, this increases credit risk transparency.

Ratings and individually defined credit limits are based on generally accepted rating methodologies, with information obtained from customers, external rating agencies, data service providers and Siemens' credit default experiences. Internal ratings consider appropriate forward-looking information relevant to the specific financial instrument like expected changes in the debtor's financial position, ownership, management or operational risks, as well as broader forward-looking information, such as expected macroeconomic, industry-related and competitive developments. The ratings also consider a country-specific risk component derived from external country credit ratings. Ratings and credit limits for financial institutions as well as Siemens' public and private customers, which are determined by internal risk assessment specialists, are continuously updated and considered for investments in cash and cash equivalents and in determining the conditions under which direct or indirect financing will be offered to customers.

An exposure is considered defaulted if the debtor is unwilling or unable to pay its credit obligations. A range of internally defined events trigger a default rating, including the opening of bankruptcy proceedings, receivables being more than 90 days past due, or a default rating by an external rating agency.

To analyze and monitor credit risks, the Company applies various systems and processes. A main element is a central IT application that processes data from operating units together with rating and default information and calculates an estimate, which may be used as a basis for individual bad debt provisions. Additionally, qualitative information is considered to particularly incorporate the latest developments.

The carrying amount is the maximum exposure to a financial asset's credit risk, without taking account of any collateral. Collateral reduces the valuation allowance to the extent it mitigates credit risk. Collateral needs to be specific, identifiable and legally enforceable to be taken into account. Those collaterals are mostly held in the portfolio of SFS.

As of September 30, 2023 and 2022, collateral of €863 million and €1,444 million, respectively, relate to financial assets measured at fair value. Those collaterals are provided in connection with netting agreements for derivatives providing protection from the risk of a counterparty's insolvency. As of September 30, 2023 and 2022, collateral held for credit-impaired receivables from finance leases amounted to €66 million and €53 million, respectively. As of September 30, 2023 and 2022, collateral held for financial assets measured at amortized cost amounted to €3,918 million and €3,817 million, respectively, including €135 million and €108 million, respectively, for

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credit-impaired loans in SFS' asset finance business. Those collaterals mainly comprised property, plant and equipment. Credit risks arising from irrevocable loan commitments are equal to the expected future pay-offs resulting from these commitments.

SFS' external financing portfolio disaggregates into credit risk rating grades as of September 30, 2023 as follows (pre valuation allowances):

	Loans and other debt instruments under the general approach			Financial guarantees and loan commitments			Lease Receivables
(in millions of €)	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	
Investment Grade Ratings	6,074	4	n/a	840	n/a	n/a	2,512
Non-Investment Grade Ratings	16,017	548	918	2,857	67	118	3,593

Trade receivables of operating units are generally rated internally; as of September 30, 2023 and 2022, approximately 45% and 45%, respectively, have an investment grade rating and 55% and 55%, respectively, have a non-investment grade rating. Contract assets generally show similar risk characteristics as trade receivables in operating units.

Amounts above do not represent economic credit risk, since they consider neither collateral held nor valuation allowances already recognized.

Equity Price Risk

Siemens' investment portfolio consists of direct and indirect investments in publicly traded companies that are classified as long term investments. These investments are monitored based on their current market value, affected primarily by fluctuations on the volatile technology-related markets worldwide. As of September 30, 2023 and 2022, the market value of Siemens' portfolio was €182 million and €339 million, respectively. As of September 30, 2023 and 2022, the VaR relating to the equity price was €26 million and €74 million.

NOTE 26 Share-based payment

Share-based payment awards may be settled in newly issued shares of capital stock of Siemens AG, in treasury shares or in cash. Share-based payment awards may forfeit if the employment of the beneficiary terminates prior to the expiration of the vesting period. In fiscal 2023 and 2022, expense from equity-settled awards on a continuing basis are €444 million and €377 million; cash-settled awards on a continuing basis resulted in expenses of €18 million and gains of €12 million in fiscal 2023 and 2022. Included is expense of €113 million and €110 million in fiscal 2023 and 2022, respectively, relating to Siemens Healthineers plans. Siemens Healthineers plans are largely similar to Siemens' plans, except for granting Siemens Healthineers AG shares.

Stock awards

Stock awards granted by Siemens are distinguished between a) subject to performance conditions and b) no performance conditions. Stock awards entitle the beneficiaries to Siemens shares without payment of consideration at the end of the respective vesting period.

Stock awards subject to performance conditions

The Company grants stock awards subject to performance conditions to members of the Managing Board, members of the senior management and other eligible employees. The vesting period for awards granted to members of the senior management and other eligible employees is three years respectively four years for awards granted prior to fiscal 2022. Awards granted to members of the Managing Board are subject to a four year vesting period.

For stock awards subject to performance conditions, 80% of the target amount is linked to the relative total shareholder return of Siemens compared to the total shareholder return of the MSCI World Industrials sector index (TSR-Target); the remaining 20% are linked to a Siemens internal sustainability target considering environmental, social and governance targets (ESG-Target). The annual target amount for stock awards up to and including tranche 2019 is linked to the share price performance of Siemens relative to the share price performance of five important competitors. The target attainment for each individual performance criteria ranges between 0% and 200%. Settlement of the awards is in shares corresponding to the actual target attainment.

Commitments to members of the Managing Board

Fair values of TSR-related stock awards granted are €7 million and €6 million, respectively, in fiscal 2023 and 2022, calculated by applying a valuation model. In fiscal 2023 and 2022, inputs to that model include an expected weighted volatility of Siemens shares of 26.71% and 24.41%, respectively, and a Siemens share price of €130.68 and €153.34. Expected volatility was determined by reference to historic volatilities. The model applies a risk-free interest rate of up to 2.76% and (0.15)% in fiscal 2023 and 2022, respectively, and an expected dividend yield of 3.25% in fiscal 2023 and 2.61% in fiscal 2022. Assumptions relating to correlations between the Siemens share price and the development of the MSCI index were derived from historic observations of share price and index changes. The fair value of the ESG component of €112.39 and €135.25 per share in fiscal 2023 and 2022, respectively, was determined as Siemens' share price, less the present value of expected dividends during the vesting period.

Commitments to members of the senior management and other eligible employees

In fiscal 2023 and 2022, 1,784,892 and 1,459,182 equity-settled stock awards were granted relating to the TSR-Target with a fair value of €114 million and €106 million, respectively. In fiscal 2023 and 2022, 446,237 and 365,610 equity-settled stock awards were granted relating to the ESG-Target with a fair value of €54 million and €51 million, respectively.

The fair value of stock awards granted in fiscal 2023 and 2022 (TSR-related) was calculated by applying a valuation model. In fiscal 2023 and 2022, inputs to that model include an expected weighted volatility of Siemens shares of 26.70% and 24.41%, respectively, and a

Siemens' share price of €133.66 and €153.58. Expected volatility was determined by reference to historic volatilities. The model applies a risk-free interest rate of up to 2.68% and (0.23)% in fiscal 2023 and 2022, respectively, and an expected dividend yield of 3.18% in fiscal 2023 and 2.61% in fiscal 2022. Assumptions relating to correlations between the Siemens share price and the development of the MSCI Index were derived from historic observations of share price and index changes. The fair value of the ESG component of €120.28 and €140.52 per share in fiscal 2023 and 2022, respectively, was determined as Siemens' share price, less the present value of expected dividends during the vesting period.

Stock awards not subject to performance conditions

Each quarter, the Company grants stock awards not subject to performance conditions to selected employees. The awards are subject to a ratable vesting period of one to four years, i.e. 25% of the number of awards granted are transferred each year.

The weighted average fair value of stock awards granted in fiscal 2023 and 2022 of €125.42 and €125.29 per share, respectively, was determined as Siemens' share price, less the present value of expected dividends during the respective vesting period.

Changes in stock awards:

	Subject to performance conditions		Not subject to performance conditions	
	Fiscal year		Fiscal year	
	2023	2022	2023	2022
Non-vested, beginning of period	**8,956,287**	8,670,111	**1,131,311**	624,775
Granted	**2,401,240**	1,951,223	**897,484**	778,012
Vested and fulfilled	**(1,192,351)**	(1,099,508)	**(365,913)**	(198,524)
Adjustments due to vesting conditions other than market conditions	**(91,905)**	(125,993)	**n/a**	n/a
Forfeited	**(1,667,914)**	(362,176)	**(66,128)**	(71,512)
Settled	**(16,447)**	(77,370)	**(3,484)**	(1,440)
Non-vested at period-end	**8,388,910**	8,956,287	**1,593,270**	1,131,311

Share Matching Program and its underlying plans

In fiscal 2023, Siemens issued a new tranche under each of the plans of the Share Matching Program.

Share Matching Plan

Under the Share Matching Plan, senior managers may invest a specified part of their variable compensation in Siemens shares (investment shares). The shares are purchased at market price at a predetermined date in the second quarter. Plan participants receive the right to one Siemens share without payment of consideration (matching share) for every three investment shares continuously held over a period of about three years (vesting period) provided the plan participant has been continuously employed by Siemens until the end of the vesting period.

Monthly Investment Plan

Under the Monthly Investment Plan employees other than senior managers may invest a specified part of their compensation in Siemens shares on a monthly basis over a period of twelve months. Shares are purchased at market price at a predetermined date once a month. If the Managing Board decides that shares acquired under the Monthly Investment Plan are transferred to the Share Matching Plan, plan participants will receive the right to matching shares under the same conditions applying to the Share Matching Plan described above with a vesting period of about two years. The Managing Board decided that shares acquired under the tranches issued in fiscal 2022 and 2021 are transferred to the Share Matching Plan as of February 2023 and February 2022, respectively.

Base Share Program

Under the Base Share Program employees of Siemens AG and participating domestic Siemens companies may invest a fixed amount of their compensation in Siemens shares, sponsored by Siemens. The shares are bought at market price at a predetermined date in the second quarter and grant the right to receive matching shares under the same conditions applying to the Share Matching Plan described above. Siemens' contributions to the Base Share Program recognized as expense were €23 and €24 in fiscal 2023 and 2022, respectively

Resulting Matching Shares:

	Fiscal year	
	2023	2022
Outstanding, beginning of period	**1,255,825**	1,389,016
Granted	**655,177**	557,839
Vested and fulfilled	**(573,468)**	(573,440)
Forfeited	**(68,404)**	(64,030)
Settled	**(23,663)**	(53,561)
Outstanding, end of period	**1,245,467**	1,255,825

The weighted average fair value of matching shares granted in fiscal 2023 and 2022 of €107.60 and €121.35 per share, respectively, was determined as Siemens' share price, less the present value of expected dividends; non-vesting conditions were taken into account.

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Jubilee Share Program

For their 25th and 40th service anniversary eligible employees receive jubilee shares. There were 3.14 million and 3.11 million entitlements to jubilee shares outstanding as of September 30, 2023 and 2022, respectively.

NOTE 27 Personnel costs

	Continuing operations		Continuing and discontinued operations	
	Fiscal year		Fiscal year	
(in millions of €)	2023	2022	2023	2022
Wages and salaries	24,683	22,659	24,689	22,669
Statutory social welfare contributions and expenses for optional support	3,774	3,442	3,774	3,442
Expenses relating to post-employment benefits	1,031	1,099	1,031	1,099
	29,488	27,201	29,494	27,211

In fiscal 2023 and 2022, severance charges for continuing operations amount to €430 million and €272 million, thereof at Siemens Healthineers €167 million and €71 million, respectively, and at Digital Industries €109 million and €64 million, respectively.

Employees were engaged in (averages; based on headcount):

	Continuing operations		Continuing and discontinued operations	
	Fiscal year		Fiscal year	
(in thousands)	2023	2022	2023	2022
Manufacturing and services	183	179	183	179
Sales and marketing	57	56	57	56
Research and development	50	47	50	47
Administration and general services	26	26	27	26
	316	308	316	308

NOTE 28 Earnings per share

	Fiscal year	
(shares in thousands; earnings per share in €)	2023	2022
Income from continuing operations	8,514	4,413
Less: Portion attributable to non-controlling interest	579	669
Income from continuing operations attributable to shareholders of Siemens AG	7,935	3,744
Less: Dilutive effect from share based payment resulting from Siemens Healthineers	(4)	(7)
Income from continuing operations attributable to shareholders of Siemens AG to determine dilutive earnings per share	7,930	3,737
Weighted average shares outstanding - basic	791,538	801,338
Effect of dilutive share-based payment	9,803	8,342
Weighted average shares outstanding - diluted	801,342	809,680
Basic earnings per share (from continuing operations)	**10.02**	4.67
Diluted earnings per share (from continuing operations)	**9.90**	4.62

NOTE 29 Segment information

(in millions of €)	Orders		External revenue		Intersegment Revenue		Total revenue		Profit		Assets		Free cash flow		Additions to intangible assets and property, plant & equipment		Amortization, depreciation & impairments	
	Fiscal year		Fiscal year		Fiscal year		Fiscal year		Fiscal year		Sep 30,	Sep 30,	Fiscal year		Fiscal year		Fiscal year	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Digital Industries	**20,620**	25,283	**21,478**	19,098	**442**	419	**21,919**	19,517	**4,947**	3,892	**10,946**	10,861	**4,201**	4,090	**440**	316	**612**	693
Smart Infrastructure	**22,333**	20,798	**19,564**	16,987	**381**	366	**19,946**	17,353	**3,074**	2,222	**6,386**	6,501	**2,908**	2,203	**284**	205	**393**	343
Mobility	**20,629**	13,200	**10,537**	9,683	**12**	10	**10,549**	9,692	**882**	794	**2,244**	2,547	**1,046**	771	**190**	188	**238**	248
Siemens Healthineers	**24,499**	25,556	**21,574**	21,630	**108**	85	**21,681**	21,715	**2,527**	3,369	**34,415**	36,948	**2,221**	2,625	**817**	838	**1,555**	1,343
Industrial Business	**88,082**	84,837	**73,152**	67,397	943	880	**74,095**	68,277	**11,430**	10,277	**53,991**	56,857	**10,376**	9,689	**1,730**	1,548	**2,798**	2,626
Siemens Financial Services	**468**	662	**442**	632	**25**	29	**468**	661	**563**	498	**32,915**	33,263	**852**	985	**32**	31	**175**	209
Portfolio Companies	**4,016**	3,995	**3,112**	3,056	**201**	178	**3,313**	3,234	**343**	1,520	**482**	659	**197**	97	**38**	36	**51**	39
Reconciliation to Consolidated Financial Statements	**(261)**	(483)	**1,062**	892	**(1,170)**	(1,087)	**(108)**	(195)	**(1,135)**	(5,141)	**57,680**	60,724	**(1,363)**	(2,533)	**418**	469	**584**	687
Siemens (continuing operations)	**92,305**	89,010	**77,769**	71,977	–	–	**77,769**	71,977	**11,201**	7,154	**145,067**	151,502	**10,062**	8,238	**2,218**	2,084	**3,608**	3,561

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Description of reportable segments

Digital Industries offers a comprehensive product portfolio and system solutions for automation used in discrete and process industries, complemented by product lifecycle and data-driven services,

Smart Infrastructure offers products, systems, solutions, services and software to support a sustainable transition from fossil to renewable energy sources, as well as a transition to smarter, more sustainable buildings and communities,

Mobility combines all Siemens businesses in the area of rail passenger and rail freight transportation, including rail vehicles, rail automation systems, rail electrification systems, digital and cloud-based solutions and related services,

Siemens Healthineers provides healthcare solutions and services. It develops, manufactures, and sells a diverse range of innovative diagnostic and therapeutic products and services to healthcare providers.

Siemens Financial Services provides financing solutions to Siemens' customers and other companies via debt and equity investments, offering leasing, lending, working capital and structured financing solutions, equipment and project financing and financial advisory services.

Portfolio Companies (POC)

Portfolio Companies comprise businesses which deliver a broad range of customized and application-specific products, software, solutions, systems and services for different industries including oil and gas, chemical, mining, cement, logistics, energy, marine, water and fiber.

Reconciliation to Consolidated Financial Statements

Siemens Energy Investment – includes our investment in Siemens Energy accounted for using the equity method, and previously, a smaller investment in connection with Siemens Energy sold in fiscal 2022.

Siemens Real Estate (SRE) – Siemens Real Estate is responsible for uniform and comprehensive management of Company real estate worldwide (except for Siemens Healthineers) and supports the industrial businesses and corporate activities with customer-specific real estate solutions.

Innovation – mainly includes results from our units Technology and Next47.

Governance – primarily includes Siemens brand fees and governance costs, group managing costs, IT and corporate services.

Centrally carried pension expense – includes the Company's pension related income (expense) not allocated to the segments, POC or Siemens Real Estate.

Financing, eliminations and other items – comprise activities of Advanta and Global Business Services, results from corporate projects, equity interests and activities generally intended for closure as well as activities remaining from divestments, consolidation of transactions within the segments, certain reconciliation and reclassification items as well as central financing activities. It also includes interest income and expense, such as, for example, interest not allocated to segments or POC (referred to as financing interest), interest related to central financing activities or resulting consolidation and reconciliation effects on interest.

Measurement – Segments

Accounting policies for Segment information are generally the same as those used for the Consolidated Financial Statements. Segment information is disclosed for continuing operations. For internal and segment reporting purposes, intercompany lease transactions, however, are classified as operating leases by the lessor and are accounted for off-balance sheet by the lessee (except for intercompany leases with Siemens Healthineers as lessees). Intersegment transactions are based on market prices.

Revenue

Revenue includes revenue from contracts with customers and revenue from leasing activities. In fiscal 2023 and 2022, lease revenue is €1,004 million and €1,104 million, respectively. In fiscal 2023 and 2022, Digital industries recognized €5,067 million and €4,691 million revenue, respectively, from its software business, Smart Infrastructure recognized €4,243 million and €3,856 million in its service business. Revenues of Mobility are mainly derived from construction-type business.

Profit

Siemens' Managing Board is responsible for assessing the performance of the segments (chief operating decision maker). The Company's profitability measure of the segments except for SFS is earnings before interest, certain pension costs, income taxes and amortization expenses of intangible assets acquired in business combinations as determined by the chief operating decision maker (Profit). The major categories of items excluded from Profit are described below.

Interest income (expenses) are excluded from Profit. Decision-making regarding financing is typically made at the corporate level.

Decisions on essential pension items are made centrally. Accordingly, Profit primarily includes amounts related to service cost of pension plans only, while all other regularly recurring pension related costs are included in reconciliations in line item Centrally carried pension expense.

Amortization expenses of intangible assets acquired in business combinations are not part of Profit. Furthermore, income taxes are excluded from Profit since income tax is subject to legal structures, which typically do not correspond to the structure of the segments. The effect of certain litigation and compliance issues is excluded from Profit, if such items are not indicative of performance. This may also be the case for items that refer to more than one reportable segment, SRE and (or) POC or have a corporate or central character. Costs for support functions are primarily allocated to the segments.

Profit of the segment SFS

In contrast to performance measurement principles applied to other segments, interest income and expenses are included, since interest is an important source of revenue and expense of SFS.

Asset measurement principles

Management determined Assets (Net capital employed) as a measure to assess capital intensity of the segments except for SFS. Its definition corresponds to the Profit measure except for amortization expenses of intangible assets acquired in business combinations which are not part of Profit, however, the related intangible assets are included in the segments' Assets. Segment Assets is based on Total assets of the Consolidated Statements of Financial Position, primarily excluding intragroup financing receivables, tax related assets and assets of discontinued operations, since the corresponding positions are excluded from Profit. The remaining assets are reduced by non-interest-bearing liabilities other than tax related liabilities, e.g. trade payables, to derive Assets. In contrast, Assets of SFS is Total assets. In individual cases assets of Mobility include project-specific intercompany financing of long-term projects. Assets of Siemens Healthineers include real estate, while real estate of all other segments is carried at SRE.

Orders

Orders are determined principally as estimated revenue of accepted purchase orders for which enforceable rights and obligations exist as well as subsequent order value changes and adjustments, excluding letters of intent. To determine orders, Siemens considers termination rights and customer's creditworthiness.

As of September 30, 2023, and 2022, order backlog totaled €111 billion and €102 billion (continuing operations); thereof Digital Industries €11 billion and €14 billion, Smart Infrastructure €16 billion and €15 billion, Mobility €45 billion and €36 billion and Siemens Healthineers €34 billion and €34 billion. In fiscal 2024, Siemens expects to convert approximately €43 billion of the September 30, 2023 order backlog into revenue; thereof at Digital Industries approximately €8 billion, Smart Infrastructure approximately €10 billion, Mobility approximately €11 billion and Siemens Healthineers approximately €11 billion.

Free cash flow definition

Free cash flow of the segments constitutes cash flows from operating activities less additions to intangible assets and property, plant and equipment. Except for SFS, it excludes financing interest, except for cases where interest on qualifying assets is capitalized or classified as contract costs; it also excludes income tax as well as certain other payments and proceeds. Free cash flow of SFS includes related financing interest payments and proceeds; income tax payments and proceeds of SFS are excluded. In individual cases, free cash flow of Mobility includes project-specific intercompany financing of long-term projects.

Amortization, depreciation and impairments

Amortization, depreciation and impairments includes depreciation and impairments of property, plant and equipment as well as amortization and impairments of intangible assets each net of reversals of impairment.

Measurement – POC and Siemens Real Estate

POC follows the measurement principles of the segments except for SFS. Siemens Real Estate applies the measurement principles of SFS.

Additional segment information

The orderly wind down of business activities in Russia resulted in losses in Profit of Mobility of €0.6 billion in fiscal 2022. In fiscal 2023, subsequent to the wind down, Profit of Mobility carried related gains of €153 million, which mainly stem from the reversal of provisions and obligations as well as from the reversal of write downs and the sale of inventories.

Reconciliation to Consolidated Financial Statements

Profit

	Fiscal year	
(in millions of €)	2023	2022
Siemens Energy Investment	668	(2,911)
Siemens Real Estate	67	118
Innovation	(195)	(190)
Governance	(451)	(582)
Centrally carried pension expense	(104)	(113)
Amortization of intangible assets acquired in business combinations	(865)	(990)
Financing, eliminations and other items	(256)	(474)
Reconciliation to Consolidated Financial Statements	**(1,135)**	**(5,141)**

In fiscal 2023 and 2022, Financing, eliminations and other items includes a loss of €167 million and €308 million, respectively, mainly due to measuring our investment in Thoughtworks Holding, Inc. at fair value through profit and loss at fiscal year-end.

In fiscal 2023, and 2022, Profit of SFS includes interest income of €1,942 million and €1,399 million, respectively and interest expenses of €985 million and €428 million, respectively.

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Assets

(in millions of €)	Sep 30, 2023	Sep 30, 2022
Siemens Energy Investment	1,801	3,669
Assets Siemens Real Estate	5,126	5,215
Assets Innovation, Governance and Pensions	1,211	1,129
Asset-based adjustments:		
Intragroup financing receivables	57,137	62,765
Tax-related assets	3,499	3,769
Liability-based adjustments	38,509	37,518
Financing, eliminations and other items	(49,602)	(53,342)
Reconciliation to Consolidated Financial Statements	57,680	60,724

NOTE 30 Information about geographies

	Revenue by location of customers		Revenue by location of companies		Non-current assets	
	Fiscal year		Fiscal year		Sep 30,	
(in millions of €)	2023	2022	2023	2022	2023	2022
Europe, C.I.S., Africa, Middle East	**36,664**	33,481	**37,886**	34,470	**23,492**	23,033
Americas	**22,615**	20,680	**22,669**	20,757	**24,844**	27,653
Asia, Australia	**18,489**	17,816	**17,214**	16,749	**6,468**	7,105
Siemens	*77,769*	71,977	*77,769*	71,977	**54,804**	57,791
thereof Germany	*12,718*	*11,961*	*14,778*	*13,537*	*7,535*	*6,999*
thereof countries outside of Germany	*65,051*	*60,016*	*62,991*	*58,440*	*47,269*	*50,792*
therein U.S	*18,561*	*17,241*	*19,072*	*17,727*	*23,644*	*26,543*

Non-current assets consist of property, plant and equipment, goodwill and other intangible assets.

NOTE 31 Related party transactions

Joint ventures and associates

Siemens has relationships with many joint ventures and associates in the ordinary course of business whereby Siemens buys and sells a wide variety of products and services generally on arm's length terms. The transactions between continuing operations and joint ventures and associates were as follows:

	Sales of goods and services and other income		Purchases of goods and services and other expenses		Receivables		Liabilities	
	Fiscal Year		Fiscal Year		Sep 30,	Sep 30,	Sep 30,	Sep 30,
(in millions of €)	2023	2022	2023	2022	2023	2022	2023	2022
Joint ventures	**116**	107	**30**	17	**42**	80	**55**	78
Associates	1,527	1,384	487	563	1,436	1,204	777	608
	1,643	1,491	517	580	1,478	1,284	832	686

As of September 30, 2023 and 2022, receivables to associates included reimbursement rights against Siemens Energy which were recognized correspondingly with obligations from customer contracts in connection with Siemens Energy activities legally remaining at Siemens. Liabilities to associates as of September 30, 2023 and 2022 were mainly due to trade receivables that also result from these activities and that have economically to be allocated to Siemens Energy.

As of September 30, 2023 and 2022, guarantees to joint ventures and associates amounted to €5,098 million and €8,165 million, respectively, thereof €5,081 million and €8,147 million, respectively, to associates. These guarantees included mainly obligations from performance and credit guarantees in connection with the Siemens Energy business. For these guarantees, Siemens has reimbursement rights towards Siemens Energy.

As of September 30, 2023 and 2022, loans given to joint ventures and associates amounted to €160 million and €166 million, therein €126 million and €149 million related to joint ventures, respectively. The related book values amounted to €133 million and €143 million, therein €112 million and €139 million related to joint ventures, respectively. Valuation adjustments recognized in fiscal 2023 and 2022 reduced book values of loans related to joint ventures by €5 million and €2 million, respectively.

As of September 30, 2023 and 2022, the Company had commitments to make capital contributions to joint ventures and associates of €108 million and €106 million, therein €86 million and €95 million related to joint ventures, respectively.

As of September 30, 2023 and 2022, there were loan commitments to joint ventures amounting to €2 million and €4 million, respectively.

Pension entities

As of September 30, 2023 and 2022, lease liabilities resulting from sale and leaseback transactions with pension entities amounted to €264 million and €280 million, respectively.

For information regarding the funding of our post-employment benefit plans see Notes 4 and 17.

Related individuals

In fiscal 2023 and 2022, members of the Managing Board received cash compensation of €18.8 million and €16.0 million. The fair value of share-based compensation amounted to €10.5 million and €10.3 million for 170,111 and 134,006 stock awards, respectively, granted in fiscal 2023 and 2022. In fiscal 2023 and 2022, the Company granted contributions under the BSAV to members of the Managing Board totaling €2.2 million and €2.2 million, respectively.

Therefore, in fiscal 2023 and 2022, compensation and benefits, attributable to members of the Managing Board amounted to €31.6 million and €28.5 million in total, respectively.

In fiscal 2023 and 2022, expense related to share-based compensation amounted to €8.3 million and €4.7 million, respectively, including expenses related to the additional cash payment compensation due to the spin-off of Siemens Energy.

Former members of the Managing Board and their surviving dependents received emoluments within the meaning of Section 314 para. 1 No. 6 b of the German Commercial Code totaling €24.6 million and €23.6 million in fiscal 2023 and 2022, respectively.

The defined benefit obligation (DBO) of all pension commitments to former members of the Managing Board and their surviving dependents as of September 30, 2023 and 2022 amounted to €140.3 million and €175.3 million, respectively.

Compensation attributable to members of the Supervisory Board comprised in fiscal 2023 and 2022 base compensation and additional compensation for committee work and amounted to €5.3 million and €5.1 million (including meeting fees), respectively.

In fiscal 2023 and 2022, no other major transactions took place between the Company and the members of the Managing Board and the Supervisory Board.

Some of our board members hold, or in the last year have held, positions of significant responsibility with other entities. We have relationships with almost all of these entities in the ordinary course of our business whereby we buy and sell a wide variety of products and services on arm's length terms.

NOTE 32 Principal accountant fees and services

Fees related to professional services rendered by the Company's principal accountant, EY, for fiscal 2023 and 2022 are:

	Fiscal year	
(in millions of €)	2023	2022
Audit services	41.2	38.2
Other attestation services	3.3	5.0
Tax services	–	–
	44.5	43.3

In fiscal 2023 and 2022, 39% and 40%, respectively, of the total fees related to Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Germany.

Audit Services relate primarily to services provided by EY for auditing Siemens' Consolidated Financial Statements, for auditing financial statements of Siemens AG and its subsidiaries, for reviews of interim financial statements being integrated into the audit, for project-accompanying IT audits, as well as for audits of the internal control system at service companies. Other Attestation Services include primarily audits of financial statements as well as other attestation services in connection with M&A activities, audits of employee benefit plans, attestation services relating to sustainability reporting, compensation reporting and disclosures in accordance with EU taxonomy, comfort letters and other attestation services required under regulatory requirements, contractually agreed or requested on a voluntary basis.

NOTE 33 Corporate governance

The Managing and Supervisory Boards of Siemens Aktiengesellschaft and of Siemens Healthineers AG, a publicly listed subsidiary of Siemens, provided the declaration required under Section 161 of the German Stock Corporation Act (AktG) on October 1, 2023 and September 30, 2023, respectively. The declarations are available on the company's websites at siemens.com/gcg-code and at corporate.siemens-healthineers.com/investor-relations/corporate-governance.

NOTE 34 Subsequent events

In November 2023, agreements were entered into with the intent to acquire 18% of the shares in Siemens Limited, India from the Siemens Energy Group for a purchase price of €2.1 billion in cash. Closing of the transaction is expected in December 2023. Upon closing, the acquisition will be accounted for as equity transaction not impacting net income and Siemens' share in Siemens Limited, India will increase to 69%. Additionally, the Siemens Energy Group will receive a put option for up to an additional 5% of the shares in Siemens Limited, India. If specific guarantee events occur, Siemens Energy can exercise the option for a fixed price totaling €750 million for the entire 5% stake to be paid by Siemens. The transaction will be recognized in equity not impacting net income and a purchase liability measured at the respective present value of the option price will be recorded.

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NOTE 35 List of subsidiaries and associated companies pursuant to Section 313 para. 2 of the German Commercial Code

September 30, 2023	Equity interest in %
Subsidiaries	
Germany (121 companies)	
Acuson GmbH, Erlangen	100[7]
Airport Munich Logistics and Services GmbH, Hallbergmoos	100[10]
AIT Applied Information Technologies GmbH & Co. KG, Stuttgart	100[9]
AIT Verwaltungs-GmbH, Stuttgart	100
Alpha Verteilertechnik GmbH, Cham	100[10]
BEFUND24 GmbH, Erlangen	85
Berliner Vermögensverwaltung GmbH, Berlin	100[10]
Capta Grundstücks-Verwaltungsgesellschaft mbH, Grünwald	100
Dade Behring Grundstücks GmbH, Kemnath	100
eos.uptrade GmbH, Hamburg	100[10]
evosoft GmbH, Nuremberg	100[10]
Geisenhausener Entwicklungs Management GmbH, Grünwald	100[7]
Geisenhausener Entwicklungs-GmbH & Co. KG, Grünwald	100[9]
HaCon Ingenieurgesellschaft mbH, Hanover	100[10]
ILLIT Grundstücksverwaltungs-Management GmbH, Grünwald	85
Innomotics Beteiligungs-GmbH, Munich	100[7]
Innomotics GmbH, Munich	100
Innomotics Real Estate GmbH & Co. KG, Nuremberg	100[9]
IPGD Grundstücksverwaltungs-Gesellschaft mbH, Grünwald	100
KACO new energy GmbH, Neckarsulm	100
KompTime GmbH, Munich	100[10]
Kyros 54 GmbH, Munich	100[7]
Kyros 58 GmbH, Munich	100[7]
Kyros 68 GmbH, Munich	100[7]
Kyros 70 GmbH, Munich	100[7]
Kyros 71 GmbH, Munich	100[7]
Kyros B AG, Munich	100[7]
Kyros C AG, Munich	100[7]
Lincas Electro Vertriebsgesellschaft mbH, Grünwald	100[10]
Moorenbrunn Entwicklungs Management GmbH, Grünwald	100[7]
Moorenbrunn Entwicklungs-GmbH & Co. KG, Grünwald	100[9]
Next47 GmbH, Munich	100[10]
Next47 Services GmbH, Munich	100[10]
OPTIO Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Tübingen KG, Grünwald	100[9]
REMECH Systemtechnik GmbH, Unterwellenborn	100[10]
RISICOM Rückversicherung AG, Grünwald	100
Siemens Advanta Solutions GmbH, Munich	100
Siemens Bank GmbH, Munich	100
Siemens Beteiligungen Europa GmbH, Munich	100[10]
Siemens Beteiligungen Inland GmbH, Munich	100[10]
Siemens Beteiligungen Management GmbH, Kemnath	100[7]
Siemens Beteiligungen USA GmbH, Berlin	100[10]
Siemens Beteiligungsverwaltung GmbH & Co. OHG, Kemnath	100[9, 12]
Siemens Campus Erlangen Grundstücks-GmbH & Co. KG, Grünwald	100[9]
Siemens Campus Erlangen Objekt 3 GmbH & Co. KG, Grünwald	100[9]
Siemens Campus Erlangen Objekt 4 GmbH & Co. KG, Grünwald	100[9]

Siemens Campus Erlangen Objekt 5 GmbH & Co. KG, Grünwald	100[9]
Siemens Campus Erlangen Objekt 6 GmbH & Co. KG, Grünwald	100[9]
Siemens Campus Erlangen Objekt 7 GmbH & Co. KG, Grünwald	100[9]
Siemens Campus Erlangen Objektmanagement GmbH, Grünwald	100
Siemens Campus Erlangen Verwaltungs-GmbH, Grünwald	100[7]
Siemens Digital Business Builder GmbH, Munich	100
Siemens Digital Logistics GmbH, Frankenthal	100
Siemens Electronic Design Automation GmbH, Munich	100
Siemens Finance & Leasing GmbH, Munich	100
Siemens Financial Services GmbH, Munich	100[10]
Siemens Fonds Invest GmbH, Munich	100[10]
Siemens Global Innovation Partners Management GmbH, Munich	100[7]
Siemens Healthcare Diagnostics Products GmbH, Marburg	100
Siemens Healthcare GmbH, Munich	100
Siemens Healthineers AG, Munich	75
Siemens Healthineers Beteiligungen GmbH & Co. KG, Röttenbach	100
Siemens Healthineers Beteiligungen Verwaltungs-GmbH, Röttenbach	100[7]
Siemens Healthineers Holding I GmbH, Munich	100
Siemens Healthineers Holding III GmbH, Munich	100
Siemens Healthineers Innovation GmbH & Co. KG, Röttenbach	100
Siemens Healthineers Innovation Verwaltungs-GmbH, Röttenbach	100[7]
Siemens Immobilien Besitz GmbH & Co. KG, Grünwald	100[9]
Siemens Immobilien Management GmbH, Grünwald	100[7]
Siemens Industriepark Karlsruhe GmbH & Co. KG, Grünwald	100[9]
Siemens Industry Software GmbH, Cologne	100[10]
Siemens Liquidity One, Munich	100
Siemens Logistics GmbH, Nuremberg	100[10]
Siemens Middle East Services GmbH & Co. KG, Munich	100[9, 13]
Siemens Middle East Services LP GmbH, Munich	100
Siemens Mobility GmbH, Munich	100[10]
Siemens Mobility Real Estate GmbH & Co. KG, Grünwald	100[9]
Siemens Mobility Real Estate Management GmbH, Grünwald	100[7]
Siemens Nixdorf Informationssysteme GmbH, Grünwald	100
Siemens OfficeCenter Frankfurt GmbH & Co. KG, Grünwald	100[9]
Siemens OfficeCenter Verwaltungs GmbH, Grünwald	100
Siemens Private Finance Versicherungsvermittlungsgesellschaft mbH, Munich	100[10]
Siemens Project Ventures GmbH, Erlangen	100[10]
Siemens Real Estate Consulting GmbH & Co. KG, Munich	100[9]
Siemens Real Estate Consulting Management GmbH, Grünwald	100
Siemens Real Estate GmbH & Co. KG, Kemnath	100
Siemens Real Estate Management GmbH, Kemnath	100[7]
Siemens Technology Accelerator GmbH, Munich	100[10]
Siemens Technopark Nürnberg GmbH & Co. KG, Grünwald	100[9]
Siemens Traction Gears GmbH, Penig	100[10]
Siemens Trademark GmbH & Co. KG, Kemnath	100[9]
Siemens Trademark Management GmbH, Kemnath	100[7]
Siemens Treasury GmbH, Munich	100[10]
Siemens-Fonds C-1, Munich	100
Siemens-Fonds Pension Captive, Munich	100
Siemens-Fonds S-7, Munich	100
Siemens-Fonds S-8, Munich	100
Siemensstadt C1 GmbH & Co. KG, Grünwald	100[9]
Siemensstadt C1 Verwaltungs GmbH, Grünwald	100[7]
Siemensstadt CX GmbH & Co. KG, Grünwald	100[7]
Siemensstadt CX Verwaltungs GmbH, Grünwald	100[7]
Siemensstadt Grundstücks-GmbH & Co. KG, Grünwald	100[9]

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Siemensstadt Management GmbH, Grünwald	100[7]
Siemensstadt SPE GmbH & Co. KG, Grünwald	100[9]
Siemensstadt SPE Verwaltungs GmbH, Grünwald	100[7]
Siemensstadt SWHH GmbH & Co. KG, Grünwald	100[9]
Siemensstadt SWHH Verwaltungs GmbH, Grünwald	100[7]
Siemensstadt VG GmbH & Co. KG, Grünwald	100[9]
Siemensstadt VG Verwaltungs GmbH, Grünwald	100[7]
SILLIT Grundstücks-Verwaltungsgesellschaft mbH, Munich	100
SIMAR Ost Grundstücks-GmbH, Grünwald	100[10]
SYKATEC Systeme, Komponenten, Anwendungstechnologie GmbH, Erlangen	100[10]
Varian Medical Systems Deutschland GmbH & Co. KG, Darmstadt	100[13]
Varian Medical Systems Haan GmbH, Haan	100
Varian Medical Systems München GmbH, Munich	100
Varian Medical Systems Particle Therapy GmbH & Co. KG, Troisdorf	100[13]
VMS Deutschland Holdings GmbH, Darmstadt	100
VVK Versicherungsvermittlungs- und Verkehrskontor GmbH, Munich	100[10]
Weiss Spindeltechnologie GmbH, Maroldsweisach	100
Zeleni Holding GmbH, Kemnath	100
Zeleni Real Estate GmbH & Co. KG, Kemnath	100
Europe, Commonwealth of Independent States (C.I.S.), Africa, Middle East (without Germany) (297 companies)	
ESTEL Rail Automation SPA, Algiers / Algeria	51
Siemens Healthineers Algeria E.U.R.L., Hydra / Algeria	100
Siemens Healthineers Oncology Services Algeria E.U.R.L., Hydra / Algeria	100
Siemens Spa, Algiers / Algeria	100
Siemens Industry Software Closed Joint-Stock Company, Yerevan / Armenia	100
Acuson Österreich GmbH, Vienna / Austria	100[7]
ETM professional control GmbH, Eisenstadt / Austria	100
Innomotics GmbH, Vienna / Austria	100
ITH icoserve technology for healthcare GmbH, Innsbruck / Austria	69
Siemens Advanta Solutions GmbH, Vienna / Austria	100
Siemens Aktiengesellschaft Österreich, Vienna / Austria	100
Siemens Healthcare Diagnostics GmbH, Vienna / Austria	100
Siemens Industry Software GmbH, Linz / Austria	100
Siemens Konzernbeteiligungen GmbH, Vienna / Austria	100
Siemens Metals Technologies Vermögensverwaltungs GmbH, Vienna / Austria	100
Siemens Mobility Austria GmbH, Vienna / Austria	100
Siemens Personaldienstleistungen GmbH, Vienna / Austria	100
Steiermärkische Medizinarchiv GesmbH, Graz / Austria	52
Varian Medical Systems Gesellschaft mbH, Brunn am Gebirge / Austria	100
VVK Versicherungs-Vermittlungs- und Verkehrs-Kontor GmbH, Vienna / Austria	100
Siemens W.L.L., Manama / Bahrain	51
Innomotics N.V., Beersel / Belgium	100
Siemens Healthcare NV, Groot-Bijgaarden / Belgium	100
Siemens Industry Software NV, Leuven / Belgium	100
Siemens Mobility S.A. / N.V, Beersel / Belgium	100
Siemens S.A./N.V., Beersel / Belgium	100
Varian Medical Systems Belgium NV, Groot-Bijgaarden / Belgium	100
Siemens d.o.o. Sarajevo - U Likvidaciji, Sarajevo / Bosnia and Herzegovina	100
Siemens Medicina d.o.o., Sarajevo / Bosnia and Herzegovina	100
Siemens EOOD, Sofia / Bulgaria	100
Siemens Healthcare EOOD, Sofia / Bulgaria	100
Siemens Mobility EOOD, Sofia / Bulgaria	100
Varinak Bulgaria EOOD, Sofia / Bulgaria	100
Siemens d.d., Zagreb / Croatia	100
Siemens Healthcare d.o.o., Zagreb / Croatia	100

OEZ s.r.o., Letohrad / Czech Republic	100
Siemens Healthcare, s.r.o., Prague / Czech Republic	100
Siemens Industry Software, s.r.o., Prague / Czech Republic	100
Siemens Large Drives, s.r.o., Drasov / Czech Republic	100
Siemens Mobility, s.r.o., Prague / Czech Republic	100
Siemens, s.r.o., Prague / Czech Republic	100
Innomotics A/S, Ballerup / Denmark	100[7]
Siemens A/S, Ballerup / Denmark	100
Siemens Healthcare A/S, Ballerup / Denmark	100
Siemens Industry Software A/S, Ballerup / Denmark	100
Siemens Mobility A/S, Ballerup / Denmark	100
Siemens Healthcare Logistics LLC, Cairo / Egypt	100
Siemens Healthcare S.A.E., Cairo / Egypt	100
Siemens Industrial LLC, New Cairo / Egypt	100
Siemens Industry Software (A Limited Liability Company - Private Free Zone), New Cairo / Egypt	100
Siemens Mobility Egypt LLC, Cairo / Egypt	100
Siemens Healthcare Oy, Espoo / Finland	100
Siemens Industry Software Oy, Espoo / Finland	100
Siemens Mobility Oy, Espoo / Finland	100
Siemens Osakeyhtiö, Espoo / Finland	100
Varian Medical Systems Finland OY, Helsinki / Finland	100
VIBECO - Virtual Buildings Ecosystem Oy, Espoo / Finland	100
Acuson France SAS, Courbevoie / France	100[7]
BLOCK IMAGING SAS, Paris / France	100
Innomotics SAS, Saint-Priest / France	100
Padam Mobility SAS, Paris / France	100
PETNET Solutions SAS, Lisses / France	100
Siemens Electronic Design Automation SARL, Meudon La Forêt / France	100
Siemens Financial Services SAS, Courbevoie / France	100
Siemens France Holding SAS, Courbevoie / France	100
Siemens Healthcare SAS, Courbevoie / France	100
Siemens Industry Software SAS, Châtillon / France	100
Siemens Lease Services SAS, Courbevoie / France	100
Siemens Logistics SAS, Saint-Denis / France	100
Siemens Mobility SAS, Châtillon / France	100
Siemens SAS, Courbevoie / France	100
Sqills IT Services SAS, Paris / France	100
Supplyframe Europe SAS, Grenoble / France	100
Varian Medical Systems France SARL, Le Plessis-Robinson / France	100
Wattsense SAS, Dardilly / France	100
Siemens A.E., Electrotechnical Projects and Products, Athens / Greece	100
SIEMENS HEALTHCARE INDUSTRIAL AND COMMERCIAL SINGLE MEMBER SOCIETE ANONYME, Marousi / Greece	100
SIEMENS MOBILITY RAIL AND ROAD TRANSPORTATION SOLUTIONS SINGLE-MEMBER SOCIETE ANONYME, Athens / Greece	100
evosoft Hungary Szamitastechnikai Kft., Budapest / Hungary	100
Siemens Healthcare Kft., Budapest / Hungary	100
Siemens Industry Software Kft., Budapest / Hungary	100
Siemens Mobility Kft., Budapest / Hungary	100
Siemens Zrt., Budapest / Hungary	100
Varian Medical Systems Hungary Kft., Budapest / Hungary	100
Mentor Graphics (Holdings) Unlimited Company, Shannon, County Clare / Ireland	100[13]
Mentor Graphics Development Services Limited, Shannon, County Clare / Ireland	100
Siemens Electronic Design Automation Limited, Shannon, County Clare / Ireland	100[7]
Siemens Healthcare Diagnostics Manufacturing Limited, Swords, County Dublin / Ireland	100
Siemens Healthcare Medical Solutions Limited, Swords, County Dublin / Ireland	100
Siemens Industry Software Limited, Shannon, County Clare / Ireland	100
Siemens Limited, Dublin / Ireland	100

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Mckit Systems Ltd., Giv'at Shmuel / Israel	100
Siemens Concentrated Solar Power Ltd., Rosh Ha'ayin / Israel	100
Siemens Electronic Design Automation Ltd, Herzilya Pituah / Israel	100
Siemens HealthCare Ltd., Rosh Ha'ayin / Israel	100
Siemens Industry Operations Ltd., Rosh Ha'ayin / Israel	100[7]
Siemens Industry Software Ltd., Airport City / Israel	100
Siemens Ltd., Rosh Ha'ayin / Israel	100
Siemens Mobility Ltd., Rosh Ha'ayin / Israel	100
Siemens Mobility Operations Ltd., Rosh Ha'ayin / Israel	100[7]
UGS Israeli Holdings (Israel) Ltd., Airport City / Israel	100
Acuson Italy S.r.l., Milan / Italy	100[7]
Innomotics S.r.l., Milan / Italy	100
Siemens Healthcare S.r.l., Milan / Italy	100
Siemens Industry Software S.r.l., Milan / Italy	100
Siemens Logistics S.r.l., Milan / Italy	100
Siemens Mobility S.r.l., Milan / Italy	100
Siemens S.p.A., Milan / Italy	100
Varian Medical Systems Italia S.p.A., Segrate / Italy	100
Innomotics Limited Liability Partnership, Almaty / Kazakhstan	100
Siemens Healthcare Limited Liability Partnership, Almaty / Kazakhstan	100
Siemens TOO, Almaty / Kazakhstan	100
VMS Kenya, Ltd, Nairobi / Kenya	100
Siemens Industrial Business Co. For Electrical, Electronic and Mechanical Contracting WLL, Kuwait City / Kuwait	49[2]
Siemens Large Drives Company for Repairing & Maintenance of Light & Heavy Equipment, W.L.L, Ahmadi / Kuwait	49[2]
Crabtree (Pty) Ltd, Maseru / Lesotho	100
Atruvi Invest Management S.à.r.l, Munsbach / Luxembourg	100[7]
FAST TRACK DIAGNOSTICS LUXEMBOURG S.à r.l., Esch-sur-Alzette / Luxembourg	100
TFM International S.A. i.L., Luxembourg / Luxembourg	100
FTD Europe Ltd, Sliema / Malta	100
CTSI (Mauritius) Ltd., Ebene / Mauritius	100
Varian Medical Systems Mauritius Ltd., Ebene / Mauritius	100
Siemens Healthcare SARL, Casablanca / Morocco	100
Siemens Industry Software SARL, Sala Al Jadida / Morocco	100
Siemens S.A., Casablanca / Morocco	100
Castor III B.V., The Hague / Netherlands	100
Chronos B.V., Enschede / Netherlands	100
Mendix Technology B.V., Rotterdam / Netherlands	100
Pollux III B.V., The Hague / Netherlands	100
Siemens Electronic Design Automation B.V., Eindhoven / Netherlands	100
Siemens Finance B.V., The Hague / Netherlands	100
Siemens Financieringsmaatschappij N.V., The Hague / Netherlands	100
Siemens Healthineers Holding III B.V., The Hague / Netherlands	100
Siemens Healthineers Holding IV B.V., The Hague / Netherlands	100
Siemens Healthineers Holding V B.V., The Hague / Netherlands	100
Siemens Healthineers Nederland B.V., The Hague / Netherlands	100
Siemens Industry Software Netherlands B.V., Eindhoven / Netherlands	100
Siemens International Holding B.V., The Hague / Netherlands	100
Siemens Mobility B.V., Zoetermeer / Netherlands	100
Siemens Mobility Holding B.V., The Hague / Netherlands	100
Siemens Nederland N.V., The Hague / Netherlands	100
Sqills Products B.V., Enschede / Netherlands	100
TASS International B.V., Helmond / Netherlands	100
Varian Medical Systems Nederland B.V., Houten / Netherlands	100
Innomotics AS, Oslo / Norway	100
Siemens AS, Oslo / Norway	100
Siemens Healthcare AS, Oslo / Norway	100

Siemens Mobility AS, Oslo / Norway	100
Siemens Industrial LLC, Muscat / Oman	51
Siemens Healthcare (Private) Limited, Lahore / Pakistan	100
SIEMENS INDUSTRY SOFTWARE (PRIVATE) LIMITED, Lahore / Pakistan	100
Siemens Pakistan Engineering Co. Ltd., Karachi / Pakistan	75
Innomotics Sp. z o.o., Katowice / Poland	100[7]
Siemens Digital Logistics Sp. z o.o., Wroclaw / Poland	100
Siemens Finance Sp. z o.o., Warsaw / Poland	100
Siemens Healthcare Sp. z o.o., Warsaw / Poland	100
Siemens Industry Software Sp. z o.o., Warsaw / Poland	100
Siemens Mobility Sp. z o.o., Warsaw / Poland	100
Siemens Sp. z o.o., Warsaw / Poland	100
Varian Medical Systems Poland Sp. z o.o., Warsaw / Poland	100
SIEMENS HEALTHCARE, UNIPESSOAL, LDA, Amadora / Portugal	100
Siemens Logistics, Unipessoal Lda, Lisbon / Portugal	100
SIEMENS MOBILITY, UNIPESSOAL LDA, Amadora / Portugal	100
Siemens S.A., Amadora / Portugal	100
Siemens Large Drives W.L.L., Doha / Qatar	55
Siemens W.L.L., Doha / Qatar	55
INNOMOTICS S.R.L., Sibiu / Romania	100
Siemens Healthcare S.R.L., Bucharest / Romania	100
Siemens Industry Software S.R.L., Brasov / Romania	100
Siemens Mobility S.R.L., Bucharest / Romania	100
Siemens S.R.L., Bucharest / Romania	100
SIMEA SIBIU S.R.L., Sibiu / Romania	100
Varinak Europe SRL (Romania), Pantelimon / Romania	100
OOO Siemens, Moscow / Russian Federation	100
Siemens Healthcare Limited Liability Company, Moscow / Russian Federation	100
Siemens Mobility LLC, Moscow / Russian Federation	100
Smart Industry Software, OOO, Moscow / Russian Federation	100
Upsilon 1 LLC, St. Petersburg / Russian Federation	100
Varian Medical Systems (RUS) Limited Liability Company, Moscow / Russian Federation	100
Arabia Electric Ltd. (Equipment), Jeddah / Saudi Arabia	51
Siemens Healthcare Limited, Riyadh / Saudi Arabia	51
Siemens Large Drives Ltd., Khobar / Saudi Arabia	51
Siemens Ltd., Riyadh / Saudi Arabia	51
Siemens Mobility Saudi Ltd, Khobar / Saudi Arabia	51
Siemens Regional Headquarters Ltd., Jeddah / Saudi Arabia	100
Varian Medical Systems Arabia Commercial Limited, Riyadh / Saudi Arabia	75
Innomotics d.o.o. Beograd, Belgrade / Serbia	100
Siemens d.o.o. Beograd, Belgrade / Serbia	100
Siemens Healthcare d.o.o. Beograd, Belgrade / Serbia	100
Siemens Mobility d.o.o. Cerovac, Kragujevac / Serbia	100
Supplyframe doo Beograd-Stari grad, Belgrade / Serbia	100
Acuson Slovakia s. r. o., Bratislava / Slovakia	100[7]
Innomotics, s.r.o., Bratislava / Slovakia	100
OEZ Slovakia, spol. s r.o., Bratislava / Slovakia	100
Rolling Stock Services Bratislava s.r.o., Bratislava / Slovakia	60
SAT Systémy automatizacnej techniky spol. s.r.o., Bratislava / Slovakia	60
Siemens Healthcare s.r.o., Bratislava / Slovakia	100
Siemens Mobility, s.r.o., Bratislava / Slovakia	100
Siemens s.r.o., Bratislava / Slovakia	100
SIPRIN s.r.o., Bratislava / Slovakia	100
Siemens Healthcare d.o.o., Ljubljana / Slovenia	100
Siemens Mobility d.o.o., Ljubljana / Slovenia	100
Siemens Trgovsko in storitveno podjetje, d.o.o., Ljubljana / Slovenia	100

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Crabtree South Africa Pty. Limited, Midrand / South Africa	100
Innomotics (Pty) Ltd., Midrand / South Africa	100
KACO NEW ENERGY AFRICA (PTY) LTD, Midrand / South Africa	100
Siemens Employee Share Ownership Trust, Johannesburg / South Africa	–[3]
Siemens Healthcare Employee Share Ownership Trust, Midrand / South Africa	–[3]
Siemens Healthcare Proprietary Limited, Halfway House / South Africa	90
SIEMENS INDUSTRY SOFTWARE SA (PTY) LTD, Pretoria / South Africa	100
Siemens Large Drives Employee Ownership Trust, Johannesburg / South Africa	–[3]
Siemens Mobility (Pty) Ltd, Randburg / South Africa	75
Siemens Proprietary Limited, Midrand / South Africa	85
S´Mobility Employee Stock Ownership Trust, Johannesburg / South Africa	–[3]
Fábrica Electrotécnica Josa, S.A.U., Tres Cantos / Spain	100
Innomotics, S.L., Madrid / Spain	100
Innovation Strategies, S.L., Palma / Spain	100
Siemens Campus Madrid, S.L., Madrid / Spain	100
Siemens Financial Services S.A.U, Madrid / Spain	100
SIEMENS HEALTHCARE, S.L.U., Madrid / Spain	100
Siemens Industry Software S.L., Tres Cantos / Spain	100
Siemens Logistics S.L. Unipersonal, Madrid / Spain	100
SIEMENS MOBILITY, S.L.U., Tres Cantos / Spain	100
Siemens Rail Automation S.A.U., Tres Cantos / Spain	100
Siemens S.A., Madrid / Spain	100
Telecomunicación, Electrónica y Conmutación S.A., Madrid / Spain	100
Varian Medical Systems Iberica SL, Madrid / Spain	100
Innomotics AB, Solna / Sweden	100
Siemens AB, Solna / Sweden	100
Siemens Electronic Design Automation AB, Solna / Sweden	100
Siemens Financial Services AB, Solna / Sweden	100
Siemens Healthcare AB, Solna / Sweden	100
Siemens Industry Software AB, Solna / Sweden	100
Siemens Mobility AB, Solna / Sweden	100
Siemens Healthineers International AG, Steinhausen / Switzerland	100
Siemens Industry Software GmbH, Zurich / Switzerland	100
Siemens Mobility AG, Wallisellen / Switzerland	100
Siemens Schweiz AG, Zurich / Switzerland	100
Varian Medical Systems Imaging Laboratory G.m.b.H., Dättwil / Switzerland	100
Siemens Tanzania Ltd. i.L., Dar es Salaam / Tanzania	100
Mentor Graphics Tunisia SARL, Tunis / Tunisia	100
Siemens Mobility S.A.R.L., Tunis / Tunisia	100
Siemens S.A., Tunis / Tunisia	100
Innomotics Motorlar Ve Yüksek Güclü Sürücüler Anonim Sirketi, Istanbul / Türkiye	100
Siemens AG - Siemens Sanayi Ve Ticaret AS Velaro Joint Venture, Kartal - Istanbul / Türkiye	100[12]
Siemens Finansal Kiralama A.S., Istanbul / Türkiye	100
Siemens Healthcare Saglik Anonim Sirketi, Istanbul / Türkiye	100
Siemens Industry Software Yazilim Hizmetleri Anonim Sirketi, Istanbul / Türkiye	100
Siemens Mobility Ulasim Sistemleri Anonim Sirketi, Istanbul / Türkiye	100
Siemens Sanayi ve Ticaret Anonim Sirketi, Istanbul / Türkiye	100
Sqills Turkey Bilgi Teknolojileri Ticaret Limited Sirketi, Istanbul / Türkiye	100
V.O.S.S. Varinak Onkoloji Sistemleri Satis Ve Servis Anonim Sirketi, Istanbul / Türkiye	100
100% foreign owned subsidiary "Siemens Ukraine", Kiev / Ukraine	100
SIEMENS HEALTHCARE LIMITED LIABILITY COMPANY, Kiev / Ukraine	100
Acuson Middle East FZ LLC, Dubai / United Arab Emirates	100[7]
PSE Software and Consulting L.L.C., Abu Dhabi / United Arab Emirates	49[2]
Samateq FZ LLC, UAE, Abu Dhabi / United Arab Emirates	100
SD (Middle East) LLC, Dubai / United Arab Emirates	49[2]
Siemens Capital Middle East Ltd, Abu Dhabi / United Arab Emirates	100

Siemens Healthcare FZ LLC, Dubai / United Arab Emirates	100
Siemens Healthcare L.L.C., Dubai / United Arab Emirates	49[2]
Siemens Industrial LLC, Masdar City / United Arab Emirates	49[2]
Siemens Large Drives LLC, Abu Dhabi / United Arab Emirates	49[2]
Siemens Middle East Limited, Masdar City / United Arab Emirates	100
SIEMENS MOBILITY LLC, Dubai / United Arab Emirates	49[2]
Acuson United Kingdom Ltd., Camberley, Surrey / United Kingdom	100[7]
Assetic UK Limited, Farnborough, Hampshire / United Kingdom	100
Brightly Software Limited, Farnborough, Hampshire / United Kingdom	100
ByteToken, Ltd, Edinburgh / United Kingdom	100
Data Sheet Archive Limited, Farnborough, Hampshire / United Kingdom	100
Electrium Sales Limited, Farnborough, Hampshire / United Kingdom	100
Flomerics Group Limited, Farnborough, Hampshire / United Kingdom	100
Henley Bidco Limited, Swindon, Wiltshire / United Kingdom	100
Henley Topco Limited, Swindon, Wiltshire / United Kingdom	100
Innomotics Motors and Large Drives Limited, Farnborough, Hampshire / United Kingdom	100
Project Ventures Rail Investments I Limited, Farnborough, Hampshire / United Kingdom	100
SBS Pension Funding (Scotland) Limited Partnership, Edinburgh / United Kingdom	57[3]
Senseye Limited, Farnborough, Hampshire / United Kingdom	100
Siemens Electronic Design Automation Ltd, Farnborough, Hampshire / United Kingdom	100
Siemens Financial Services Ltd., Stoke Poges, Buckinghamshire / United Kingdom	100
Siemens Healthcare Diagnostics Ltd, Camberley, Surrey / United Kingdom	100
Siemens Healthcare Diagnostics Manufacturing Ltd, Camberley, Surrey / United Kingdom	100
Siemens Healthcare Diagnostics Products Ltd, Camberley, Surrey / United Kingdom	100
Siemens Healthcare Limited, Camberley, Surrey / United Kingdom	100
Siemens Holdings plc, Farnborough, Hampshire / United Kingdom	100
Siemens Industry Software Computational Dynamics Limited, Farnborough, Hampshire / United Kingdom	100
Siemens Industry Software Limited, Farnborough, Hampshire / United Kingdom	100
Siemens Mobility Limited, London / United Kingdom	100
Siemens Pension Funding (General) Limited, Farnborough, Hampshire / United Kingdom	100
Siemens Pension Funding Limited, Farnborough, Hampshire / United Kingdom	100
Siemens plc, Farnborough, Hampshire / United Kingdom	100
Siemens Process Systems Engineering Limited, Farnborough, Hampshire / United Kingdom	100
Siemens Rail Automation Limited, London / United Kingdom	100
Varian Medical Systems UK Holdings Limited, Crawley, West Sussex / United Kingdom	100
Varian Medical Systems UK Limited, Crawley, West Sussex / United Kingdom	100
Vendigital Holdings Ltd, Swindon, Wiltshire / United Kingdom	100
Vendigital Limited, London / United Kingdom	100
Americas (130 companies)	
Siemens Healthcare S.A., Buenos Aires / Argentina	100
Siemens IT Services S.A., Buenos Aires / Argentina	100
Siemens Mobility S.A., Olivos / Argentina	100
Siemens S.A., Buenos Aires / Argentina	100
Acuson Brasil Ltda., Joinville / Brazil	100[7]
Siemens Healthcare Diagnósticos Ltda., São Paulo / Brazil	100
Siemens Industry Software Ltda., São Caetano do Sul / Brazil	100
Siemens Infraestrutura e Indústria Ltda., São Paulo / Brazil	100
Siemens Large Drives Máquinas e Soluções Ltda, Jundiaí / Brazil	100
Siemens Mobility Soluções de Mobilidade Ltda., São Paulo / Brazil	100
Siemens Participações Ltda., São Paulo / Brazil	100
Varian Medical Systems Brasil Ltda., Jundiaí / Brazil	100
Dade Behring Hong Kong Holdings Corporation, Tortola / British Virgin Islands	100
Brightly Software Canada, Inc., Oakville / Canada	100
Bytemark Canada Inc., Oakville / Canada	100
EPOCAL INC., Toronto / Canada	100

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Innomotics Inc., Oakville / Canada	100
Siemens Canada Limited, Oakville / Canada	100
Siemens Electronic Design Automation ULC, Vancouver / Canada	100[13]
Siemens Financial Ltd., Oakville / Canada	100
Siemens Healthcare Limited, Oakville / Canada	100
Siemens Industry Software ULC, Vancouver / Canada	100[13]
SIEMENS MOBILITY LIMITED, Oakville / Canada	100
Varian Medical Systems Canada, Inc., Ottawa / Canada	100
Siemens Healthcare Equipos Médicos Sociedad por Acciones, Santiago de Chile / Chile	100
Siemens Large Drives S.A., Santiago de Chile / Chile	100
Siemens Mobility SpA, Santiago de Chile / Chile	100
Siemens S.A., Santiago de Chile / Chile	100
Innomotics S.A.S., Tenjo / Colombia	100
J. Restrepo Equiphos S.A.S, Bogotá / Colombia	100
Siemens Healthcare S.A.S., Tenjo / Colombia	100
Siemens S.A.S., Tenjo / Colombia	100
Siemens Healthcare Diagnostics S.A., San José / Costa Rica	100
Siemens Mobility, S.R.L., Santo Domingo / Dominican Republic	100
Siemens S.A., Quito / Ecuador	100
Siemens-Healthcare Cia. Ltda., Quito / Ecuador	100
Siemens Healthcare, Sociedad Anonima, Antiguo Cuscatlán / El Salvador	100
Siemens S.A., Antiguo Cuscatlán / El Salvador	100
Siemens S.A., Guatemala / Guatemala	100
Acuson México, S. de R.L. de C.V., Mexico City / Mexico	100[7]
Grupo Siemens S.A. de C.V., Mexico City / Mexico	100
Indústria de Trabajos Eléctricos S.A. de C.V., Ciudad Juárez / Mexico	100
Innomotics Motors, S. de R.L. de C.V., Mexico City / Mexico	100
Siemens Healthcare Diagnostics, S. de R.L. de C.V., Mexico City / Mexico	100
Siemens Industry Software, S.A. de C.V., Mexico City / Mexico	100
Siemens Inmobiliaria S.A. de C.V., Mexico City / Mexico	100
Siemens Logistics S. de R.L. de C.V., Mexico City / Mexico	100
Siemens Mobility S. de R.L. de C.V., Mexico City / Mexico	100
SIEMENS SERVICIOS COMERCIALES SA DE CV, SOFOM, ENR, Mexico City / Mexico	100
Siemens, S.A. de C.V., Mexico City / Mexico	100
Innomotics S.A., Panama City / Panama	100
Innomotics S.A.C., Surquillo / Peru	100
Siemens Healthcare S.A.C., Surquillo / Peru	100
Siemens Mobility S.A.C., Lima / Peru	100
Siemens S.A.C., Surquillo / Peru	100
Varian Medical Systems Puerto Rico, LLC, Guaynabo / Puerto Rico	100
Acuson Holding LLC, Wilmington, DE / United States	100[7]
Acuson, LLC, Wilmington, DE / United States	100[7]
Associates in Medical Physics, LLC, Greenbelt, MD / United States	100
Block Imaging International, LLC, Wilmington, DE / United States	100
Block Imaging Parts & Service, LLC, Holt, MI / United States	100
Block Imaging Technical Excellence, LLC, Holt, MI / United States	100
Brightly Software, Inc., Wilmington, DE / United States	100
Building Robotics Inc., Wilmington, DE / United States	100
Corindus, Inc., Wilmington, DE / United States	100
D3 Oncology Inc., Wilmington, DE / United States	100
ECG Acquisition, Inc., Wilmington, DE / United States	100
ECG TopCo Holdings, LLC, Wilmington, DE / United States	75
eMeter Corporation, Wilmington, DE / United States	100
Executive Consulting Group, LLC, Wilmington, DE / United States	100
Gas Chromatography Systems MAXUM LLC, Wilmington, DE / United States	100[7]
Healthcare Technology Management, LLC, Wilmington, DE / United States	78

Innomotics LLC, Wilmington, DE / United States	100
J2 Innovations, Inc., Los Angeles, CA / United States	100
Keystone Physics Limited, Millersville, PA / United States	100
Mannesmann Corporation, New York, NY / United States	100
Mansfield Insurance Company, Jeffersonville, VT / United States	100
Medical Physics Holdings, LLC, Dover, DE / United States	100
Next47 Fund 2018, L.P., Palo Alto, CA / United States	100
Next47 Fund 2019, L.P., Palo Alto, CA / United States	100
Next47 Fund 2020, L.P., Palo Alto, CA / United States	100
Next47 Fund 2021, L.P., Palo Alto, CA / United States	100
Next47 Fund 2022, L.P., Palo Alto, CA / United States	100
Next47 Fund 2023, L.P., Palo Alto, CA / United States	100
Next47 Fund 2024, L.P., Palo Alto, CA / United States	100
Next47 Inc., Wilmington, DE / United States	100
Next47 Mid-Tier GP 2018, L.P., Wilmington, DE / United States	100
Next47 Mid-Tier GP 2019, L.P., Wilmington, DE / United States	100
Next47 Mid-Tier GP 2020, L.P., Wilmington, DE / United States	100
Next47 Mid-Tier GP 2021, L.P., Wilmington, DE / United States	100
Next47 Mid-Tier GP 2022, L.P., Wilmington, DE / United States	100
Next47 Mid-Tier GP 2023, L.P., Wilmington, DE / United States	100
Next47 Mid-Tier GP 2024, L.P., Wilmington, DE / United States	100
Next47 TTGP, L.L.C., Wilmington, DE / United States	100
P.E.T.NET Houston, LLC, Austin, TX / United States	51
Page Mill Corporation, Boston, MA / United States	100
PETNET Indiana, LLC, Indianapolis, IN / United States	50[1]
PETNET Solutions Cleveland, LLC, Wilmington, DE / United States	63
PETNET Solutions, Inc., Knoxville, TN / United States	100
PolyDyne Software Inc., Dallas, TX / United States	100
Radiation Management Associates, LLC, Greenbelt, MD / United States	100
Rail-Term LLC, Plymouth, MI / United States	100
Siemens Advanta Solutions Corp., Wilmington, DE / United States	100
Siemens Capital Company LLC, Wilmington, DE / United States	100
Siemens Corporation, Wilmington, DE / United States	100
Siemens Financial Services, Inc., Wilmington, DE / United States	100
Siemens Financial, Inc., Wilmington, DE / United States	100
Siemens Government Technologies, Inc., Wilmington, DE / United States	100
Siemens Healthcare Diagnostics Inc., Los Angeles, CA / United States	100
Siemens Healthcare Laboratory, LLC, Wilmington, DE / United States	100
Siemens Healthineers Holdings, LLC, Wilmington, DE / United States	100
Siemens Industry Software Inc., Wilmington, DE / United States	100
Siemens Industry, Inc., Wilmington, DE / United States	100
Siemens Logistics LLC, Wilmington, DE / United States	100
Siemens Medical Solutions USA, Inc., Wilmington, DE / United States	100
Siemens Mobility, Inc, Wilmington, DE / United States	100
Siemens Public, Inc., Iselin, NJ / United States	100
Siemens USA Holdings, Inc., Wilmington, DE / United States	100
SMI Holding LLC, Wilmington, DE / United States	100
Supplyframe, Inc., Glendale, CA / United States	100
Varian BioSynergy, Inc., Wilmington, DE / United States	100
Varian Medical Systems Africa Holdings, Inc., Wilmington, DE / United States	100
Varian Medical Systems India Private Limited, Wilmington, DE / United States	100
Varian Medical Systems International Holdings, Inc., Wilmington, DE / United States	100
Varian Medical Systems Latin America, Ltd., Wilmington, DE / United States	100
Varian Medical Systems Pacific, Inc., Wilmington, DE / United States	100
Varian Medical Systems, Inc., Wilmington, DE / United States	100
Vendigital, Inc., Wilmington, DE / United States	100

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Siemens S.A., Montevideo / Uruguay	100
Siemens Rail Automation, C.A., Caracas / Venezuela	100
Asia, Australia (157 companies)	
Australia Hospital Holding Pty Limited, Bayswater / Australia	100
Brightly Software Australia Pty Ltd, Sydney / Australia	100
Brightly Software Holdings Pty. Ltd., Sydney / Australia	100
Exemplar Health (NBH) 2 Pty Limited, Bayswater / Australia	100[7]
Exemplar Health (NBH) Holdings 2 Pty Limited, Bayswater / Australia	100
Exemplar Health (NBH) Trust 2, Bayswater / Australia	100
Innomotics Pty Ltd, Bayswater / Australia	100
Project Ventures Rail Investments (SMWSA) Pty Ltd, Bayswater / Australia	100
Siemens Healthcare Pty. Ltd., Hawthorn East / Australia	100
Siemens Industry Software Pty Ltd, Bayswater / Australia	100
Siemens Ltd., Bayswater / Australia	100
Siemens Mobility Pty Ltd, Melbourne / Australia	100
SIEMENS RAIL AUTOMATION PTY. LTD., Bayswater / Australia	100
Varian Medical Systems Australasia Pty Ltd., Belrose / Australia	100
Siemens Healthcare Ltd., Dhaka / Bangladesh	100
Siemens Industrial Limited, Dhaka / Bangladesh	100
Acuson (Shanghai) Co., Ltd., Shanghai / China	100[7]
Beijing Siemens Cerberus Electronics Ltd., Beijing / China	100
Green Matrix (Suzhou) Network Technology Co., Ltd., Suzhou / China	100
Hangzhou Alicon Pharm Sci & Tec Co., Ltd., Hangzhou / China	100
Innomotics Large Drives (Shanghai) Co., Ltd., Shanghai Pilot Free Trade Zone / China	100
Innomotics Mechanical Drives (Tianjin) Co., Ltd., Tianjin / China	100[7]
Scion Medical Technologies (Shanghai) Ltd., Shanghai / China	100
Siemens Building Technologies (Tianjin) Ltd., Tianjin / China	70
Siemens Circuit Protection Systems Ltd., Shanghai, Shanghai / China	75
Siemens Commercial Factoring Ltd., Shanghai / China	100
Siemens Digital Technology (Shenzhen) Co., Ltd., Shenzhen / China	100
Siemens Electrical Apparatus Ltd., Suzhou, Suzhou / China	100
Siemens Electrical Drives (Shanghai) Ltd., Shanghai / China	100
Siemens Electrical Drives Ltd., Tianjin / China	85
Siemens Electronic Design Automation (Shanghai) Co., Ltd., Shanghai Pilot Free Trade Zone / China	100
Siemens Factory Automation Engineering Ltd., Beijing / China	100
Siemens Finance and Leasing Ltd., Beijing / China	100
Siemens Financial Services Ltd., Beijing / China	100
Siemens Healthcare Diagnostics Manufacturing Ltd., Shanghai, Shanghai / China	100
Siemens Healthineers Diagnostics (Shanghai) Co., Ltd., Shanghai / China	100
Siemens Healthineers Digital Technology (Shanghai) Co., Ltd., Shanghai / China	100
Siemens Healthineers Ltd., Shanghai / China	100
Siemens Industrial Automation Products Ltd., Chengdu, Chengdu / China	100
Siemens Industry Software (Beijing) Co., Ltd., Beijing / China	100
Siemens Industry Software (Shanghai) Co., Ltd., Shanghai / China	100
Siemens Intelligent Signalling Technologies Co. Ltd., Foshan, Foshan / China	60
Siemens International Trading Ltd., Shanghai, Shanghai / China	100
Siemens Large Drives Equipment (Tianjin) Ltd., Tianjin / China	85
Siemens Logistics Automation Systems (Beijing) Co., Ltd, Beijing / China	100
Siemens Ltd., China, Beijing / China	100
Siemens Manufacturing and Engineering Centre Ltd., Shanghai / China	51
Siemens Mechatronics Technology JiangSu Ltd., Yizheng / China	100
Siemens Medium Voltage Switching Technologies (Wuxi) Ltd., Wuxi / China	85
Siemens Mobility Electrification Equipment (Shanghai) Co., Ltd., Shanghai / China	51
Siemens Mobility Equipment (China) Co., Ltd, Shanghai Pilot Free Trade Zone / China	100
Siemens Mobility Rail Equipment (Tianjin) Ltd., Tianjin / China	100

Siemens Mobility Technologies (Beijing) Co., Ltd, Beijing / China	100
Siemens Numerical Control Ltd., Nanjing, Nanjing / China	80
Siemens Power Automation Ltd., Nanjing / China	100
Siemens Sensors & Communication Ltd., Dalian / China	100
Siemens Shanghai Medical Equipment Ltd., Shanghai / China	100
Siemens Shenzhen Magnetic Resonance Ltd., Shenzhen / China	100
Siemens Signalling Co., Ltd., Xi'an / China	70
Siemens Standard Motors Ltd., Yizheng / China	100
Siemens Switchgear Ltd., Shanghai, Shanghai / China	55
Siemens Technology Development Co., Ltd. of Beijing, Beijing / China	90
Siemens Wiring Accessories Shandong Ltd., Zibo / China	100
Siemens X-Ray Vacuum Technology Ltd., Wuxi, Wuxi / China	100
Suzhou Ling Dong Zhen GE Network Technology Co., Ltd., Suzhou / China	–[3]
Varian Medical Systems China Co., Ltd., Beijing / China	100
Varian Medical Systems Trading (Beijing) Co., Ltd., Beijing / China	100
Scion Medical Limited, Hong Kong / Hong Kong	100
Siemens Healthcare Limited, Hong Kong / Hong Kong	100
Siemens Industry Software Limited, Hong Kong / Hong Kong	100
Siemens Limited, Hong Kong / Hong Kong	100
Siemens Logistics Limited, Hong Kong / Hong Kong	100
Siemens Mobility Limited, Hong Kong / Hong Kong	100
Supply Frame (Hong Kong) Limited, Hong Kong / Hong Kong	100
Vertice Investment Limited, Hong Kong / Hong Kong	100
AIS Design Automation Private Limited, Bangalore / India	100
American Institute of Pathology and Laboratory Sciences Private Limited, Hyderabad / India	100
Artmed Healthcare Private Limited, Hyderabad / India	100
Brightly Software India Private Limited, Bangalore / India	100
Bytemark India LLP, Bangalore / India	100
Bytemark Technology Solutions India Pvt Ltd, Bangalore / India	100
C&S Electric Limited, New Delhi / India	99
Cancer Treatment Services Hyderabad Private Limited, Hyderabad / India	100
Enlighted Energy Systems Pvt Ltd, Chennai / India	100
PETNET Radiopharmaceutical Solutions Pvt. Ltd., Mumbai / India	100
SIEMENS EDA (INDIA) PRIVATE LIMITED, New Delhi / India	100
SIEMENS EDA (SALES & SERVICES) PRIVATE LIMITED, New Delhi / India	100
Siemens Factoring Private Limited, Navi Mumbai / India	100
Siemens Financial Services Private Limited, Mumbai / India	100
Siemens Healthcare Private Limited, Mumbai / India	100
Siemens Healthineers India LLP, Bangalore / India	100
SIEMENS HEALTHINEERS INDIA MANUFACTURING PRIVATE LIMITED, Mumbai / India	100[7]
Siemens Industry Software (India) Private Limited, New Delhi / India	100
SIEMENS LARGE DRIVES INDIA PRIVATE LIMITED, Mumbai / India	100
Siemens Limited, Mumbai / India	51
Siemens Logistics India Private Limited, Navi Mumbai / India	100
Siemens Rail Automation Pvt. Ltd., Navi Mumbai / India	100
Siemens Technology and Services Private Limited, Navi Mumbai / India	100
Varian Medical Systems International (India) Private Limited, Pune / India	100
P.T. Siemens Indonesia, Jakarta / Indonesia	100
PT Innomotics Motors and Solutions, Jakarta / Indonesia	100
PT Siemens Healthineers Indonesia, Jakarta / Indonesia	100
PT Siemens Mobility Indonesia, Jakarta / Indonesia	100
Acrorad Co., Ltd., Okinawa / Japan	96
Acuson Japan K.K., Tokyo / Japan	100[7]
Innomotics G.K., Tokyo / Japan	100
Nihon Block Imaging KK, Tokyo / Japan	100
Siemens Electronic Design Automation Japan K.K., Tokyo / Japan	100

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Siemens Healthcare Diagnostics K.K., Tokyo / Japan	100
Siemens Healthcare K.K., Tokyo / Japan	100
Siemens K.K., Tokyo / Japan	100
Varian Medical Systems K.K., Tokyo / Japan	100
Acuson Korea Ltd., Seongnam-si / Korea	100[7]
Siemens Electronic Design Automation (Korea) LLC, Seoul / Korea	100
Siemens Healthineers Ltd., Seoul / Korea	100
Siemens Industry Software Ltd., Seoul / Korea	100
Siemens Large Drives Limited, Seoul / Korea	100
Siemens Ltd. Seoul, Seoul / Korea	100
Siemens Mobility Ltd., Seoul / Korea	100
Varian Medical Systems Korea, Inc., Seoul / Korea	100
Innomotics Sdn. Bhd., Shah Alam / Malaysia	100
Radica Software Sdn. Bhd., George Town / Malaysia	100
Siemens Healthcare Sdn. Bhd., Petaling Jaya / Malaysia	100
Siemens Industry Software Sdn. Bhd., George Town, Penang / Malaysia	100
Siemens Malaysia Sdn. Bhd., Petaling Jaya / Malaysia	100
Siemens Mobility Sdn. Bhd., Kuala Lumpur / Malaysia	100
Varian Medical Systems Malaysia Sdn Bhd, Kuala Lumpur / Malaysia	100
Siemens (N.Z.) Limited, Auckland / New Zealand	100
Siemens Healthcare Limited, Auckland / New Zealand	100
Siemens Healthcare Inc., Manila / Philippines	100
Siemens, Inc., Manila / Philippines	100
Varian Medical Systems Philippines, Inc., City of Pasig / Philippines	100
Acuson Singapore Pte. Ltd., Singapore / Singapore	100[7]
Innomotics Pte. Ltd., Singapore / Singapore	100
Siemens Electronic Design Automation Pte. Ltd., Singapore / Singapore	100
Siemens Healthcare Pte. Ltd., Singapore / Singapore	100
Siemens Industry Software Pte. Ltd., Singapore / Singapore	100
Siemens Logistics Pte. Ltd., Singapore / Singapore	100
Siemens Mobility Pte. Ltd., Singapore / Singapore	100
Siemens Pte. Ltd., Singapore / Singapore	100
Fang Zhi Health Management Co., Ltd., Taipei / Taiwan	100
Hong Tai Health Management Co. Ltd., Taipei / Taiwan	100
New Century Technology Co. Ltd., Taipei / Taiwan	100
Siemens Healthcare Limited, Taipei / Taiwan	100
Siemens Industry Software (TW) Co., Ltd., Taipei / Taiwan	100
Siemens Limited, Taipei / Taiwan	100
Varian Medical Systems Taiwan Co., Ltd., Taipei / Taiwan	100
YaRa Information Inc., Taipei / Taiwan	100
Innomotics Limited, Bangkok / Thailand	100
Siemens Healthcare Limited, Bangkok / Thailand	100
Siemens Limited, Bangkok / Thailand	100
Siemens Logistics Automation Systems Ltd., Bangkok / Thailand	100
Siemens Mobility Limited, Bangkok / Thailand	100
INNOMOTICS LIMITED COMPANY, Ho Chi Minh City / Viet Nam	100
Siemens Healthcare Limited, Ho Chi Minh City / Viet Nam	100
Siemens Ltd., Ho Chi Minh City / Viet Nam	100
Varian Medical Systems Vietnam Co Ltd, Ho Chi Minh City / Viet Nam	100
Associated companies and joint ventures	
Germany (19 companies)	
Alchemist Accelerator Europe Fund I GmbH & Co. KG, Grünwald	41[8]
ATS Projekt Grevenbroich GmbH, Schüttorf	25[8]
BentoNet GmbH, Baden-Baden	50
Caterva GmbH, Pullach i. Isartal	50

DKS Dienstleistungsgesellschaft f. Kommunikationsanlagen des Stadt- und Regionalverkehrs mbH, Cologne	49
GuD Herne GmbH, Essen	50
IFTEC GmbH & Co. KG, Leipzig	50
inpro Innovationsgesellschaft für fortgeschrittene Produktionssysteme in der Fahrzeugindustrie mbH, Berlin	50[8]
LIB Verwaltungs-GmbH, Leipzig	50[8]
Ludwig Bölkow Campus GmbH, Taufkirchen	25[8]
MetisMotion GmbH, Munich	23[8]
MeVis BreastCare GmbH & Co. KG, Bremen	49
MeVis BreastCare Verwaltungsgesellschaft mbH, Bremen	49[8]
Nordlicht Holding GmbH & Co. KG, Frankfurt	33
Nordlicht Holding Verwaltung GmbH, Frankfurt	33[8]
Siemens Energy AG, Munich	25
Siemens EuroCash, Munich	3[6]
Sternico GmbH, Wendeburg	49[8]
WUN H2 GmbH, Wunsiedel	45[8]
Europe, Commonwealth of Independent States (C.I.S.), Africa, Middle East (without Germany) (37 companies)	
VARIAN MEDICAL SYSTEMS ALGERIA SPA, Hydra / Algeria	49[8]
Armpower CJSC, Yerevan / Armenia	40
Aspern Smart City Research GmbH, Vienna / Austria	44[8]
Aspern Smart City Research GmbH & Co KG, Vienna / Austria	44
Siemens Aarsleff Konsortium I/S, Ballerup / Denmark	67[4, 8, 12, 13]
Siemens Mobility Aarsleff Konsortium I/S, Ballerup / Denmark	50[8, 13]
TRIXELL SAS, Moirans / France	25
EVIOP-TEMPO S.A. Electrical Equipment Manufacturers, Vassiliko / Greece	48
Parallel Graphics Ltd., Dublin / Ireland	57[4, 8]
Reindeer Energy Ltd., Bnei Berak / Israel	23
Transfima GEIE, Milan / Italy	42[8, 13]
Transfima S.p.A., Milan / Italy	49[8]
KACO New Energy Co., Amman / Jordan	49[8]
Temir Zhol Electrification LLP, Nur-Sultan-City / Kazakhstan	49
Prime Green Energy Infrastructure Fund II, S.A. SICAV-RAIF, Luxembourg / Luxembourg	24[8]
EGM Holding Limited, Birkirkara / Malta	33
Energie Electrique de Tahaddart S.A., Tangier / Morocco	20
Buitengaats C.V., Amsterdam / Netherlands	20[6, 13]
Buitengaats Management B.V., Eemshaven / Netherlands	20[8]
Infraspeed EPC Consortium V.O.F., Zoetermeer / Netherlands	50[8, 13]
Infraspeed Maintainance B.V., Dordrecht / Netherlands	50
Locomotive Workshop Rotterdam B.V., Zoetermeer / Netherlands	50
Ural Locomotives Holding Besloten Vennootschap, The Hague / Netherlands	50
ZeeEnergie C.V., Amsterdam / Netherlands	20[6, 13]
ZeeEnergie Management B.V., Eemshaven / Netherlands	20[8]
Rousch (Pakistan) Power Ltd., Islamabad / Pakistan	26
Impilo Consortium (Pty.) Ltd., La Lucia / South Africa	31
Nertus Mantenimiento Ferroviario y Servicios S.A., Madrid / Spain	51[4]
WS Tech Energy Global S.L., Viladecans / Spain	49
Certas AG, Zurich / Switzerland	50
Interessengemeinschaft TUS, Volketswil / Switzerland	50[13]
CAPTON ENERGY DMCC, Dubai / United Arab Emirates	49
Awel Y Môr Offshore Wind Farm Limited, Swindon, Wiltshire / United Kingdom	10[6]
Cross London Trains Holdco 2 Limited, London / United Kingdom	33
Five Estuaries Offshore Wind Farm Limited, Swindon, Wiltshire / United Kingdom	25
Galloper Wind Farm Holding Company Limited, Swindon, Wiltshire / United Kingdom	25
Plessey Holdings Ltd., Farnborough, Hampshire / United Kingdom	50[8]
Americas (18 companies)	
Brasol Participaçoes e Empreendimentos S.A., Brazil, São Paulo / Brazil	98[4]

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GNA 1 Geração de Energia S.A., São João da Barra / Brazil	22
Micropower Comerc Energia S.A., São Paulo / Brazil	20
MPC Serviços Energéticos 1A S.A, Navegantes / Brazil	48
MPC Serviços Energéticos 1B S.A., Cabo de Santo Agostinho / Brazil	48
Tractian Limited, Grand Cayman / Cayman Islands	22
Akuo Energy Dominicana, S.R.L, Santo Domingo / Dominican Republic	33
DELARO, S.A.P.I. DE C.V., Mexico City / Mexico	29
Tenedora de Activos Medicos S.A.P.I. de C.V, Mexico City / Mexico	49
CEF-L Holding, LLC, Wilmington, DE / United States	27
DeepHow Corp., Princeton, NJ / United States	23[8]
Fluence Energy, Inc., Wilmington, DE / United States	22
Hickory Run Holdings, LLC, Wilmington, DE / United States	20[6]
MSS Energy Holdings, LLC, New York, NY / United States	20
PhSiTh LLC, New Castle, DE / United States	33
Rether networks, Inc., Berkeley, CA / United States	30[8]
Software.co Technologies, Inc., Wilmington, DE / United States	23
Wi-Tronix Group Inc., Dover, DE / United States	30
Asia, Australia (24 companies)	
Exemplar Health (NBH) Partnership, Melbourne / Australia	50
Parklife Metro Holdings Pty Ltd, Melbourne / Australia	20
Parklife Metro Holdings Unit Trust, Melbourne / Australia	20
PHM Technology Pty Ltd, Melbourne / Australia	37[8]
Chengdu Wayin Zhiyun Medical Technology Co., Ltd., Chengdu / China	49[8]
DBEST (Beijing) Facility Technology Management Co., Ltd., Beijing / China	25
Guangzhou Suikai Smart Energy Co., Ltd., Guangzhou / China	35
Siemens Traction Equipment Ltd., Zhuzhou, Zhuzhou / China	50
Smart Metering Solutions (Changsha) Co. Ltd., Changsha / China	49
TianJin ZongXi Traction Motor Ltd., Tianjin / China	50
TieKe Intelligent Signalling Railway Equipment Co., Ltd., Tianjin / China	49
Xi'An X-Ray Target Ltd., Xi'an / China	43[8]
Zhenjiang Siemens Busbar Trunking Systems Co. Ltd., Yangzhong / China	50
Zhi Dao Railway Equipment Ltd., Taiyuan / China	50
Bangalore International Airport Ltd., Bangalore / India	17[6]
Greenko Sironj Wind Power Private Limited, New Delhi / India	46
Happzee Technologies Private Limited, Hyderabad / India	7[6]
Pune IT City Metro Rail Limited, Pune / India	26
SUNSOLE RENEWABLES PRIVATE LIMITED, Mumbai / India	26[8]
P.T. Jawa Power, Jakarta / Indonesia	50
BE C&I Solutions Holding Pte. Ltd., Singapore / Singapore	25
Power Automation Pte. Ltd., Singapore / Singapore	49
SINGAPORE AQUACULTURE TECHNOLOGIES (SAT) PTE LTD, Singapore / Singapore	24
Asiri A O I Cancer Centre (Private) Limited, Colombo / Sri Lanka	50[8]

	Equity interest in %	Net income in millions of €	Equity in millions of €
Other investments[11]			
Germany (4 companies)			
Erlapolis 20 GmbH, Munich	100[4, 5]	3	15
Erlapolis 22 GmbH, Munich	100[4, 5]	–	67
Munipolis GmbH, Munich	100[4, 5]	1	273
SPT Beteiligungen GmbH & Co. KG, Grünwald	100[4, 5]	(1,795)	5,693
Europe, Commonwealth of Independent States (C.I.S.), Africa, Middle East (without Germany) (2 companies)			
Medical Systems S.p.A., Genoa / Italy	45[5]	2	132
KIC InnoEnergy S.E., Eindhoven / Netherlands	6	113	314
Americas (2 companies)			
Electrify America, LLC, Wilmington, DE / United States	9	(64)	782
Thoughtworks Holding Inc., Wilmington, DE / United States	8	(99)	730

[1] Control due to a majority of voting rights.
[2] Control due to rights to appoint, reassign or remove members of the key management personnel.
[3] Control due to contractual arrangements to determine the direction of the relevant activities.
[4] No control due to contractual arrangements or legal circumstances.
[5] No significant influence due to contractual arrangements or legal circumstances.
[6] Significant influence due to contractual arrangements or legal circumstances.
[7] Not consolidated due to immateriality.
[8] Not accounted for using the equity method due to immateriality.
[9] Exemption pursuant to Section 264 b German Commercial Code.
[10] Exemption pursuant to Section 264 (3) German Commercial Code.
[11] Values according to the latest available local GAAP financial statements; the underlying fiscal year may differ from the Siemens fiscal year.
[12] Siemens AG is a shareholder with unlimited liability of this company.
[13] A consolidated affiliated company of Siemens AG is a shareholder with unlimited liability of this company.

Responsibility Statement

to the Consolidated Financial Statements and the
Group Management Report for fiscal 2023

SIEMENS

To the best of our knowledge, and in accordance with the applicable reporting principles, the Consolidated Financial Statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the Group Management Report, which has been combined with the Management Report for Siemens Aktiengesellschaft, includes a fair review of the development and performance of the business and the position of the Group, together with a description of the material opportunities and risks associated with the expected development of the Group.

Munich, December 4, 2023

Siemens Aktiengesellschaft

The Managing Board

Dr. Roland Busch

Cedrik Neike

Matthias Rebellius

Prof. Dr. Ralf P. Thomas

Judith Wiese

Independent Auditor's Reports

to the Consolidated Financial Statements and the Group Management Report for fiscal 2023

SIEMENS

Independent auditor's report

To Siemens Aktiengesellschaft, Berlin and Munich

Report on the audit of the consolidated financial statements and of the group management report

Opinions

We have audited the consolidated financial statements of Siemens Aktiengesellschaft, Berlin and Munich, and its subsidiaries (the Group), which comprise the consolidated statements of income and comprehensive income for the fiscal year from October 1, 2022 to September 30, 2023, the consolidated statements of financial position as of September 30, 2023, the consolidated statements of cash flows and changes in equity for the fiscal year from October 1, 2022 to September 30, 2023, and notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the group management report of Siemens Aktiengesellschaft, which is combined with the management report of Siemens Aktiengesellschaft, for the fiscal year from October 1, 2022 to September 30, 2023. In accordance with the German legal requirements, we have not audited chapter 11 "EU Taxonomy disclosure" of the group management report, the sections "8.5.1 Internal Control System (ICS) and ERM" and "8.5.2 Compliance Management System (CMS)" in chapter 8.5 of the combined management report as well as the content of the Corporate Governance Statement which is published on the website stated in the combined management report. In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU), and the additional requirements of German commercial law pursuant to Sec. 315e (1) HGB ["Handelsgesetzbuch": German Commercial Code] as well as with full IFRSs as issued by the International Accounting Standards Board (IASB), and, in compliance with these requirements, give a true and fair view of the assets, liabilities and financial position of the Group as of September 30, 2023 and of its financial performance for the fiscal year from October 1, 2022 to September 30, 2023, and
- the accompanying group management report as a whole provides an appropriate view of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our opinion on the group management report does not cover chapter 11 "EU Taxonomy disclosure" of the group management report, the sections "8.5.1 Internal Control System (ICS) and ERM" and "8.5.2 Compliance Management System (CMS)" in chapter 8.5 of the group management report and the content of the Corporate Governance Statement.

Pursuant to Sec. 322 (3) Sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the group management report.

Basis for the opinions

We conducted our audit of the consolidated financial statements and of the group management report in accordance with Sec. 317 HGB and the EU Audit Regulation (No 537/2014, referred to subsequently as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). We performed the audit of the consolidated financial statements in supplementary compliance with the International Standards on Auditing (ISAs). Our responsibilities under those requirements, principles and standards are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and of the group management report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Art. 10 (2) f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Art. 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the consolidated financial statements and on the group management report.

Key audit matters in the audit of the consolidated financial statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the fiscal year from October 1, 2022 to September 30, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon; we do not provide a separate opinion on these matters.

Below, we describe what we consider to be the key audit matters:

Revenue recognition on construction-type contracts

Reasons why the matter was determined to be a key audit matter: The Group conducts a significant portion of its business under construction-type contracts, particularly in the Mobility business. Revenue from long-term construction-type contracts is recognized in accordance with IFRS 15, Revenue from Contracts with Customers, generally over time under the percentage-of-completion method. We consider the accounting for construction-type contracts to be an area posing a significant risk of material misstatement (including the potential risk of management override of internal controls) and accordingly a key audit matter, because management's assessments significantly impact the determination of the extent of progress towards completion. These assessments include, in particular, the scope of deliveries and services required to fulfill contractually defined obligations, total estimated contract costs, remaining costs to completion and total estimated contract revenues, as well as contract risks including technical, political, regulatory, legal and supply chain risks.

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Revenues, total estimated contract costs and profit recognition may deviate significantly from original estimates based on new knowledge about cost overruns and changes in project scope over the term of a construction-type contract.

The effects of current geopolitical and macroeconomic developments on the project business, such as delays in project execution, price increases or disruptions in supply chains and their accounting treatment were taken into account during our audit.

Auditor's response: As part of our audit, we obtained an understanding of the Group's internally established methods, processes and control mechanisms for project management in the bid and execution phase of construction-type contracts. In this regard, we assessed the design and operating effectiveness of the accounting-related internal controls in the project business by obtaining an understanding of business transactions specific to construction-type contracts, from the initiation of the transaction through presentation in the consolidated financial statements. We also tested controls addressing the timely assessment of changes in cost estimates, the timely and complete recognition of such changes in the project calculation as well as their accounting treatment.

As part of our substantive audit procedures, which particularly involved project reviews, we evaluated management's estimates and assumptions based on a risk-based selection of a sample of contracts. Our sample primarily included projects that are subject to significant future uncertainties and risks, such as projects with complex safety/technical and regulatory requirements or projects with a large portion of materials and services to be provided by suppliers or consortium partners, fixed-price or turnkey projects, cross-border projects and projects with changes in cost estimates, delays and/or low or negative margins.

Our audit procedures included, among others, review of the contracts and their terms and conditions including contractually agreed partial deliveries and services, termination rights, penalties for delay and breach of contract, liquidated damages as well as joint and several liability. In order to evaluate whether revenues were recognized on an accrual basis for the selected projects, we analyzed revenues attributable to the fiscal year and corresponding cost of sales to be recognized in the statement of income considering the extent of progress towards completion and examined the accounting for the associated items in the statement of financial position.

For this we also assessed the accounting for contractually agreed options, contract amendments or contract terminations (including related pending legal proceedings) also in relation to previous construction-type contracts with Russian customers. We also assessed the recognition requirements of reimbursement claims.

We further performed inquiries of project management (both commercial and technical project managers) with respect to the development of the projects, the reasons for deviations between planned and actual costs, the current estimated costs to complete the projects, and management's assessments on probabilities that contract risks and claims from joint and several liability will materialize.

To identify anomalies in the development of margins and other project KPIs, we also applied data analysis procedures. In designing our audit procedures, we also considered results from project audits conducted by the internal audit function. Furthermore, we obtained evidence from third parties for selected projects (e.g., project acceptance documentation, contractual terms and conditions, and lawyers' confirmations regarding alleged breaches of contract and asserted claims) and inspected the status of projects at plant sites. Due to the large contract volume and risk profile, our audit procedures focused on large contracts for delivery of high-speed and commuter trains.

Our audit procedures did not lead to any reservations relating to revenue recognition on construction-type contracts.

Reference to related disclosures: With regard to the recognition and measurement policies applied in accounting for construction-type contracts, refer to Note 2 Material accounting policies and critical accounting estimates in the notes to the consolidated financial statements. With respect to contract assets and liabilities as well as provisions for order related losses and risks, refer to Note 10 Contract assets and liabilities, Note 18 Provisions and Note 21 Commitments and contingencies in the notes to the consolidated financial statements.

Valuation of the investment in Siemens Energy AG

Reasons why the matter was determined to be a key audit matter: Since the spin-off of Siemens Energy AG in September 2020, Siemens AG has held a 35.1% stake in the listed Siemens Energy AG which was reduced to 25.1% due to capital measures at Siemens Energy AG and the contribution of shares in Siemens Energy AG to the Siemens Pension-Trust e.V. in fiscal year 2023. The investment is accounted for as an associate, applying the equity method in accordance with IAS 28, Investments in Associates and Joint Ventures. As of June 30, 2022, an impairment was recognized on the investment. During the first six months of the financial year 2023, the market capitalization of the investment was mostly higher than the value at the time of the impairment. As of March 31, 2023, the latter was significantly exceeded. As a result, an impairment reversal was made in accordance with IAS 36, Impairment of Assets, in the amount of the increase in the stock market price since the date of the impairment until March 31, 2023. In addition, Siemens Energy AG acquired additional shares in Siemens Gamesa Renewable Energy, S.A. in fiscal year 2023. This led to a reduction in equity in the consolidated financial statements of Siemens Energy AG. The recognition of Siemens' share in this equity transaction resulted in a reduction of the carrying amount of the investment in Siemens Energy AG, which was recognized directly in Siemens' equity. As of September 30, 2023, the pro rata market value of the investment was above the book value.

Due to the judgments and estimates by management in the analyses and assessments with regards to possible impairments or reversals of impairments as well as the overall material implications for the assets, liabilities and financial position of the Group and the related significant risk of material misstatement, the assessment of the investment in Siemens Energy AG is one of the key audit matters.

Auditor's response: As part of our audit procedures in relation to management's assessment regarding the valuation of the investment in Siemens Energy AG, we examined the methods and processes defined internally for the identification of indicators for a reversal of an impairment and thus the timing of a possible reversal of an impairment as well as the measurement of a reversal of an impairment of the investment in Siemens Energy AG.

With regards to the assessment of whether there are indications for a reversal of an impairment, in particular regarding the interpretation of a possible significant increase of the fair value, we evaluated management's assessment made on a quarterly and year-end basis as well as management's judgements and estimates contained therein and also considered external evidence on credit ratings, stock market prices, analysts' assessments and observable valuation indicatorsin this regard. In addition, we evaluated the calculation of the reversal of the impairment as of March 31, 2023.

In order to assess the valuation of the investment in fiscal year 2023, we also considered the effects for Siemens AG from the acquisition of the shares in Siemens Gamesa Renewable Energy S.A. by Siemens Energy AG, the capital increase of Siemens Energy AG and the contribution of shares in Siemens Energy AG to the Siemens Pension-Trust e.V. by Siemens AG.

Furthermore, we evaluated the disclosures in the notes to the consolidated financial statements regarding the investment in Siemens Energy AG, and the reversal of the impairment, the effects of the other transactions described above as well as the events affecting Siemens Energy AG after the balance sheet date.

Our audit procedures did not lead to any reservations regarding the valuation of the investment in Siemens Energy AG as of September 30, 2023.

Reference to related disclosures: With regard to the recognition and measurement policies applied in accounting for investments in associates, refer to Note 2 Material accounting policies and critical accounting estimates in the notes to the consolidated financial statements. Details on the reversal of the impairment of the investment in Siemens Energy AG and the other described transactions are presented in Note 4 Interests in other entities. Regarding the subsequent events relating to the investment in Siemens Energy AG refer to Note 34 Subsequent events.

Provisions for proceedings out of or in connection with alleged compliance violations

Reasons why the matter was determined to be a key audit matter: We consider the accounting for provisions for proceedings out of or in connection with alleged compliance violations, including allegations of corruption and antitrust violations to be a key audit matter. These matters are subject to inherent uncertainties and require estimates that could have a significant impact on the recognition and measurement of the respective provision and, accordingly, on assets, liabilities and financial performance. The proceedings out of or in connection with alleged compliance violations are subject to uncertainties because they involve complex legal issues and accordingly, considerable management judgment, in particular when determining whether and in what amount a provision is required to account for the risks.

Auditor's response: During our audit of the financial reporting of proceedings out of or in connection with alleged compliance violations, we examined the processes implemented by Siemens for identifying, assessing and accounting for legal and regulatory proceedings. To determine what potentially significant pending legal proceedings or claims asserted are known and to assess management's estimates of the expected cash outflows, our audit procedures included inquiring of management and other persons within the Group entrusted with these matters, obtaining written statements from in-house legal counsels with respect to the assessment of estimated cash outflows and their probability, obtaining confirmations from external legal advisors and evaluating internal statements concerning the accounting treatment in the consolidated financial statements. Furthermore, we examined legal consulting expense accounts for any indications of legal matters not yet considered.

We further considered alleged or substantiated non-compliance with legal provisions, official regulations (including sanctions) and internal company policies by inspecting internal and external statements on specific matters, obtaining written statements from external legal advisors, and by inquiring of the compliance organization. In this regard, among other procedures, we evaluated the conduct and results of internal investigations by inspecting internal reports and the measures taken to remediate identified weaknesses, and assessed on this basis whether management's evaluation of any risks to be accounted for in the consolidated financial statements is plausible.

Furthermore, we evaluated the disclosures on proceedings out of or in connection with alleged compliance violations in the notes to the consolidated financial statements.

Our audit procedures did not lead to any reservations relating to the accounting for proceedings out of or in connection with alleged compliance violations.

Reference to related disclosures: With regard to the recognition and measurement policies applied in accounting for provisions, refer to Note 2 Material accounting policies and critical accounting estimates in the notes to the consolidated financial statements. With respect to proceedings out of or in connection with alleged compliance violations, refer to Note 22 Legal proceedings.

Uncertain tax positions and deferred taxes

Reasons why the matter was determined to be a key audit matter: Siemens operates in numerous countries with different local tax legislation. The accounting for uncertain tax positions as well as deferred taxes requires management to exercise considerable judgment and make estimates and assumptions and was therefore a key audit matter. In particular, this affects the measurement and completeness of uncertain tax positions, the recoverability of deferred tax assets and the measurement and completeness of deferred tax liabilities.

Auditor's response: With the assistance of internal tax specialists who have knowledge of relevant local tax law, we examined the processes installed by management for the identification, recognition and measurement of tax positions.

In the course of our audit procedures relating to uncertain tax positions, we evaluated whether management's assessment of the tax implications of significant business transactions or events in fiscal year 2023, which could result in uncertain tax positions or influence the measurement of existing uncertain tax positions, was in compliance with tax law. In particular, this includes the tax implications arising from cross border matters, such as the determination of transfer prices, the results of tax field audits, the acquisition or disposal of company shares and corporate (intragroup) restructuring activities. In order to assess measurement and completeness, we also obtained confirmations from external tax advisors. Further, we evaluated management's assessments with respect to the prospects of success of appeal and tax court proceedings by inquiring of the employees of the Siemens tax department and by considering current tax case law.

In assessing the recoverability of deferred tax assets, we above all analyzed management's assumptions with respect to tax planning strategies and projected future taxable income and compared them to internal business plans. In the course of our audit procedures regarding deferred tax liabilities, we examined in particular the assumptions regarding reinvestment of subsidiaries' retained profits for an indefinite period and assessed these taking into account dividend planning.

Our audit procedures did not lead to any reservations relating to the accounting for uncertain tax positions and deferred taxes.

Reference to related disclosures: With regard to the recognition and measurement policies applied in accounting for income taxes, refer to Note 2 Material accounting policies and critical accounting estimates in the notes to the consolidated financial statements. With respect to disclosures for deferred tax assets and liabilities, refer to Note 7 Income taxes in the notes to the consolidated financial statements.

Other information

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The Supervisory Board is responsible for the Report of the Supervisory Board in the Annual Report 2022 within the meaning of ISA [DE] 720 (Revised). Management and the Supervisory Board are responsible for the declaration pursuant to Sec. 161 AktG ["Aktiengesetz": German Stock Corporation Act] on the Corporate Governance Code, which is part of the Corporate Governance Statement, and for the Compensation Report. In all other respects, management is responsible for the other information. The other information comprises chapter 11 "EU Taxonomy disclosure" of the group management report, the sections "8.5.1 Internal Control System (ICS) and ERM" and "8.5.2 Compliance Management System (CMS)" in chapter 8.5 of the combined management report as well as the content of the Corporate Governance Statement. In addition, the other information comprises parts to be included in the Annual Report, of which we received a version prior to issuing this auditor's report, in particular:

- the Responsibility Statement (to the Consolidated Financial Statements and the Group Management Report),
- the Responsibility Statement (to the Annual Financial Statements and the Management Report),
- the Five-Year Summary,
- the Compensation Report,
- the Report of the Supervisory Board,
- Notes and forward-looking statements,

but not the consolidated financial statements and the annual financial statements, not the disclosures of the combined management report whose content is audited and not our auditor's reports as well as not our auditor's report on a limited assurance engagement on the EU Taxonomy disclosure.

Our opinions on the consolidated financial statements and on the group management report do not cover the other information, and consequently we do not express an opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in so doing, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the group management report or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and the Supervisory Board for the consolidated financial statements and the group management report

Management is responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Sec. 315e (1) HGB as well as with full IFRSs as issued by the IASB, and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position and financial performance of the Group. In addition, management is responsible for such internal control as management has determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern. It also has the responsibility for disclosing, as applicable, matters related to going concern. In addition, management is responsible for financial reporting based on the going concern basis of accounting, unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, management is responsible for the preparation of the group management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. In addition, management is responsible for such arrangements and measures (systems) as management has considered necessary to enable the preparation of a group management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the group management report.

The Supervisory Board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the group management report.

Auditor's responsibilities for the audit of the consolidated financial statements and of the group management report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the group management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our opinions on the consolidated financial statements and on the group management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Sec. 317 HGB and the EU Audit Regulation as well as in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated

by the IDW and in supplementary compliance with ISA will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this group management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements and of the group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems;
- evaluate the appropriateness of accounting policies used by management and the reasonableness of estimates made by management and related disclosures;
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify our respective opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern;
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Sec. 315e (1) HGB as well as with full IFRSs as issued by the IASB;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions;
- evaluate the consistency of the group management report with the consolidated financial statements, its conformity with German law, and the view of the Group's position it provides.
- perform audit procedures on the prospective information presented by management in the group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by management as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, the related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Other legal and regulatory requirements

Report on the assurance on the electronic rendering of the consolidated financial statements and the group management report prepared for publication purposes in accordance with Sec. 317 (3a) HGB

Opinion

We have performed assurance work in accordance with Sec. 317 (3a) HGB to obtain reasonable assurance about whether the rendering of the consolidated financial statements and the group management report (hereinafter the "ESEF documents") contained in the file SIEMENS_2023.zip and prepared for publication purposes complies in all material respects with the requirements of Sec. 328 (1) HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the consolidated financial statements and the group management report into the ESEF format and therefore relates neither to the information contained within these renderings nor to any other information contained in the file identified above.

In our opinion, the rendering of the consolidated financial statements and the group management report contained in the file identified above and prepared for publication purposes complies in all material respects with the requirements of Sec. 328 (1) HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinions on the accompanying consolidated financial statements and the accompanying group management report for the fiscal year from October 1, 2022 to September 30, 2023 contained in the "Report on the audit of the consolidated financial statements and of the group management report" above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the file identified above.

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Basis for the opinion

We conducted our assurance work on the rendering, of the consolidated financial statements and the group management report contained in the file identified above in accordance with Sec. 317 (3a) HGB and the IDW Assurance Standard: Assurance on the Electronic Rendering of Financial Statements and Management Reports Prepared for Publication Purposes in Accordance with Sec. 317 (3a) HGB (IDW AsS 410) (06.2022) and the International Standard on Assurance Engagements 3000 (Revised). Our responsibility in accordance therewith is further described in the "Group auditor's responsibilities for the assurance work on the ESEF documents" section. Our audit firm applies the IDW Standard on Quality Management 1: Requirements for Quality Management in the Audit Firm (IDW QS 1).

Responsibilities of management and the Supervisory Board for the ESEF documents

Management is responsible for the preparation of the ESEF documents including the electronic rendering of the consolidated financial statements and the group management report in accordance with Sec. 328 (1) Sentence 4 No. 1 HGB and for the tagging of the consolidated financial statements in accordance with Sec. 328 (1) Sentence 4 No. 2 HGB.

In addition, management is responsible for such internal control as it has determined necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements of Sec. 328 (1) HGB for the electronic reporting format.

The Supervisory Board is responsible for overseeing the process for preparing the ESEF documents as part of the financial reporting process.

Group auditor's responsibilities for the assurance work on the ESEF documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material intentional or unintentional non-compliance with the requirements of Sec. 328 (1) HGB. We exercise professional judgment and maintain professional skepticism throughout the assurance work. We also:

- identify and assess the risks of material intentional or unintentional non-compliance with the requirements of Sec. 328 (1) HGB, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion;
- obtain an understanding of internal control relevant to the assurance on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls;
- evaluate the technical validity of the ESEF documents, i.e., whether the file containing the ESEF documents meets the requirements of Commission Delegated Regulation (EU) 2019/815, in the version in force at the date of the financial statements, on the technical specification for this file;
- evaluate whether the ESEF documents enable an XHTML rendering with content equivalent to the audited consolidated financial statements and to the audited group management report;
- evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with the requirements of Arts. 4 and 6 of Commission Delegated Regulation (EU) 2019/815, in the version in force at the date of the financial statements, enables an appropriate and complete machine-readable XBRL copy of the XHTML rendering.

Further information pursuant to Art. 10 of the EU Audit Regulation

We were elected as group auditor by the Annual Shareholders' Meeting on February 9, 2023. We were engaged by the Supervisory Board on February 9, 2023. We have been the group auditor of Siemens Aktiengesellschaft without interruption since the fiscal year from October 1, 2008 to September 30, 2009.

We declare that the opinions expressed in this auditor's report are consistent with the additional report to the Audit Committee pursuant to Art. 11 of the EU Audit Regulation (long-form audit report).

Other matter – use of the auditor's report

Our auditor's report must always be read together with the audited consolidated financial statements and the audited group management report as well as the assured ESEF documents. The consolidated financial statements and the group management report converted to the ESEF format – including the versions to be published in the Unternehmensregister [German Company Register] – are merely electronic renderings of the audited consolidated financial statements and the audited group management report and do not take their place. In particular, the ESEF report and our assurance opinion contained therein are to be used solely together with the assured ESEF documents made available in electronic form.

German Public Auditor responsible for the engagement

The German Public Auditor responsible for the engagement is Siegfried Keller.

Munich, December 4, 2023
Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

Keller	Dr. Gaenslen
Wirtschaftsprüfer	Wirtschaftsprüfer
[German Public Auditor]	[German Public Auditor]

Independent auditor's report on a limited assurance engagement on the EU Taxonomy disclosure

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To Siemens Aktiengesellschaft, Berlin and Munich

We have performed a limited assurance engagement on the "EU Taxonomy disclosure" in chapter 11 of the group management report of Siemens Aktiengesellschaft, Berlin and Munich (hereinafter the "Company"), which is combined with the management report of Siemens Aktiengesellschaft, for the period from October 1, 2022 to September 30, 2023 (hereinafter the "EU Taxonomy disclosure").

Responsibilities of management

Management of the Company is responsible for the preparation of the EU Taxonomy disclosure in accordance with Art. 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council of June 18, 2020 on the establishment of a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088 (hereinafter the "EU Taxonomy Regulation") and the Delegated Acts adopted thereunder as well as in accordance with their own interpretation of the wording and terms contained in the EU Taxonomy Regulation and the Delegated Acts adopted thereunder that is presented in the EU Taxonomy disclosure.

These responsibilities of the Company's management include the selection and application of appropriate EU Taxonomy reporting methods and making assumptions and estimates about individual disclosures that are reasonable in the circumstances. Furthermore, management is responsible for such internal control as management considers necessary to enable the preparation of the EU Taxonomy disclosure that is free from material misstatement, whether due to fraud (manipulation of the EU Taxonomy disclosure) or error.

The EU Taxonomy Regulation and the Delegated Acts adopted thereunder contain wording and terms that are still subject to considerable interpretation uncertainties and for which clarifications have not yet been published in every case. Therefore, management has disclosed their interpretation of the EU Taxonomy Regulation and the Delegated Acts adopted thereunder in the EU Taxonomy disclosure. They are responsible for the defensibility of this interpretation. Due to the immanent risk that undefined legal terms may be interpreted differently, the legal conformity of the interpretation is subject to uncertainties.

Independence and quality assurance of the audit 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.

Responsibilities of the auditor

Our responsibility is to express a conclusion with limited assurance on the EU Taxonomy disclosure 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 International Auditing and Assurance Standards Board (IAASB). This standard requires 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 EU Taxonomy disclosure is not prepared, in all material respects, in accordance with the EU Taxonomy Regulation and the Delegated Acts adopted thereunder as well as the interpretation by management disclosed in the EU Taxonomy disclosure. 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 relevant employees for the assessment of the process to identify the Taxonomy-eligible and Taxonomy-aligned economic activities,
- Inquiries of the employees responsible for data capture and consolidation as well as the preparation of the EU Taxonomy disclosure about the reporting processes, the data capture and compilation methods as well as internal controls to the extent relevant for the limited assurance of the EU Taxonomy disclosure,
- Identification of likely risks of material misstatement in the EU Taxonomy disclosure,
- Analytical evaluation of data at the level of the Group and businesses as well as service and governance units,
- Inquiries and inspection of documents relating to the collection and reporting of data,
- Reconciliation of selected disclosures with the corresponding data in the consolidated financial statements and group management report,
- Evaluation of the presentation of the EU Taxonomy disclosure.

In determining the disclosures in accordance with Art. 8 of the EU Taxonomy Regulation, management is required to interpret undefined legal terms. Due to the immanent risk that undefined legal terms may be interpreted differently, the legal conformity of their interpretation and, accordingly, our assurance engagement thereon are subject to uncertainties.

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 EU Taxonomy disclosure of Siemens Aktiengesellschaft for the period from October 1, 2022 to September 30, 2023 is not prepared, in all material respects, in accordance with the EU Taxonomy Regulation and the Delegated Acts adopted thereunder as well as the interpretation by management as disclosed in the EU Taxonomy disclosure.

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.

General engagement terms and liability

The "General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften [German Public Auditors and Public Audit Firms]" dated January 1, 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 result is useful or suitable for their purposes and to supplement, verify or update it by means of their own review procedures.

Munich, December 4, 2023

Ernst & Young GmbH

Wirtschaftsprüfungsgesellschaft

Keller	Johne
Wirtschaftsprüfer	Wirtschaftsprüferin
[German Public Auditor]	[German Public Auditor]

Annual Financial Statements*

for fiscal 2023

* This document is an English language translation of the authoritative German version and is not provided in the European Single Electronic Format (ESEF). The legally required rendering in ESEF is filed in German language with the operator of the German Company Register and published in the German Company Register.

SIEMENS

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1. Income Statement

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(in millions of €)	Note	Fiscal year 2023	2022
Revenue	1	**19,660**	17,390
Cost of sales		**(13,671)**	(12,502)
Gross profit		**5,989**	4,888
Research and development expenses		**(2,084)**	(1,785)
Selling expenses		**(2,492)**	(2,228)
General administrative expenses		**(1,209)**	(1,055)
Other operating income	2	**338**	159
Other operating expenses	2	**(391)**	(464)
Income (loss) from operations		**151**	(485)
Income (loss) from investments, net	3	**4,734**	4,204
Interest income	4	**1,014**	387
thereof negative interest from financial investment		***(1)***	*(18)*
Interest expenses	4	**(1,586)**	51
thereof positive interest from borrowing		***3***	*341*
Other financial income (expenses), net	5	**445**	(1,044)
Income from business activity		**4,758**	3,115
Income taxes	6	**(298)**	498
Net income		**4,460**	3,612

Appropriation of net income	27		
Net income		**4,460**	3,612
Profit carried forward		**250**	185
Allocation to other retained earnings		**(950)**	(185)
Unappropriated net income		**3,760**	3,613

2. Balance Sheet

(in millions of €)	Note	Sep. 30, 2023	2022
Assets			
Non-current assets	10		
Intangible assets		**285**	153
Property, plant and equipment		**1,022**	928
Financial assets		**71,303**	71,576
		72,610	72,657
Current assets			
Inventories	11	**2,487**	2,377
Advance payments received		**(916)**	(1,043)
		1,571	1,334
Receivables and other assets	12		
Trade receivables		**1,762**	1,657
Receivables from affiliated companies		**21,630**	26,093
Other receivables and other assets		**1,227**	1,340
		24,619	29,090
Other Securities		**164**	170
Cash and cash equivalents		**2,370**	1,454
		28,724	32,047
Prepaid expenses		**223**	220
Deferred tax assets	13	**2,294**	2,065
Active difference resulting from offsetting	14	**33**	16
Total assets		**103,884**	107,005
Shareholders´ equity and liabilities			
Shareholders´ equity	15		
Subscribed capital[1]		**2,400**	2,550
Treasury shares		**(30)**	(172)
Issued capital		***2,370***	*2,378*
Capital reserve		**8,737**	8,445
Other retained earnings		**6,555**	6,188
Unappropriated net income		**3,760**	3,613
		21,422	20,623
Special reserve with an equity portion		**540**	540
Provisions			
Provisions for pensions and similar commitments	16	**13,604**	13,380
Provisions for taxes		**680**	602
Other provisions	17	**3,987**	3,711
		18,270	17,693
Liabilities	18		
Liabilities to banks		**339**	639
Trade payables		**2,374**	2,249
Liabilities to affiliated companies		**59,483**	63,946
Other liabilities		**1,222**	1,080
		63,417	67,914
Deferred income		**235**	235
Total shareholders´ equity and liabilities		**103,884**	107,005

[1] Conditional Capital as of September 30, 2023 and 2022 amounted to €421 million and €421 million, respectively.

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3. Notes to Annual Financial Statements

3.1 General Disclosures

Siemens AG has registered offices in Berlin and Munich, Germany. The Company is registered in the commercial register maintained by the local courts in Berlin Charlottenburg, Germany, under the entry number HRB 12300, and in Munich, Germany, under the entry number HRB 6684.

The Annual Financial Statements of Siemens AG have been prepared in accordance with the regulations set forth in the German Commercial Code (Handelsgesetzbuch, HGB) and the German Stock Corporation Act (Aktiengesetz, AktG). Amounts are presented in millions of euros (€ million). Due to rounding, numbers presented may not add up precisely to totals provided.

3.2 Accounting and Measurement Principles

Revenue are proceeds from selling and leasing products, providing services and granting licenses, including licensing contracts for the use of the Siemens trademark.

Negative interest from financial investments is presented as a deduction in **interest income**, and positive interest from borrowings as a deduction in **interest expenses**.

Intangible assets acquired for consideration are capitalized at acquisition costs and amortized on a straight-line basis over a maximum of five years or, if longer, the contractually agreed useful life. Items are amortized on a pro rata temporis basis in the year of acquisition. The capitalization option for internally generated intangible assets is not used.

Acquired **goodwill** is generally amortized systematically over the expected useful life of five to 15 years. The expected useful life is based on the expected use of the acquired businesses and is determined in particular by economic factors such as future growth and profit expectations, synergy effects and employee base.

Property, plant and equipment: The components of production costs are described in the context of the explanations for inventories. In general, property, plant and equipment is depreciated using the straight-line method. In certain cases, the declining balance method is applied, whereby a switch is made from the declining balance to the straight-line method as soon as the latter results in higher depreciation expense. Items are depreciated on a pro rata temporis basis in the year of acquisition. Low-value non-current assets that are subject to wear and tear, movable, and capable of being used independently, are expensed immediately or capitalized and fully depreciated in the year of acquisition.

Useful lives of property, plant and equipment

Factory and office buildings	20 to 50 years
Other buildings	5 to 10 years
Technical equipment and machines	mostly 10 years
Other equipment, plant and office equipment	3 to 8 years
Equipment leased to others	mostly 3 to 5 years

Special reserve with an equity portion includes reserves pursuant to Section 6b of the German Income Tax Act (Einkommensteuergesetz), recognized and transferred in fiscal years prior to the transition to regulations of the German Accounting Law Modernisation Act (Bilanzrechtsmodernisierungsgesetz).

Financial assets: Impairment losses are recognized if the decline in value is presumed to be other than temporary. This applies, if objective evidence, particularly events or changes in circumstances, indicate a significant or other than temporary decline in value. In case of an impairment in prior periods, a lower recognized value may not be maintained if the reasons for the impairment do no longer exist.

Inventories are measured at the lower of average acquisition or production costs and daily values. Production costs comprise, in addition to direct costs, an appropriate portion of production and material overheads and depreciation of property, plant and equipment. General administration expenses, expenses for social facilities, voluntary social costs and company pension scheme costs are not capitalized. Write-downs are recorded to cover inventory risks for reduced usability and technological obsolescence as well as in the context of loss-free valuation of unbilled contracts in construction-type and service businesses.

Allowances on **receivables** are determined on the basis of the probability of default and country risks.

Deferred tax assets for differences between valuations of balance sheet line items in accordance to commercial and tax law and tax loss carryforwards are recognized if a future tax benefit is expected. Deferred tax assets are netted with deferred tax liabilities. Recognized deferred tax assets and liabilities comprise temporary differences of assets, liabilities, and deferred items of entities forming part of the Siemens AG tax group and partnerships to the extent that the recovery or settlement of the carrying amount of assets, liabilities, or deferred items result in a deductible or taxable amount in the taxable profit (loss) of Siemens AG.

Offsetting of assets and of income and expenses: Siemens AG measures assets at fair value that are designated as being held exclusively to settle specified pension obligations and obligations for early retirement ("Altersteilzeit") arrangements and which cannot be accessed by other creditors.

Pensions and similar commitments: Siemens AG measures its pension obligations using the settlement amount calculated with the actuarial projected unit credit method on the basis of biometric probabilities. The discount rate used corresponds to the average market interest rate for instruments with an assumed remaining maturity of 15 years as published by German Federal Reserve Bank (Deutsche Bundesbank).

Entitlements resulting from plans based on asset returns from underlying assets are generally measured at the fair value of the underlying assets at the balance sheet date. If the performance of the underlying assets is lower than a guaranteed return, the pension provision is measured by projecting forward the contributions at the guaranteed fixed return and discounting to a present value.

According to the Act on the Improvement of Company Pensions (Gesetz zur Verbesserung der betrieblichen Altersversorgung), Siemens AG is secondarily liable for pension benefits provided under an indirect pension funding vehicle (mittelbarer Durchführungsweg). Siemens AG recognizes the underfunding in the item Provisions for pensions and similar commitments as far as the respective assets of the pension fund or of the pension and support fund (Pensions- und Unterstützungskasse) do not cover the settlement amount of the respective pension obligations.

Other provisions are recognized in an appropriate and sufficient amount to cover individual obligations for all identifiable risks relating to liabilities of uncertain timing and amount and for anticipated losses on onerous contracts, taking account of price and cost increases expected to arise in the future. Provisions for agreed personnel restructuring measures were recognized for legal and constructive obligations. Significant provisions with a remaining term of more than one year are discounted using a discount rate which corresponds to the average market interest rate appropriate for the remaining term of the obligations, as calculated and published by Deutsche Bundesbank.

Foreign currency translation: Receivables, other current assets, securities, cash and cash equivalents, provisions and liabilities (excluding advance payments received on orders) as well as commitments and contingencies denominated in foreign currency are generally measured applying the mean spot exchange rate on the balance sheet date. Balance Sheet line items denominated in foreign currency which are part of a valuation unit used to hedge foreign currency risk are measured using the mean spot exchange rate on the transaction date. Non-current assets and inventories acquired in foreign currency are generally measured applying the mean spot exchange rate on the transaction date.

Guarantees and other commitments: Siemens AG issues parent company guarantees, i.e. guarantees to ensure performance obligations incurred from the delivery of goods or provision of services by affiliated and long-term investee companies or their parent companies. For measurement purposes, the contract amount of the secured delivery or service agreement is reduced using the straight-line method over the planned term of the delivery or service agreement, unless there are reasons for a different risk assessment and an increased liability amount ("risk-adequate liability amount"). Credit lines included in the guarantee obligations in the context of financing affiliated companies are recognized at their nominal amount.

Derivative financial instruments are used by Siemens AG almost exclusively for hedging purposes and – if the relevant conditions are met – are aggregated with the underlying hedged item into valuation units. When a valuation unit is created, changes in values or cash flows from the hedged item and hedging contract are compared. A provision is recognized only for a negative surplus from the ineffective part of the market value changes. The unrealized gains and losses from the effective part offset each other completely and are not recognized in the Balance Sheet or the Income Statement.

Classification of items in the annual financial statements: Siemens AG aggregates individual line items of the Income Statement and Balance Sheet if the individual line item is not material for providing a true and fair view of the Company's financial position and if such an aggregation improves the clarity of the presentation. Siemens AG discloses these items separately in the notes.

3.3 Notes to the Income Statement

NOTE 1 Revenue

Revenue by lines of business

	Fiscal year
(in millions of €)	2023
Digital Industries	11,220
Smart Infrastructure	6,127
Other revenue	2,313
Revenue	19,660

Revenue by region

	Fiscal year
(in millions of €)	2023
Europe, C.I.S., Africa, Middle East	14,708
Americas	1,606
Asia, Australia	3,346
Revenue	19,660

NOTE 2 Other operating income and expenses

Other operating income included income from an intragroup service contract in the amount of €148 million. Income from the release of the special reserve with an equity portion was €1 million (2022: €1 million).

Other operating expenses included a loss of €196 million on the disposal relating to the carve-out of business activities into Innomotics GmbH, Germany (a supplier of engines and large drives).

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NOTE 3 Income (loss) from investments, net

(in millions of €)	Fiscal year 2023	2022
Income from investments	2,907	4,789
thereof from affiliated companies	*2,905*	*4,768*
Income from profit transfer agreements with affiliated companies	1,562	3,474
Expenses from loss transfers from affiliated companies	–	(61)
Impairments on investments	(179)	(3,997)
Reversals of impairments on investments	224	61
Gains from the disposal of investments	240	61
Losses from the disposal of investments	(19)	(124)
Income (loss) from investments, net	4,734	4,204

Income from investments included in particular profit distributions from Siemens Ltd., China, amounting to €1,987 million, and from Siemens Healthineers AG, Germany, amounting to €634 million.

Income from profit transfer agreements with affiliated companies included profit transfers from Siemens Beteiligungen Inland GmbH, Germany, amounting to €1,323 million, and from Siemens Financial Services GmbH, Germany, amounting to €188 million.

Impairments on investments included an impairment of €164 million on a stake in Thoughtworks Holding, Inc., U.S.

In fiscal year 2023, Siemens AG sold 3.5% of the shares in Siemens Energy AG that were held as pension assets at that time. This resulted in a gain of €213 million from the disposal of investments. As of the balance sheet date, Siemens AG directly held a 21.0% stake in Siemens Energy AG. A reversal of impairment in the amount of €166 million was made on these shares based on Xetra closing price on the balance sheet date. As of the reporting date, the carrying amount of the investment in Siemens Energy AG amounted to €2.1 billion.

NOTE 4 Interest income and interest expenses

Both the increase in interest income from €387 million in the prior year to €1,014 million in the current fiscal year and the swing in interest expense from income of €51 million in the prior year to expenses of €1,586 million in the current fiscal year resulted primarily from the effects of higher interest rates in connection with intragroup financing. Interest income included interest income from affiliated companies of €890 million (2022: €347 million). Interest expenses included interest expenses from affiliated companies of €1,548 million (2022: €67 million interest income). Interest income from loans of non-current financial assets amounted to €113 million (2022: €80 million).

NOTE 5 Other financial income (expenses), net

(in millions of €)	Fiscal year 2023	2022
Interest component of changes in the pension and personnel-related provisions that are offset against designated plan assets	(21)	18
Income from designated plan assets	44	19
Expenses from designated plan assets	(1)	(89)
Financial income (expenses), (net) from pension and personnel-related provisions that are offset against designated plan assets	22	(52)
Interest component of changes in the pension and personnel-related provisions that are not offset against designated plan assets	(181)	(487)
Result from realization of monetary balance sheet items denominated in foreign currencies	(28)	138
Result from foreign currency, interest rate and other derivative financial instruments	479	510
Result from changes in provisions for risks relating to derivative financial instruments	59	(361)
Reversal of impairments of loans and securities	71	76
Impairments of loans and securities	–	(904)
Other financial income	23	40
Other financial expenses	–	(3)
Other financial income (expenses), net	445	(1,044)

Result from foreign currency, interest rate and other derivative financial instruments included income of €536 million from the termination of interest rate hedging contracts and combined interest and currency hedging contracts in connection with intragroup financing.

NOTE 6 Income taxes

	Fiscal year	
(in millions of €)	2023	2022
Income tax expenses	**(527)**	(325)
Deferred taxes	**229**	823
Income taxes	**(298)**	498

Deferred taxes included income from an increase in deferred taxes related to partnerships, pension provisions, and from entities forming part of the Siemens AG tax group.

NOTE 7 Other taxes

Other taxes of €21 million (2022: €11 million) were included in functional costs.

NOTE 8 Income relating to prior periods

The income statement of Siemens AG included income relating to prior periods of €520 million, resulting mainly from the release of provisions.

NOTE 9 Expenses relating to prior periods

The income statement of Siemens AG included expenses relating to prior periods of €34 million.

3.4 Notes to the Balance Sheet

NOTE 10 Non-current assets

(in millions of €)	Acquisition or production costs					Accumulated depreciation/amortization					Carrying amount	
	Oct 01, 2022	Additions	Reclassifications	Disposals	Sep 30, 2023	Oct 01, 2022	Depreciation/ amortization	Write-ups	Disposals	Sep 30, 2023	Sep 30, 2023	Sep 30, 2022
Intangible assets												
Concessions and industrial property rights	303	49	–	(41)	310	(237)	(20)	–	39	(217)	93	66
Goodwill	203	129	–	(12)	319	(116)	(20)	–	9	(128)	192	87
	505	178	–	(53)	630	(353)	(40)	–	48	(345)	285	153
Property, plant and equipment												
Land, land rights and buildings, including buildings on third-party land	445	5	1	(9)	442	(258)	(8)	–	7	(259)	183	187
Technical equipment and machinery	1,322	78	42	(269)	1,173	(1,013)	(65)	–	247	(830)	343	309
Other equipment, plant and office equipment	1,180	171	16	(196)	1,170	(917)	(141)	–	186	(872)	298	263
Equipment leased to others	170	6	–	(6)	170	(109)	(11)	–	5	(115)	55	61
Advanced payments made and construction in progress	110	107	(59)	(12)	145	(1)	–	–	–	(1)	144	108
	3,227	366	–	(493)	3,100	(2,298)	(225)	–	445	(2,078)	1,022	928
Financial assets												
Shares in affiliated companies	64,580	269	–	(783)	64,065	(2,153)	(12)	58	222	(1,886)	62,180	62,427
Shares in investments	7,632	2	–	(1,412)	6,222	(4,531)	(166)	166	1,040	(3,492)	2,730	3,102
Loans	4,673	1,598	–	(1,450)	4,821	–	–	–	–	–	4,821	4,673
Securities	1,591	268	–	(133)	1,727	(217)	–	63	–	(154)	1,572	1,374
	78,476	2,136	–	(3,778)	76,835	(6,900)	(179)	286	1,261	(5,532)	71,303	71,576
Non-current assets	82,208	2,680	–	(4,324)	80,565	(9,551)	(444)	286	1,754	(7,955)	72,610	72,657

Loans included loans to affiliated companies in the amount of to €4,383 million (2022: €4,244 million), and other loans in the amount of €438 million (2022: €430 million).

Total impairments of non-current assets were €179 million (2022: €4,268 million).

NOTE 11 Inventories

	Sep 30,	
(in millions of €)	2023	2022
Raw materials and supplies	812	762
Work in progress	278	298
Finished products and goods	399	350
Cost of unbilled contracts	937	910
Advance payments made	60	57
Inventories	2,487	2,377

NOTE 12 Receivables and other assets

(in millions of €)	Sep 30, 2023	thereof maturities more than one year	Sep 30, 2022	thereof maturities more than one year
Trade receivables	1,762	15	1,657	51
Receivables from affiliated companies	21,630	5,119	26,093	4,345
Other receivables and other assets	1,227	161	1,340	193
thereof from long-term investees	*5*	*–*	*9*	*–*
thereof other assets	*1,222*	*161*	*1,330*	*193*
Receivables and other assets	24,619	5,295	29,090	4,588

Receivables from affiliated companies resulted primarily from intragroup-financing activities and included trade receivables totaling €15 million (2022: €12 million).

NOTE 13 Deferred tax assets

Deferred tax assets resulted mainly from pension provisions and pension-related assets, from deferred taxes of companies forming part of the Siemens AG tax group, as well as from other provisions and tax loss carryforwards. Deferred taxes from partnerships had an offsetting effect.

For the measurement of deferred taxes, a tax rate of 31.33% was applied. Deviating from this, a tax rate of 15.83% was applied for temporary differences related to assets, liabilities and prepaid/deferred items of partnerships.

NOTE 14 Active difference resulting from offsetting

	Sep 30,
(in millions of €)	2023
Fair value of designated plan assets	1,011
Settlement amount for offset pension provisions	(694)
Settlement amount for offset personnel-related provisions	(285)
Active difference resulting from offsetting	33
Acquisition cost of designated plan assets	939

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NOTE 15 Shareholders' equity

(in millions of €)	Oct 01, 2022	Retirement of treasury shares	Share buybacks	Issuance of treasury shares under share-based payments and employee share programs	Dividend for 2022	Net income	Sep 30, 2023
Subscribed capital	2,550	(150)	–	–	–	–	**2,400**
Treasury shares	(172)	150	(21)	13	–	–	**(30)**
Issued capital	2,378		(21)	13	–	–	**2,370**
Capital reserve	8,445	150	–	142	–	–	**8,737**
Other retained earnings	6,188	(150)	(864)	431	–	950	**6,555**
Unappropriated net income	3,613		–	–	(3,362)	3,510	**3,760**
Shareholders' equity	20,623	–	(884)	586	(3,362)	4,460	**21,422**

Subscribed capital

The capital stock of Siemens AG is divided into 800,000,000 registered shares (2022: 850,000,000 registered shares) of no-par value with a notional value of €3.00 per share.

Authorized capital

As of September 30, 2023, Siemens AG had authorized capital totaling a nominal amount of €600 million, which can be issued in instalments and with different time limits by issuing up to 200 million registered no-par value shares.

In detail, there are the following authorizations to increase the capital stock:

- By resolution of the Annual Shareholders' Meeting of February 3, 2021, the Managing Board is authorized to increase the capital stock until February 2, 2026 by up to €90 million through the issuance of up to 30 million Siemens shares against contributions in cash (Authorized Capital 2021). Subscription rights of existing shareholders are excluded. The new shares may exclusively be offered to employees of Siemens AG and its affiliated companies (employee shares). To the extent permitted by law, employee shares may also be issued in such a manner that the contribution to be paid on such shares is covered by that part of the annual net income which the Managing Board and the Supervisory Board may allocate to other retained earnings under Section 58 para. 2 of the German Stock Corporation Act.
- Further, by resolution of the Annual Shareholders' Meeting of January 30, 2019, the Managing Board is authorized to increase, with the approval of the Supervisory Board, the capital stock until January 29, 2024 by up to €510 million through the issuance of up to 170 million registered no-par value shares against cash contributions and/or contributions in kind (Authorized Capital 2019). Under certain conditions, the Managing Board is authorized, with the consent of the Supervisory Board, to exclude shareholders' subscription rights in the event of issue against contributions in kind. In the case of issue against cash payment, the shares are generally to be offered to shareholders for subscription. However, the Managing Board is authorized, with the consent of the Supervisory Board, to exclude subscription rights, firstly for any fractional amounts, secondly, to grant dilution compensation in connection with convertible bonds or bonds with warrants already issued, and thirdly, under certain further conditions, if the issue price of the new shares does not fall significantly below the stock exchange price of the Company's already listed shares.

Treasury shares

The following table presents the development of treasury shares:

(in number of shares)	Fiscal year 2023
Treasury shares, beginning of fiscal year	**57,454,171**
Retirement of treasury shares	**(50,000,000)**
Share buyback	**6,853,091**
Issuance under share-based payments and employee share programs	**(4,227,344)**
Treasury shares, end of fiscal year	**10,079,918**

Siemens AG held 10,079,918 treasury shares, equaling a nominal amount of €30 million, representing 1.3% of the capital stock.

On June 24, 2021, Siemens announced a share buyback with a volume of up to €3 billion in the period from the beginning of fiscal 2022 to 2026. The share buyback, which began on November 15, 2021 and will run no longer than until September 15, 2026, is executed based on the authorizations granted by the Annual Shareholders' Meeting on February 5, 2020. In addition to the dividend policy, the share buyback is intended to allow shareholders to continuously participate in the success of the Company. In fiscal 2023, Siemens AG repurchased a total of 6,853,091 treasury shares under this buyback program. This represented a nominal amount of €21 million or 0.9% of capital stock. In the current reporting period, €884 million (excluding incidental transaction charges) were spent for this purpose; this represents a weighted average stock price of €129.04 per share. The purchases were made in the reporting period on 248 Xetra trading days and were carried out by a bank that had been commissioned by Siemens AG; the shares were purchased exclusively on the electronic trading platform of the Frankfurt Stock Exchange (Xetra). The average volume on these trading days was about 27,633 shares.

The treasury shares purchased under the share buybacks may be used for purposes of retirement, distribution to employees, members of the executive bodies of companies affiliated with Siemens and members of the Managing Board, as well as the servicing of convertible bonds with attached warrants.

Following the 2023 Annual Shareholders' Meeting, the Management Board resolved to redeem 50,000,000 treasury shares.

In fiscal 2023, Siemens AG re-issued in total 4,227,344 treasury shares under the exclusion of subscription rights in connection with share-based payments and employee share programs in the Group, equaling a nominal amount of €13 million and 0.5% of capital stock. The Company received in total €236 million for 1,843,831 shares, re-issued against payment of a purchase price. Siemens AG received this amount for unrestricted use. All shares were sold as investment shares in connection with the share matching program to plan participants. In each case, the purchase price was determined on the basis of the closing rate in Xetra trading, determined on a monthly effective date. Therefore, in the reporting period, in total 1,297,391 shares related to the monthly investment plan at a weighted average share price of €138.69 per share, 227,427 shares related to the share matching plan at a weighted average share price of €145.02 per share, and 319,013 shares related to the base share program at a weighted average share price of €72.51 per share (after consideration of a 50% subsidy by the Company). The other shares re-issued during the reporting period can be primarily attributed to the servicing of stock awards granted in fiscal 2019 totaling 1,693,126 shares, to 573,467 matching shares under the share matching program for fiscal 2020, and to 116,920 jubilee shares.

Information on amounts subject to dividend payout restrictions

(in millions of €)	Fiscal Year 2023
Amount representing the difference of the recognition of provisions and similar commitments based on average interest rates covering ten and seven years, respectively	257
Amounts from the capitalization of deferred taxes	2,294
Amounts from the capitalization of assets at fair value	18

These amounts subject to dividend payout restrictions face other retained earnings in a sufficiently high amount. The unappropriated net income of €3,760 million is available for distribution.

Disclosures on shareholdings of Siemens AG

As of September 30, 2023, the following information on shareholdings subject to reporting requirements was available to the Company pursuant to Section 160 para 1 No. 8 German Stock Corporation Act (Aktiengesetz):

BlackRock, Inc., Wilmington, USA, informed us on August 7, 2023, that as of August 2, 2023, its percentage of voting rights (held either directly or indirectly) in Siemens AG amounted to 6.68% of which 6.56% were voting rights from 52,480,190 shares due to their participation and 0.12% were attributable to instruments.

Goldman Sachs Group, Inc., Wilmington, USA, informed us on December 22, 2022, that as of December 16, 2022, its percentage of voting rights (held either directly or indirectly) in Siemens AG amounted to 4.15% of which 0.28% were voting rights from 2,377,304 shares due to their participation and 3.87% were attributable to instruments.

The Werner Siemens-Stiftung, Zug, Switzerland, notified us on January 21, 2008, that its percentage of voting rights (held either directly or indirectly) in Siemens AG exceeded the threshold of 3% of the voting rights in our Company on January 2, 2008 and amounted to 3.03% (27,739,285 voting rights) as per this date.

NOTE 16 Provisions for pensions and similar commitments

In Germany, Siemens AG provides pension benefits through the BSAV (Beitragsorientierte Siemens Altersversorgung), frozen legacy plans and deferred compensation plans. The majority of Siemens' active employees participate in the BSAV. The benefits are predominantly based on nominal contributions by the Company and investment returns on assets designated to that plan, subject to a minimum return guaranteed by the Company. At inception of the BSAV, benefits provided under the frozen legacy plans were modified to substantially eliminate the effects of compensation increases. However, the frozen plans still expose Siemens to investment risk, interest rate risk, inflation risk and longevity risk. The pension benefits are funded via contractual trust arrangements (CTA). A portion of these trust assets also covers the pension obligations of other domestic subsidiaries. Therefore, the assets do not meet the criteria for offsetting against the pension obligation and are presented as financial assets of Siemens AG.

The actuarial assumptions for valuation of the settlement amount as of September 30, 2023 were based, among others, on a discount rate of 1.81% and an average weighted pension increase of 2.40% p.a. The mortality tables used (Siemens Bio 2017/2023) are primarily based on data of the German Siemens population, using a set of formulas that corresponds to generally accepted actuarial standards.

NOTE 17 Other provisions

The major amounts in other provisions were contributed by provisions related to personnel costs amounting to €1,136 million, provisions for contingent losses from derivative financial instruments amounting to €723 million, provisions for warranties, delay compensations, penalties for delay and breach of contract amounting to €639 million, provisions for decontamination obligations amounting to €489 million, and provisions related to guarantees and expected obligations from consortium agreements amounting to €267 million.

In May 2021, Siemens AG and the Federal Republic of Germany entered into a public-law contract based on which the obligation of final disposal of nuclear waste is transferred to the Federal Republic of Germany for a payment of €360 million. The contract and therefore the payment is subject to the approval of the EU commission under state-aid rules. Estimation uncertainties still relate to assumptions made to measure the obligations that remain with Siemens AG, with regard to conditioning and packaging of nuclear waste, as well as intermediate storage and transport to the final storage facility "Schacht Konrad" or a logistics depot until year-end 2032.

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NOTE 18 Liabilities

(in million of €)	Sep 30, 2023	up to 1 year	1 year up to 5 years	thereof maturities more than 5 years	Sep 30, 2022	up to 1 year	1 year up to 5 years	thereof maturities more than 5 years
Liabilities to banks	339	2	337	–	639	639	–	–
Trade payables	2,374	2,367	7	–	2,249	2,209	40	–
Liabilities to affiliated companies	59,483	54,165	3,732	1,585	63,946	56,143	6,119	1,684
Other liabilities	1,222	1,203	19	–	1,080	1,019	61	–
thereof to long-term investees	*5*	*5*	–	–	*6*	*6*	–	–
thereof miscellaneous liabilities	*1,217*	*1,198*	*19*	–	*1,074*	*1,013*	*61*	–
therein from taxes	*111*	*111*	–	–	*93*	*93*	–	–
therein for social security	*91*	*91*	–	–	*137*	*137*	–	–
Liabilities	63,417	57,737	4,095	1,585	67,914	60,010	6,220	1,684

Liabilities to affiliated companies resulted primarily from intragroup-financing activities.

3.5 Other disclosures

NOTE 19 Material expenses

(in millions of €)	Fiscal year 2023	2022
Expenses for raw materials, supplies and purchased merchandise	(6,047)	(5,541)
Costs of purchased services	(4,210)	(3,576)
Material expenses	(10,257)	(9,117)

NOTE 20 Personnel expenses

(in millions of €)	Fiscal year 2023	2022
Wages and salaries	(4,767)	(4,186)
Social security contributions and expenses for other employee benefits	(689)	(674)
Expenses for pensions	(1,148)	(1,213)
Personnel expenses	(6,603)	(6,073)

Personnel expenses did not include the expenses resulting from the compounding of the pension and personnel-related provisions, which are included in other financial income (expenses), net. Expenses for pensions mainly included effects from pension increases due to the continued high consumer price index as part of the actuarial valuation of the settlement amount of pension obligations.

The breakdown of employees per function is as follows:

	Fiscal year 2023
Production	27,200
Sales	8,300
Research and development	7,100
Administration and general functions	6,300
Employees	49,000

NOTE 21 Share-based payment

Siemens AG allows employees and members of the Managing Board to participate in share-based payment programs. For the purpose of servicing share-based payment programs, Siemens AG also delivers Siemens shares, which have been granted by affiliated companies.

Stock Awards

Siemens AG grants stock awards to members of the Managing Board, members of the senior management and other eligible employees.

Stock awards to beneficiaries of Siemens AG are expensed as incurred over the vesting period and are measured at the intrinsic value (= share price of the Siemens stock) at the balance sheet date on a pro rata basis for the proportion of the vesting period expired, if applicable, considering the estimated target attainment at the balance sheet date.

The following table shows the changes of stock awards subject to performance conditions held by beneficiaries of Siemens AG and, for the first time since fiscal 2023 due to the overall increase in volume, also stock awards not subject to performance conditions:

(in number of shares)	Fiscal year 2023
Non-vested, beginning of fiscal year	5,111,928
Granted	1,364,429
Vested and fulfilled	(730,891)
Forfeited	(924,465)
Settled	(5,005)
Organizational changes	(75,860)
Non-vested, end of fiscal year	4,740,136

The pro rata intrinsic value of all stock awards issued to beneficiaries of Siemens AG amounted to €343 million at the balance sheet date.

Share Matching Program

Plan participants receive the right to one Siemens share without payment (matching share) for every three investment shares continuously held over a vesting period.

Matching shares granted to beneficiaries of Siemens AG are expensed as incurred over the vesting period and are measured at the intrinsic value (= share price of the Siemens stock) at the balance sheet date on a pro rata basis for the proportion of the vesting period expired at the balance sheet date.

The following table shows the changes in the entitlements to matching shares of beneficiaries of Siemens AG:

(in number of shares)	Fiscal year 2023
Outstanding, beginning of fiscal year	667,125
Granted	307,201
Vested and fulfilled	(296,040)
Forfeited	(31,134)
Settled	(15,853)
Organizational changes	(29,029)
Outstanding, end of fiscal year	602,270

The pro rata intrinsic value of all matching shares issued to beneficiaries of Siemens AG amounted to €47 million.

NOTE 22 Shares in investment funds

The following shares in investment funds according to investment objects were held:

(in million of €)	Sep 30, 2023 Carrying amount	Market value	Deviation from carrying amount
Mixed funds	1,941	2,284	343
Bond-based funds	321	321	–
Share-based funds	24	24	–
Money market funds	50	50	–
Shares in investment assets according to investment objects	2,336	2,679	343

Generally, shares in investment funds are accounted for securities held as non-current financial assets. Exceptions were those shares which represented plan assets and therefore were not accessible by all other creditors. These shares are held exclusively for the purpose of settling liabilities arising from post-employment obligations or comparable obligations with a long-term maturity, and are to be offset against such liabilities.

NOTE 23 Guarantees and other commitments

(in millions of €)	Sep 30, 2023
Obligations from guarantees	3,395
Warranty obligations	101,116
thereof relating to financing of affiliated companies	*70,041*
thereof relating to performance guarantees on behalf of affiliated companies	*23,040*
thereof Others	*8,036*
Guarantees and other commitments	104,511

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Warranty obligations relating to financing of affiliated companies included guarantees towards banks for credit lines granted to affiliated companies.

The items Obligations from guarantees and Warranty Obligations - Others included guarantees and other commitments for the benefit of companies of the Siemens Energy Group totaling €0.1 billion and €4.7 billion, respectively, with corresponding full reimbursement rights towards Siemens Energy Global GmbH & Co. KG. In addition, the items included indemnifications issued in connection with dispositions of businesses. Such indemnifications, if customary to the relevant transactions, may protect the buyer from potential tax, legal and other risks in conjunction with the purchased business.

Warranty obligations included obligations of Siemens AG towards affiliated companies totaling €1.0 billion.

Siemens AG only enters into guarantees and other commitments after careful consideration of the risks concerned and in general only in relation to its own business activities or those of affiliated companies as well as to business activities of companies, if it holds an investment in them or their parent companies. Based on an ongoing risk evaluation of the arrangements entered into and taking into account all information available up to the date on which the Annual Financial Statements were issued for approval, Siemens AG concluded that the relevant primary debtors are able to fulfill the underlying obligations. For this reason, Siemens AG considered it not probable that it will be called upon in conjunction with any of the guarantees and commitments described above.

NOTE 24 Financial payment obligations under lease and rental arrangements

Expenses for lease and rental arrangements in which the economic ownership of the leased/rented asset was not attributable to Siemens AG and the relevant items were not recognized as assets by Siemens AG amounted to €293 million. Object of these contracts were mainly real estate and other non-current assets.

Payment obligations under lease and rental arrangements amounted to €1,334 million, of which €201 million resulted from transactions with affiliated companies. Payment obligations under lease and rental arrangements due within the next fiscal year amounted to €247 million.

NOTE 25 Other financial obligations

Approximately €1.5 billion were outstanding as of September 30, 2023, from an outsourcing agreement with a maturity of several years.

Obligations for equity contributions to affiliated companies amounted to €491 million.

Siemens AG has entered into a contract to pay its affiliated company Siemens Trademark GmbH & Co. KG, Germany, a running royalty for the use of the Siemens trademark rights. The fee is calculated by applying business-specific royalty rates to brand-related revenue. The contract has an indefinite duration. For fiscal 2023, the corresponding expenses amounted to €988 million. For fiscal 2024, the royalty is expected to be in the same magnitude.

In the course of its normal business operations, Siemens AG is involved in numerous legal and regulatory proceedings as well as governmental investigations (legal proceedings) in various jurisdictions. These legal proceedings could result in particular in the Company being subject to payment of damages and punitive damages, equitable remedies or criminal or civil sanctions, fines or disgorgements of profit. In individual cases, this may also lead to formal or informal exclusion from tenders or the revocation or loss of business licenses or permits. In addition, further Legal Proceedings may be commenced or the scope of pending Legal Proceedings may be expanded. Some of these legal proceedings could result in adverse decisions for Siemens AG that may have material effects on its financial position, the results of its operations and/or its cash flows in the respective reporting period. In addition, Siemens is jointly and severally liable within consortia. As far as not recognized in the financial statements, Siemens AG did not expect any material negative effects on its financial position, the results of its operations and/or its cash flows at balance sheet date.

NOTE 26 Derivative financial instruments and valuation units

As a consequence of its global operating, investing and financing activities, Siemens AG is in particular exposed to risks resulting from changes in exchange rates and interest rates, managed in line with a proven risk management system in consideration of defined risk limits. As the parent company of the Siemens Group, Siemens AG has the central role within the group-wide management of financial market risks. To manage the risks resulting from changes in exchange rates and interest rates, Siemens AG uses primarily foreign currency forward contracts, interest rate swaps as well as combined interest and foreign currency swaps. Thereby the operating units of Siemens AG are not allowed to enter into derivative financial instruments for speculative purposes. The contract partners of the Company for derivative financial instruments are banks, brokers and affiliated companies. The credit rating for banks and brokers is constantly monitored.

The following table shows the notional volume and net fair values of existing derivative financial instruments that were not included in a valuation unit as of the balance sheet date:

	Sep 30, 2023	
(in millions of €)	Notional amount	Fair values
Interest rate hedging contracts	8,038	(722)
Combined interest and currency hedging contracts	369	26
Existing derivative financial instruments	**8,407**	**(696)**

The notional amounts equal the contractual amounts of the individual derivative financial instrument which – irrespective of the nature of the concluded position (sale or purchase) – are presented on a gross basis (gross notional amounts).

Fair values of these derivative financial instruments are calculated by discounting expected future cash flows over the remaining term of the instrument using current market interest rates and yield curves.

The following table shows the carrying amounts, if any, of derivative financial instruments that are not included in valuation units and the balance sheet items in which the carrying amounts are recognized:

			Sep 30, 2023
(in millions of €)	Other assets	Other provisions	Other liabilities
Interest rate hedging contracts	–	(722)	–
Combined interest and currency hedging contracts	–	(1)	–
Derivative financial instruments requiring recognition	–	(723)	–

Provided the relevant conditions are met, derivative financial instruments are aggregated with the underlying hedged item into valuation units. Using the freezing method, the hedging transactions are not recognized in the balance sheet. The effectiveness of the valuation unit is either ensured through risk management, or is demonstrated both prospectively and retrospectively based on appropriate methods used to demonstrate effectiveness (e.g. dollar offset method, regression method, sensitivity analysis). Valuation gains and losses from derivative financial instruments and hedged items are netted for each valuation unit. A provision for anticipated losses on onerous contracts is recognized for the respective valuation unit in the amount of an existing loss surplus. Profit surpluses are not recognized.

Valuation unit used to hedge the foreign currency risk

According to the Company policy, Siemens units are responsible for recording, assessing and monitoring their foreign currency transaction exposure. Foreign currency transaction exposure of the Siemens units from contracted business and cash balances in foreign currency is generally hedged approximately by 100% with Corporate Treasury. Foreign currency transaction exposure of the Siemens units from planned business above defined thresholds has to be hedged with Corporate Treasury within a band of 75% to 100% for a hedging period of at least three months.

The remaining foreign currency risk after offsetting cash flows in the same currency is hedged by the Corporate Treasury with external contract partners. The net foreign currency position (before hedging) is combined with the offsetting foreign currency exchange contracts to a macro valuation unit. For this purpose, hedged items and hedging instruments are measured with the respective underlying discounted cash flows. For foreign currency derivative financial instruments, the determination is based on the changes in relevant forward exchange rates. The existing derivative currency hedging contracts are included in the valuation unit in their entirety and had maturity terms until the year 2041. The cash in- and outflows from the foreign currency exchange contracts, firm commitments and forecast transactions are disclosed on a net basis in the following table.

(in millions of €)	Sep 30, 2023
Foreign currency risk from balance sheet items	3,115
thereof assets	*14,073*
thereof liabilities	*(10,958)*
Foreign currency risk from firm commitments and forecast transactions	687
thereof expected cash inflows from firm commitments and forecast transactions	*1,245*
thereof expected cash outflows from firm commitments and forecast transactions	*(558)*
Net foreign currency position (before hedging)	3,802
Foreign currency exchange contracts (net notional value)	(3,968)
thereof with external contract partners	*2,671*
thereof with affiliated companies	*(6,639)*
Net foreign currency position (after hedging)	(166)

Firm commitments and forecast transactions relate to transactions for which a legally binding contract was concluded but not yet performed on by either contracting party, as well as contingent payment claims for already partially completed performance obligations in the project and product businesses.

As of September 30, 2023, the fair value of derivative financial instruments from foreign currency hedging transactions was €(4) million, net. Positive fair values of €1,897 million were offset by negative fair values of €1,901 million. For derivative financial instruments with negative fair values, no provision for anticipated losses was recognized as part of the valuation unit.

Valuation unit used to hedge the interest rate risk

The interest rate hedging contracts used by Siemens AG serve to reduce interest rate risks within the framework of an integrated asset-liability management approach and to optimize the interest results.

Siemens AG has entered into interest rate derivatives with external counterparties to hedge interest rate swaps with its affiliated companies against interest rate risk. As of September 30, 2023, the interest rate swaps with affiliated companies with a maximum maturity term until the year 2028 included in this macro-valuation unit had a notional amount of €2,121 million and fair values of €122 million. At balance sheet date, these underlying transactions were matched by external interest rate derivatives with negative fair values of €59 million, net, and a maximum maturity term until the year 2030.

To hedge interest rate risks arising from payables to affiliated companies, Siemens AG has entered into interest rate derivatives with external counterparties. As of September 30, 2023, the liabilities hedged in this micro-valuation unit had a nominal volume of €2,347 million and a maximum maturity term until the year 2025. As of September 30, 2023, the positive cumulative changes in the market value of these payables of €86 million were offset by external interest rate derivatives with identical maturities whose negative market value was €78 million.

The amount of interest rate risks hedged with the valuation unit, which did not lead to a provision for anticipated losses, totaled €165 million.

NOTE 27 Proposal for the appropriation of net income

The Supervisory Board and the Managing Board propose the unappropriated net income of Siemens AG for the fiscal year ended September 30, 2023, amounting to €3,760 million to be appropriated as follows: Distribution of a dividend of €4.70 on each share of no par value entitled to the dividend, and carry-forward of the unappropriated net income for shares of no par value not entitled to the dividend.

NOTE 28 Remuneration of the members of the Managing Board and the Supervisory Board

Remuneration of the members of the Managing Board

Members of the Managing Board received cash compensation of €18.8 million. The fair value of share-based compensation amounted to €10.5 million for 170,111 stock awards. The Company granted contributions under the BSAV to members of the Managing Board totaling €2.2 million.

Therefore, the compensation and benefits attributable to members of the Managing Board amounted to €31.6 million in total.

Total remuneration of former members of the Managing Board

Former members of the Managing Board and their surviving dependents received a total of €24.6 million according to Section 285 no. 9b of the German Commercial Code.

Siemens recognized pension provisions totaling €129.3 million for the pension entitlements to former members of the Managing Board and their surviving dependents.

Remuneration of the members of the Supervisory Board

Compensation attributable to members of the Supervisory Board comprises a base compensation and additional compensation for committee work and amounted to €5.3 million (including meeting fees).

NOTE 29 Declaration of Compliance with the German Corporate Governance Code

As of October 1, 2023, the mandatory statement pursuant to Section 161 of the German Stock Corporation Act (AktG) has been issued by the Managing Board and the Supervisory Board and is permanently accessible on siemens.com/gcg-code.

NOTE 30 Subsequent events

In November 2023, agreements were entered into with the intent to acquire 18% of the shares in Siemens Limited, India from the Siemens Energy Group for a purchase price of €2.1 billion in cash. Closing of the transaction is expected in December 2023.

NOTE 31 Members of the Managing Board and Supervisory Board

Members of the Managing Board and positions held by Managing Board members

In fiscal 2023, the Managing Board had the following members:

Name	Date of birth	First appointed	Term expires	Memberships in supervisory boards whose establishment is required by law or in comparable domestic or foreign controlling bodies of business enterprises	
				External positions (as of September 30, 2023)	Group company positions (as of September 30, 2023)
Roland Busch (Dr. rer. nat.) President and Chief Executive Officer	November 22, 1964	April 1, 2011	March 31, 2025		**German positions:** - Siemens Healthineers AG, Munich[1] - Siemens Mobility GmbH, Munich (Chairman)
Cedrik Neike	March 7, 1973	April 1, 2017	May 31, 2025	**German positions:** - Evonik Industries AG, Essen[1]	**Positions outside Germany:** - Siemens Aktiengesellschaft Österreich, Austria (Chairman) - Siemens France Holding SAS, France
Matthias Rebellius	January 2, 1965	October 1, 2020	September 30, 2025	**German positions:** - Siemens Energy AG, Munich[1] - Siemens Energy Management GmbH, Munich	**Positions outside Germany:** - Arabia Electric Ltd. (Equipment), Saudi Arabia (Deputy Chairman) - Siemens Ltd., India[1] - Siemens Ltd., Saudi Arabia (Deputy Chairman) - Siemens Schweiz AG, Switzerland (Chairman) - Siemens W.L.L., Qatar
Ralf P. Thomas (Prof. Dr. rer. pol.)	March 7, 1961	September 18, 2013	December 14, 2026	**German positions:** - Siemens Energy AG, Munich[1] - Siemens Energy Management GmbH, Munich	**German positions:** - Siemens Healthcare GmbH, Munich (Chairman) - Siemens Healthineers AG, Munich (Chairman)[1] **Positions outside Germany:** - Siemens Proprietary Ltd., South Africa (Chairman)
Judith Wiese	January 30, 1971	October 1, 2020	September 30, 2028	**German positions:** - European School of Management and Technology GmbH, Berlin	

[1] Publicly listed.

Members of the Supervisory Board and positions held by Supervisory Board members

In fiscal 2023, the Supervisory Board had the following members:

Name	Occupation	Date of birth	Member since	Term expires[1]	Memberships in supervisory boards whose establishment is required by law or in comparable domestic or foreign controlling bodies of business enterprises (as of September 30, 2023)
Jim Hagemann Snabe Chairman	Chairman of the Supervisory Board of Siemens AG	October 27, 1965	October 1, 2013	2025	**Positions outside Germany:** - C3.ai, Inc., USA[3] - Northvolt AB, Sweden (Chairman) - Urban Partners A/S, Denmark (Deputy Chairman)
Birgit Steinborn[2] First Deputy Chairwoman	Chairwoman of the Central Works Council of Siemens AG	March 26, 1960	January 24, 2008	2028	
Werner Brandt (Dr. rer. pol.) Second Deputy Chairman	Chairman of the Supervisory Board of RWE AG	January 3, 1954	January 31, 2018	2027	**German positions:** - RWE AG, Essen (Chairman)[3]
Tobias Bäumler[2]	Deputy Chairman of the Central Works Council and of the Combine Works Council of Siemens AG	October 10, 1979	October 16, 2020	2028	
Michael Diekmann (until February 9, 2023) (as of February 9, 2023)	Chairman of the Supervisory Board of Allianz SE	December 23, 1954	January 24, 2008	2023	**German positions:** - Allianz SE, Munich (Chairman)[3] - Fresenius Management SE, Bad Homburg - Fresenius SE & Co. KGaA, Bad Homburg (Deputy Chairman)[3]
Regina E. Dugan (PhD) (since February 9, 2023)	President and Chief Executive Officer of Wellcome Leap Inc.	March 19, 1963	February 9, 2023	2027	**Positions outside Germany:** - HPE, Houston, Texas, USA[3]
Andrea Fehrmann[2] (Dr. phil.)	Trade Union Secretary, IG Metall Regional Office for Bavaria	June 21, 1970	January 31, 2018	2028	**German positions:** - Airbus Defence and Space GmbH, Taufkirchen - Siemens Energy AG, Munich[3] - Siemens Energy Management GmbH, Munich
Bettina Haller[2]	Chairwoman of the Combine Works Council of Siemens AG	March 14, 1959	April 1, 2007	2028	**German positions:** - Siemens Mobility GmbH, Munich (Deputy Chairwoman)

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Oliver Hartmann[2] (since September 14, 2023)	Head of the Regional Office Erlangen / Nuremberg, Germany, Chairman of the Committee of Spokespersons of the Siemens Group and Chairman of the Central Committee of Spokespersons of Siemens AG	April 25, 1968	September 14, 2023	2028	
Keryn Lee James (since February 9, 2023)	Chair of the Board of Directors of OPUS Talent Solutions	December 12, 1968	February 9, 2023	2027	**Positions outside Germany:** - OPUS Talent Solutions, UK (Chair)
Harald Kern[2]	Chairman of the Siemens Europe Committee	March 16, 1960	January 24, 2008	2028	
Jürgen Kerner[2]	Chief Treasurer and Executive Member of the Managing Board of IG Metall	January 22, 1969	January 25, 2012	2028	**German positions:** - Airbus GmbH, Hamburg - MAN Truck & Bus SE, Munich (Deputy Chairman) - Siemens Energy AG, Munich[3] - Siemens Energy Management GmbH, Munich - Thyssenkrupp AG, Essen (Deputy Chairman)[3] - Traton SE, Munich[3]
Martina Merz (since February 9, 2023)	Member of supervisory boards	March 1, 1963	February 9, 2023	2027	**Positions outside Germany:** - AB Volvo, Gothenburg, Sweden[3]
Christian Pfeiffer (Dr.-Ing.)[2] (since February 9, 2023)	Innovation manager at Siemens Mobility GmbH, member of the Combine Works Council of Siemens AG and of the Central Works Council of Siemens Mobility GmbH	June 2, 1969	February 9, 2023	2028	**German positions:** - Siemens Mobility GmbH, Munich
Benoît Potier	Chairman of the Board of Directors of L'Air Liquide S.A.	September 3, 1957	January 31, 2018	2027	**Positions outside Germany:** - L'Air Liquide S.A., France (Chairman)[3]
Hagen Reimer[2]	Trade Union Secretary of the Managing Board of IG Metall	April 26, 1967	January 30, 2019	2028	
Norbert Reithofer (Dr.-Ing. Dr.-Ing. E.h.) (until February 9, 2023) (as of February 9, 2023)	Chairman of the Supervisory Board of Bayerische Motoren Werke Aktiengesellschaft	May 29, 1956	January 27, 2015	2023	**German positions:** - Bayerische Motoren Werke Aktiengesellschaft, Munich (Chairman)[3] - Henkel AG & Co. KGaA, Düsseldorf[3,4] - Henkel Management AG, Düsseldorf
Kasper Rørsted	Member of supervisory boards	February 24, 1962	February 3, 2021	2025	**Positions outside Germany:** - A. P. Møller-Mærsk A/S, Denmark[3]
Baroness Nemat Shafik (DBE, DPhil) (until February 9, 2023) (as of February 9, 2023)	Director of the London School of Economics	August 13, 1962	January 31, 2018	2023	
Nathalie von Siemens (Dr. phil.)	Member of supervisory boards	July 14, 1971	January 27, 2015	2027	**German positions:** - Messer SE & Co. KGaA, Bad Soden am Taunus - Siemens Healthcare GmbH, Munich - Siemens Healthineers AG, Munich[3] - TÜV Süd AG, Munich **Positions outside Germany:** - EssilorLuxottica SA, France[3]
Michael Sigmund[2] (until August 31, 2023) (as of August 31, 2023)	Chairman of the Committee of Spokespersons of the Siemens Group and Chairman of the Central Committee of Spokespersons of Siemens AG	September 13, 1957	March 1, 2014	2028	
Dorothea Simon[2]	Chairwoman of the Central Works Council of Siemens Healthcare GmbH	August 3, 1969	October 1, 2017	2028	**German positions:** - Siemens Healthcare GmbH, Munich
Grazia Vittadini	Chief Technology Officer and Member of the Executive Team of Rolls-Royce Holdings plc[3] (until October 17, 2023), Special Advisor of Rolls-Royce Holdings plc[3] (since October 17, 2023)	September 23, 1969	February 3, 2021	2025	**German positions:** - The Exploration Company GmbH, Gilching
Matthias Zachert	Chairman of the Board of Management of LANXESS AG[3]	November 8, 1967	January 31, 2018	2027	
Gunnar Zukunft[2] (until February 9, 2023) (as of February 9, 2023)	Member of the Central Works Council of Siemens Industry Software GmbH	June 21, 1965	January 31, 2018	2023	**German positions:** - Siemens Industry Software GmbH, Cologne

[1] As a rule, the term of office ends at the conclusion of the (relevant) ordinary Annual Shareholders' Meeting.
[2] Employee representative.
[3] Publicly listed.
[4] Shareholders' Committee.

NOTE 32 List of subsidiaries and associated companies pursuant to Section 285 no. 11, 11a and 11b of the German Commercial Code

September 30, 2023	Net income in millions of €[1]	Equity in millions of €[1]	Equity interest in %
Germany (49 companies)			
Berliner Vermögensverwaltung GmbH, Berlin	(63)	18	100
Erlangen KHK 5 GmbH & Co. KG, Grünwald	8	39	100[4]
Erlapolis 20 GmbH, Munich	3	15	100[4]
Erlapolis 22 GmbH, Munich	–	67	100[6]
evosoft GmbH, Nuremberg	1	10	100
GuD Herne GmbH, Essen	19	37	50[5]
HaCon Ingenieurgesellschaft mbH, Hanover	12	148	100
Innomotics GmbH, Munich	(179)	(192)	100
KACO new energy GmbH, Neckarsulm	16	71	100
Munipolis GmbH, Munich	1	273	100[4]
Next47 GmbH, Munich	5	(7)	100
Nordlicht Holding GmbH & Co. KG, Frankfurt	–	148	33[5]
OWP Butendiek GmbH & Co. KG, Bremen	145	789	23[5]
Project Ventures Butendiek Holding GmbH, Munich	–	66	100[4]
RISICOM Rückversicherung AG, Grünwald	13	327	100
Siemens Bank GmbH, Munich	65	1,242	100
Siemens Beteiligungen Europa GmbH, Munich	192	5,895	100
Siemens Beteiligungen Inland GmbH, Munich	(283)	26,716	100
Siemens Beteiligungen USA GmbH, Berlin	–	13,776	100
Siemens Beteiligungsverwaltung GmbH & Co. OHG, Kemnath	2,755	24,217	100[2]
Siemens Campus Erlangen Grundstücks-GmbH & Co. KG, Grünwald	14	18	100
Siemens Electronic Design Automation GmbH, Munich	(6)	73	100
Siemens Energy AG, Munich	(6)	13,164	32[4]
Siemens Finance & Leasing GmbH, Munich	(6)	138	100
Siemens Financial Services GmbH, Munich	9	2,038	100
Siemens Fonds Invest GmbH, Munich	–	14	100
Siemens Healthcare Diagnostics Products GmbH, Marburg	(37)	552	100
Siemens Healthcare GmbH, Munich	205	1,125	100
Siemens Healthineers AG, Munich	1,177	24,254	75
Siemens Healthineers Beteiligungen GmbH & Co. KG, Röttenbach	72	24,855	100
Siemens Healthineers Holding I GmbH, Munich	(48)	(4,731)	100
Siemens Healthineers Holding III GmbH, Munich	–	6,408	100
Siemens Healthineers Innovation GmbH & Co. KG, Röttenbach	556	48	100
Siemens Immobilien Besitz GmbH & Co. KG, Grünwald	(2)	141	100
Siemens Industry Software GmbH, Cologne	2	292	100
Siemens Logistics GmbH, Nuremberg	(18)	67	100
Siemens Mobility GmbH, Munich	226	2,723	100
Siemens Mobility Real Estate GmbH & Co. KG, Grünwald	8	119	100
Siemens Nixdorf Informationssysteme GmbH, Grünwald	1	29	100
Siemens Project Ventures GmbH, Erlangen	44	330	100
Siemens Real Estate GmbH & Co. KG, Kemnath	14	144	100
Siemens Trademark GmbH & Co. KG, Kemnath	941	3,502	100
Siemens Treasury GmbH, Munich	1	8	100
SIM 2. Grundstücks-GmbH & Co. KG, Grünwald	6	312	10[4]
SIMAR Ost Grundstücks-GmbH, Grünwald	1	(30)	100
SPT Beteiligungen GmbH & Co. KG, Grünwald	(1,795)	5,693	100[4]
Varian Medical Systems Particle Therapy GmbH & Co. KG, Troisdorf	(75)	96	100
VMS Deutschland Holdings GmbH, Darmstadt	4	428	100
Weiss Spindeltechnologie GmbH, Maroldsweisach	(1)	42	100

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Europe, Commonwealth of Independent States (C.I.S.), Africa, Middle East (without Germany) (95 companies)			
ETM professional control GmbH, Eisenstadt / Austria	15	22	100
Siemens Aktiengesellschaft Österreich, Vienna / Austria	113	1,350	100
Siemens Healthcare Diagnostics GmbH, Vienna / Austria	10	110	100
Siemens Konzernbeteiligungen GmbH, Vienna / Austria	179	1,824	100
Siemens Metals Technologies Vermögensverwaltungs GmbH, Vienna / Austria	(1)	(22)	100
Siemens Mobility Austria GmbH, Vienna / Austria	(68)	(87)	100
Siemens Healthcare NV, Groot-Bijgaarden / Belgium	8	108	100
Siemens Industry Software NV, Leuven / Belgium	(64)	285	100
Siemens S.A./N.V., Beersel / Belgium	23	94	100
OEZ s.r.o., Letohrad / Czech Republic	30	65	100
Siemens Large Drives, s.r.o., Drasov / Czech Republic	(6)	(2)	100
Siemens Mobility, s.r.o., Prague / Czech Republic	17	32	100
Siemens, s.r.o., Prague / Czech Republic	46	113	100
Siemens A/S, Ballerup / Denmark	9	43	100
Siemens Aarsleff Konsortium I/S, Ballerup / Denmark	–	–	67[4,2]
Siemens Osakeyhtiö, Espoo / Finland	15	46	100
Siemens France Holding SAS, Courbevoie / France	71	173	100
Siemens Healthcare SAS, Courbevoie / France	17	219	100
Siemens Industry Software SAS, Châtillon / France	14	58	100
Siemens Mobility SAS, Châtillon / France	(32)	89	100
Siemens SAS, Courbevoie / France	84	238	100
Siemens A.E., Electrotechnical Projects and Products, Athens / Greece	7	86	100
SIEMENS HEALTHCARE INDUSTRIAL AND COMMERCIAL SINGLE MEMBER SOCIETE ANONYME, Marousi / Greece	1	63	100
Mentor Graphics (Holdings) Unlimited Company, Shannon, County Clare / Ireland	131	1,996	100
Siemens Industry Software Limited, Shannon, County Clare / Ireland	252	1,789	100
Siemens Concentrated Solar Power Ltd., Rosh Ha'ayin / Israel	57	3,810	100
Siemens Industry Software Ltd., Airport City / Israel	9	118	100
UGS Israeli Holdings (Israel) Ltd., Airport City / Israel	–	1	100
Medical Systems S.p.A., Genoa / Italy	2	132	45[5]
Siemens Healthcare S.r.l., Milan / Italy	17	253	100
Siemens S.p.A., Milan / Italy	123	290	100
FAST TRACK DIAGNOSTICS LUXEMBOURG S.à r.l., Esch-sur-Alzette / Luxembourg	(3)	65	100
SPT Holding SARL, Luxembourg / Luxembourg	6	193	100[5]
SPT Invest Management, SARL, Luxembourg / Luxembourg	(103)	627	100[5]
EGM Holding Limited, Birkirkara / Malta	66	(47)	33[5]
Varian Medical Systems Mauritius Ltd., Ebene / Mauritius	7	78	100
Buitengaats C.V., Amsterdam / Netherlands	165	219	20[5]
KIC InnoEnergy S.E., Eindhoven / Netherlands	113	314	6[5]
Mendix Technology B.V., Rotterdam / Netherlands	(79)	(19)	100
Siemens Electronic Design Automation B.V., Eindhoven / Netherlands	2	16	100
Siemens Financieringsmaatschappij N.V., The Hague / Netherlands	8	84	100
Siemens Healthineers Holding III B.V., The Hague / Netherlands	665	3,944	100
Siemens Healthineers Holding IV B.V., The Hague / Netherlands	–	13,895	100
Siemens Healthineers Nederland B.V., The Hague / Netherlands	279	1,395	100
Siemens Industry Software Netherlands B.V., Eindhoven / Netherlands	40	542	100
Siemens International Holding B.V., The Hague / Netherlands	1,221	11,351	100
Siemens Mobility Holding B.V., The Hague / Netherlands	112	1,453	100
Siemens Nederland N.V., The Hague / Netherlands	54	171	100
Sqills Products B.V., Enschede / Netherlands	(3)	577	100
Ural Locomotives Holding Besloten Vennootschap, The Hague / Netherlands	11	100	50[3]
Varian Medical Systems Nederland B.V., Houten / Netherlands	14	3,034	100
ZeeEnergie C.V., Amsterdam / Netherlands	165	219	20[5]
Siemens AS, Oslo / Norway	11	22	100
Siemens Sp. z o.o., Warsaw / Poland	20	65	100

SIEMENS HEALTHCARE, UNIPESSOAL, LDA, Amadora / Portugal	5	94	100
Siemens S.A., Amadora / Portugal	16	93	100
Siemens W.L.L., Doha / Qatar	12	54	55
OOO Siemens, Moscow / Russian Federation	(4)	15	100
Upsilon 1 LLC, St. Petersburg / Russian Federation	(4)	15	100
Siemens Mobility d.o.o. Cerovac, Kragujevac / Serbia	(6)	36	100
Siemens Proprietary Limited, Midrand / South Africa	2	37	85
Fábrica Electrotécnica Josa, S.A.U., Tres Cantos / Spain	(1)	44	100
SIEMENS HEALTHCARE, S.L.U., Madrid / Spain	23	300	100
Siemens Logistics S.L. Unipersonal, Madrid / Spain	3	10	100
SIEMENS MOBILITY, S.L.U., Tres Cantos / Spain	5	69	100
Siemens Rail Automation S.A.U., Tres Cantos / Spain	28	671	100
Siemens S.A., Madrid / Spain	40	227	100
Siemens AB, Solna / Sweden	13	95	100
Siemens Financial Services AB, Solna / Sweden	18	231	100
Siemens Healthineers International AG, Steinhausen / Switzerland	54	600	100
Siemens Industry Software GmbH, Zurich / Switzerland	11	191	100
Siemens Mobility AG, Wallisellen / Switzerland	19	82	100
Siemens Schweiz AG, Zurich / Switzerland	14	891	100
Varian Medical Systems Imaging Laboratory G.m.b.H., Dättwil / Switzerland	20	31	100
Siemens AG - Siemens Sanayi Ve Ticaret AS Velaro Joint Venture, Kartal - Istanbul / Türkiye	(1)	–	100[2]
Siemens Healthcare Saglik Anonim Sirketi, Istanbul / Türkiye	(6)	41	100
Siemens Sanayi ve Ticaret Anonim Sirketi, Istanbul / Türkiye	58	137	100
Siemens Industrial LLC, Masdar City / United Arab Emirates	12	(69)	49
Brightly Software Limited, Farnborough, Hampshire / United Kingdom	(1)	174	100
Electrium Sales Limited, Farnborough, Hampshire / United Kingdom	(7)	53	100
Galloper Wind Farm Holding Company Limited, Swindon, Wiltshire / United Kingdom	187	79	25[5]
Project Ventures Rail Investments I Limited, Farnborough, Hampshire / United Kingdom	9	(6)	100
SBS Pension Funding (Scotland) Limited Partnership, Edinburgh / United Kingdom	17	621	57
Siemens Financial Services Ltd., Stoke Poges, Buckinghamshire / United Kingdom	29	333	100
Siemens Healthcare Diagnostics Manufacturing Ltd, Camberley, Surrey / United Kingdom	7	181	100
Siemens Healthcare Diagnostics Products Ltd, Camberley, Surrey / United Kingdom	4	205	100
Siemens Healthcare Limited, Camberley, Surrey / United Kingdom	65	87	100
Siemens Holdings plc, Farnborough, Hampshire / United Kingdom	3	1,169	100
Siemens Industry Software Computational Dynamics Limited, Farnborough, Hampshire / United Kingdom	–	(2)	100
Siemens Industry Software Limited, Farnborough, Hampshire / United Kingdom	26	98	100
Siemens Mobility Limited, London / United Kingdom	156	932	100
Siemens Pension Funding Limited, Farnborough, Hampshire / United Kingdom	(3)	474	100
Siemens plc, Farnborough, Hampshire / United Kingdom	49	577	100
Siemens Process Systems Engineering Limited, Farnborough, Hampshire / United Kingdom	(32)	102	100
Vendigital Holdings Ltd, Swindon, Wiltshire / United Kingdom	–	1	100
Americas (57 companies)			
Siemens S.A., Buenos Aires / Argentina	1	25	100
GNA 1 Geração de Energia S.A., São João da Barra / Brazil	(71)	175	22[5]
Siemens Healthcare Diagnósticos Ltda., São Paulo / Brazil	30	209	100
Siemens Infraestrutura e Indústria Ltda., São Paulo / Brazil	44	62	100
Siemens Participações Ltda., São Paulo / Brazil	(17)	37	100
Dade Behring Hong Kong Holdings Corporation, Tortola / British Virgin Islands	15	311	100
Brightly Software Canada, Inc., Oakville / Canada	(7)	74	100
EPOCAL INC., Toronto / Canada	4	127	100
Innomotics Inc., Oakville / Canada	2	8	100
Siemens Canada Limited, Oakville / Canada	53	272	100
Siemens Financial Ltd., Oakville / Canada	30	527	100
Siemens Healthcare Limited, Oakville / Canada	14	80	100
Siemens S.A., Santiago de Chile / Chile	7	28	100

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Siemens S.A.S., Tenjo / Colombia	2	47	100
Grupo Siemens S.A. de C.V., Mexico City / Mexico	71	88	100
Siemens, S.A. de C.V., Mexico City / Mexico	58	130	100
Siemens S.A.C., Surquillo / Peru	2	27	100
Associates in Medical Physics, LLC, Greenbelt, MD / United States	–	93	100[8]
Block Imaging International, LLC, Wilmington, DE / United States	(3)	136	100[7]
Brightly Software, Inc., Wilmington, DE / United States	(70)	(115)	100
Building Robotics Inc., Wilmington, DE / United States	(34)	(67)	100
CEF-L Holding, LLC, Wilmington, DE / United States	(35)	(6)	27[5]
Corindus, Inc., Wilmington, DE / United States	(342)	176	100
ECG Acquisition, Inc., Wilmington, DE / United States	(1)	175	100
ECG TopCo Holdings, LLC, Wilmington, DE / United States	(43)	60	75
Electrify America, LLC, Wilmington, DE / United States	(64)	782	9[5]
eMeter Corporation, Wilmington, DE / United States	–	141	100
Fluence Energy, Inc., Wilmington, DE / United States	(297)	645	33[4]
Healthcare Technology Management, LLC, Wilmington, DE / United States	(2)	138	78
Hickory Run Holdings, LLC, Wilmington, DE / United States	59	441	20[5]
Mannesmann Corporation, New York, NY / United States	2	49	100
Medical Physics Holdings, LLC, Dover, DE / United States	–	96	100[8]
Next47 Fund 2018, L.P., Palo Alto, CA / United States	–	53	100
Next47 Fund 2019, L.P., Palo Alto, CA / United States	–	78	100
Next47 Fund 2020, L.P., Palo Alto, CA / United States	–	115	100
Next47 Fund 2021, L.P., Palo Alto, CA / United States	(1)	142	100
Next47 Fund 2022, L.P., Palo Alto, CA / United States	(2)	145	100
PETNET Solutions, Inc., Knoxville, TN / United States	53	183	100
PolyDyne Software Inc., Dallas, TX / United States	1	123	100
Siemens Capital Company LLC, Wilmington, DE / United States	94	1,747	100
Siemens Corporation, Wilmington, DE / United States	1,090	6,259	100
Siemens Financial Services, Inc., Wilmington, DE / United States	170	2,111	100
Siemens Government Technologies, Inc., Wilmington, DE / United States	22	515	100
Siemens Healthcare Diagnostics Inc., Los Angeles, CA / United States	(121)	7,358	100
Siemens Healthineers Holdings, LLC, Wilmington, DE / United States	–	13,895	100
Siemens Industry Software Inc., Wilmington, DE / United States	3	5,229	100
Siemens Industry, Inc., Wilmington, DE / United States	1,318	5,964	100
Siemens Logistics LLC, Wilmington, DE / United States	18	25	100
Siemens Medical Solutions USA, Inc., Wilmington, DE / United States	793	17,743	100
Siemens Mobility, Inc, Wilmington, DE / United States	47	980	100
Siemens Public, Inc., Iselin, NJ / United States	43	1,674	100
Siemens USA Holdings, Inc., Wilmington, DE / United States	1,212	10,415	100
SMI Holding LLC, Wilmington, DE / United States	2	9	100
Supplyframe, Inc., Glendale, CA / United States	(41)	(77)	100
Thoughtworks Holding Inc., Wilmington, DE / United States	(99)	730	8[5]
Varian Medical Systems International Holdings, Inc., Wilmington, DE / United States	–	6,411	100
Varian Medical Systems, Inc., Wilmington, DE / United States	(85)	7,883	100
Asia, Australia (49 companies)			
Brightly Software Australia Pty Ltd, Sydney / Australia	(4)	81	100
Brightly Software Holdings Pty. Ltd., Sydney / Australia	–	94	100
Innomotics Pty Ltd, Bayswater / Australia	5	7	100
Siemens Ltd., Bayswater / Australia	16	94	100
Siemens Mobility Pty Ltd, Melbourne / Australia	15	161	100
Beijing Siemens Cerberus Electronics Ltd., Beijing / China	25	28	100
Innomotics Large Drives (Shanghai) Co., Ltd., Shanghai Pilot Free Trade Zone / China	1	9	100
Siemens Circuit Protection Systems Ltd., Shanghai, Shanghai / China	22	30	75
Siemens Electrical Apparatus Ltd., Suzhou, Suzhou / China	82	121	100
Siemens Electrical Drives Ltd., Tianjin / China	87	103	85

Siemens Electronic Design Automation (Shanghai) Co., Ltd., Shanghai Pilot Free Trade Zone / China	7	71	100
Siemens Factory Automation Engineering Ltd., Beijing / China	22	29	100
Siemens Finance and Leasing Ltd., Beijing / China	9	124	100
Siemens Financial Services Ltd., Beijing / China	25	229	100
Siemens Healthcare Diagnostics Manufacturing Ltd., Shanghai, Shanghai / China	(28)	25	100
Siemens Healthineers Diagnostics (Shanghai) Co., Ltd., Shanghai / China	23	146	100
Siemens Healthineers Digital Technology (Shanghai) Co., Ltd., Shanghai / China	92	37	100
Siemens Healthineers Ltd., Shanghai / China	219	231	100
Siemens Industrial Automation Products Ltd., Chengdu, Chengdu / China	177	170	100
Siemens Industry Software (Shanghai) Co., Ltd., Shanghai / China	23	78	100
Siemens International Trading Ltd., Shanghai, Shanghai / China	14	42	100
Siemens Ltd., China, Beijing / China	1,247	2,219	100
Siemens Mechatronics Technology JiangSu Ltd., Yizheng / China	–	104	100
Siemens Medium Voltage Switching Technologies (Wuxi) Ltd., Wuxi / China	57	64	85
Siemens Mobility Equipment (China) Co., Ltd, Shanghai Pilot Free Trade Zone / China	8	87	100
Siemens Mobility Technologies (Beijing) Co., Ltd, Beijing / China	21	153	100
Siemens Numerical Control Ltd., Nanjing, Nanjing / China	81	107	80
Siemens Sensors & Communication Ltd., Dalian / China	9	26	100
Siemens Shanghai Medical Equipment Ltd., Shanghai / China	86	196	100
Siemens Shenzhen Magnetic Resonance Ltd., Shenzhen / China	116	205	100
Siemens Standard Motors Ltd., Yizheng / China	63	84	100
Siemens Switchgear Ltd., Shanghai, Shanghai / China	33	48	55
Zhenjiang Siemens Busbar Trunking Systems Co. Ltd., Yangzhong / China	39	53	50[5]
Siemens Limited, Hong Kong / Hong Kong	21	37	100
C&S Electric Limited, New Delhi / India	9	249	99
SIEMENS EDA (INDIA) PRIVATE LIMITED, New Delhi / India	18	103	100
Siemens Financial Services Private Limited, Mumbai / India	17	102	100
Siemens Healthcare Private Limited, Mumbai / India	34	282	100
SIEMENS LARGE DRIVES INDIA PRIVATE LIMITED, Mumbai / India	10	25	100
Siemens Limited, Mumbai / India	225	1,763	51
Siemens Technology and Services Private Limited, Navi Mumbai / India	45	73	100
P.T. Jawa Power, Jakarta / Indonesia	204	960	50[5]
Siemens Healthcare Diagnostics K.K., Tokyo / Japan	20	205	100
Siemens Healthcare K.K., Tokyo / Japan	34	221	100
Siemens K.K., Tokyo / Japan	15	143	100
Varian Medical Systems K.K., Tokyo / Japan	(1)	955	100
Siemens Healthineers Ltd., Seoul / Korea	20	114	100
Siemens Ltd. Seoul, Seoul / Korea	30	167	100
Siemens Limited, Taipei / Taiwan	22	53	100

[1] The values correspond to the annual financial statements after a possible profit transfer, for subsidiaries according to the IFRS closing.
[2] Siemens AG is a shareholder with unlimited liability of this company.
[3] Values from fiscal year January 01, 2020 - December 31, 2020
[4] Values from fiscal year October 01, 2021 - September 30, 2022
[5] Values from fiscal year January 01, 2022 - December 31, 2022
[6] Values from fiscal year July 22, 2022 - September 30, 2022
[7] Values from fiscal year July 21, 2023 - September 30, 2023
[8] Values from fiscal year August 01, 2023 - September 30, 2023

Responsibility Statement

to the Annual Financial Statements and the Management Report
for fiscal 2023

SIEMENS

To the best of our knowledge, and in accordance with the applicable reporting principles, the Annual Financial Statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company, and the Management Report for Siemens Aktiengesellschaft, which has been combined with the Group Management Report, includes a fair review of the development and performance of the business and the position of the Company, together with a description of the material opportunities and risks associated with the expected development of the Company.

Munich, December 4, 2023

Siemens Aktiengesellschaft

The Managing Board

Dr. Roland Busch

Cedrik Neike | Matthias Rebellius

Prof. Dr. Ralf P. Thomas | Judith Wiese

Independent Auditor's Report

to the Annual Financial Statements and the Management Report for fiscal 2023

SIEMENS

Independent auditor´s report

To Siemens Aktiengesellschaft, Berlin and Munich

Report on the audit of the annual financial statements and of the management report

Opinions

We have audited the annual financial statements of Siemens Aktiengesellschaft, Berlin and Munich, (the Company) which comprise the income statement for the fiscal year from October 1, 2022 to September 30, 2023, the balance sheet as of September 30, 2023 and notes to the financial statements, including the recognition and measurement policies presented therein. In addition, we have audited the management report of Siemens Aktiengesellschaft, which is combined with the group management report, for the fiscal year from October 1, 2022 to September 30, 2023. In accordance with the German legal requirements, we have not audited chapter 11 "EU Taxonomy disclosure" of the combined management report, the sections "8.5.1 Internal Control System (ICS) and ERM" and "8.5.2 Compliance Management System (CMS)" in chapter 8.5 of the combined management report as well as the content of the Corporate Governance Statement which is published on the website stated in the combined management report.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law applicable to business corporations and give a true and fair view of the assets, liabilities and financial position of the Company as of September 30, 2023 and of its financial performance for the fiscal year from October 1, 2022 to September 30, 2023 in compliance with German legally required accounting principles, and
- the accompanying management report as a whole provides an appropriate view of the Company's position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our opinion on the management report does not cover chapter 11 "EU Taxonomy disclosure" of the combined management report, the sections "8.5.1 Internal Control System (ICS) and ERM" and "8.5.2 Compliance Management System (CMS)" in chapter 8.5 of the combined management report and the content of the Corporate Governance Statement.

Pursuant to Sec. 322 (3) Sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the management report.

Basis for the opinions

We conducted our audit of the annual financial statements and of the management report in accordance with Sec. 317 HGB and the EU Audit Regulation (No 537/2014, referred to subsequently as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). In conducting the audit of the annual financial statements we also complied with International Standards on Auditing (ISA). Our responsibilities under those requirements, principles and standards are further described in the "Auditor's responsibilities for the audit of the annual financial statements and of the management report" section of our auditor's report. We are independent of the Company in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Art. 10 (2) f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Art. 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the annual financial statements and on the management report.

Key audit matters in the audit of the annual financial statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual financial statements for the fiscal year from October 1, 2022 to September 30, 2023. These matters were addressed in the context of our audit of the annual financial statements as a whole, and in forming our opinion thereon; we do not provide a separate opinion on these matters.

Below, we describe what we consider to be the key audit matters:

Valuation of non-current financial assets

Reasons why the matter was determined to be a key audit matter: The impairment test and the assessment regarding the need for a reversal of impairment of non-current financial assets was a key audit matter, as in particular shares in affiliated companies and investments entail a higher risk of material misstatement due to the materiality of these assets as well as the estimation uncertainties and judgments involved in assessing whether there is objective evidence to indicate a lower net realizable value and permanent impairment or a reversal of impairment, and the determination of the fair values.

The determination of the fair values of non-current financial assets also depends to a large extent on the assessment of future cash inflows and the discount rate applied.

In case of the investment in Siemens Energy AG, in which 21,0% are held directly, the market capitalization during fiscal 2023 was on average above the book value sometimes significantly. As of September 30, 2023, a reversal of impairment to the stock market price has been recorded, following an impairment as of September 30, 2022.

Auditor's response: With regards to the net realizable values calculated by management and its assessment as to whether an impairment or reversal of impairment is expected to be permanent, we examined the underlying processes related to the planning of future cash flows

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as well as to the calculation of net realizable value, obtained an understanding of management's evaluation and also considered external evidence in this regard, amongst others, on the development of stock market prices.

We assessed the underlying valuation models for the determination of the net realizable value in terms of methodology and reperformed the calculations with the assistance of internal valuation specialists. We further obtained explanations from management regarding material value drivers of the planning and examined whether the budget planning reflects general and industry-specific market expectations. Forecast accuracy was assessed on a sample basis using budget-to-actual comparisons of historically forecast data with the actual results. The parameters used to estimate net realizable value such as the estimated growth rates and the weighted average cost of capital rates were assessed by comparing them to publicly available market data. We also performed our own sensitivity analyses to assess the impairment risk in the case of a reasonably possible change in one of the significant assumptions.

With regard to the reversal of impairment of the investment in Siemens Energy AG, we have traced the development of the stock market price and assessed the calculation of the reversal of impairment as of September 30, 2023, considering the acquisition costs of the investment.

Furthermore, we evaluated the disclosures in the notes to the annual financial statements regarding the subsequent events relating to the investment in Siemens Energy AG.

Our audit procedures did not lead to any reservations relating to the valuation of non-current financial assets as of September 30, 2023.

Reference to related disclosures: With regard to the recognition and measurement policies applied for the impairment of non-current financial assets, refer to chapter 3.2 Accounting and Measurement Principles in the notes to the financial statements and with respect to write-downs and write-ups of non-current financial assets, refer to chapter 3.3 Notes to the Income Statement, Note 3 Income (loss) from investments, net as well as chapter 3.4 Notes to the Balance Sheet, Note 10 Non-current assets and with respect to the subsequent events relating to the investment in Siemens Energy AG, refer to chapter 3.5 Other disclosures, Note 30 Subsequent events in the notes to the financial statements.

Other Provisions for legal disputes, regulatory proceedings and governmental investigations

Reasons why the matter was determined to be a key audit matter: We considered the accounting for other provisions for legal disputes, regulatory proceedings and governmental investigations (legal proceedings) out of or in connection with alleged compliance violations to be a key audit matter. These matters are subject to inherent uncertainties and require estimates that could have a significant impact on the recognition and measurement of the respective provision and, accordingly, on assets, liabilities and financial performance. The proceedings out of or in connection with alleged compliance violations are subject to uncertainties because they involve complex legal issues and accordingly, considerable management judgment, in particular when determining whether and in what amount a provision is required to account for the risks.

Auditor's response: During our audit of the financial reporting of proceedings out of or in connection with alleged compliance violations, we examined the processes implemented by Siemens for identifying, assessing and accounting for legal and regulatory proceedings. To determine what potentially significant pending legal proceedings or claims asserted also in connection with joint and several liability are known and to assess management's estimates of the expected cash outflows, our audit procedures included inquiring of management and other persons within the Company entrusted with these matters, obtaining written statements from in-house legal counsels with respect to the assessment of estimated cash outflows and their probability, obtaining confirmations from external legal advisors and evaluating internal statements concerning the accounting treatment in the annual financial statements. Furthermore, we examined legal consulting expense accounts for any indications of legal matters not yet considered.

We further considered alleged or substantiated non-compliance with legal provisions, official regulations (including sanctions) and internal company policies by inspecting internal and external statements on specific matters, obtaining written statements from external legal advisors, and by inquiring of the compliance organization. In this regard, among other procedures, we evaluated the conduct and results of internal investigations by inspecting internal reports and the measures taken to remediate identified weaknesses, and assessed on this basis whether management's evaluation of any risks to be accounted for in the annual financial statements is plausible.

Our audit procedures did not lead to any reservations relating to the accounting for proceedings out of or in connection with alleged compliance violations.

Reference to related disclosures: With regard to the recognition and measurement policies applied in accounting for other provisions, refer to chapter 3.2 Accounting and Measurement Principles in the notes to the financial statements. With respect to the legal proceedings, regulatory proceedings and governmental investigations, refer to chapter 3.5 Other Disclosures, Note 25 Other financial obligations.

Uncertain tax positions and recoverability of deferred tax assets

Reasons why the matter was determined to be a key audit matter: The accounting for uncertain tax positions as well as deferred taxes requires management to exercise considerable judgment and make estimates and assumptions, and was therefore a key audit matter. In particular, this affects the measurement and completeness of uncertain tax positions as well as the recoverability of deferred tax assets.

Auditor's response: With the assistance of internal tax specialists who have knowledge of tax law, we examined the processes installed by management for the identification, recognition and measurement of tax positions.

In the course of our audit procedures relating to uncertain tax positions, we evaluated whether management's assessment of the tax implications of significant business transactions or events in fiscal year 2023, which could result in uncertain tax positions or influence the measurement of existing uncertain tax positions, was in compliance with tax law. In particular, this includes the tax implications arising from cross border matters, such as the determination of transfer prices, the results of tax field audits, the acquisition or disposal of company shares and corporate (intragroup) restructuring activities. In order to assess measurement and completeness of uncertain tax positions, we also obtained confirmations from external tax advisors. Further, we evaluated management's assessments with respect to the prospects of success of appeal and tax court proceedings by inquiring of the employees of the Siemens tax department and by considering current tax case law.

In assessing the recoverability of deferred tax assets, we above all analyzed management's assumptions with respect to tax planning strategies and projected future taxable income and compared them to internal business plans.

Our audit procedures did not lead to any reservations relating to the accounting for uncertain tax positions and the assessment of the recoverability of deferred tax assets.

Reference to related disclosures: With regard to the recognition and measurement policies applied in accounting for income taxes, refer to chapter 3.2 Accounting and Measurement Principles and chapter 3.3 Notes to the Income Statement, Note 6 Income taxes and with respect to disclosures for deferred tax assets, refer to chapter 3.4 Notes to the Balance Sheet, Note 13 Deferred tax assets in the notes to the financial statements.

Other information

The Supervisory Board is responsible for the Report of the Supervisory Board in the Annual Report 2023 within the meaning of ISA [DE] 720 (Revised). Management and the Supervisory Board are responsible for the declaration pursuant to Sec. 161 AktG ["Aktiengesetz": German Stock Corporation Act] on the Corporate Governance Code, which is part of the Corporate Governance Statement, and for the Compensation Report. In all other respects, management is responsible for the other information. The other information comprises chapter 11 "EU Taxonomy disclosure" of the combined management report, the sections "8.5.1 Internal Control System (ICS) and ERM" and "8.5.2 Compliance Management System (CMS)" in chapter 8.5 of the combined management report as well as the content of the Corporate Governance Statement. In addition, the other information comprises parts to be included in the Annual Report, of which we received a version prior to issuing this auditor's report, in particular:

- the Responsibility Statement (to the annual financial statements and the management report),
- the Responsibility Statement (to the consolidated financial statements and the group management report),
- the Five-Year Summary,
- the Compensation Report,
- the Report of the Supervisory Board,
- Notes and forward-looking statements,

but not the consolidated financial statements and the annual financial statements, not the disclosures of the combined management report whose content is audited and not our auditor's reports as well as not our auditor's report on a limited assurance engagement on the EU Taxonomy disclosure.

Our opinions on the annual financial statements and on the management report do not cover the other information, and consequently we do not express an opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information, and, in so doing, to consider whether the other information

- is materially inconsistent with the annual financial statements, with the management report or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and the Supervisory Board for the annual financial statements and the management report

Management is responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law applicable to business corporations, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German legally required accounting principles. In addition, management is responsible for such internal control as it, in accordance with German legally required accounting principles, has determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the annual financial statements, management is responsible for assessing the Company's ability to continue as a going concern. It also has the responsibility for disclosing, as applicable, matters related to going concern. In addition, management is responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Furthermore, management is responsible for the preparation of the management report that, as a whole, provides an appropriate view of the Company's position and is, in all material respects, consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. In addition, management is responsible for such arrangements and measures (systems) as management has considered necessary to enable the preparation of a management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the management report.

The Supervisory Board is responsible for overseeing the Company's financial reporting process for the preparation of the annual financial statements and of the management report.

Auditor's responsibilities for the audit of the annual financial statements and of the management report

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the management report as a whole provides an appropriate view of the Company's position and, in all material respects, is consistent with the annual financial statements and the knowledge obtained in the

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audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our opinions on the annual financial statements and on the management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Sec. 317 HGB and the EU Audit Regulation as well as in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the IDW and in supplementary compliance with ISA will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements and this management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the annual financial statements and of the management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for the risk of detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit of the annual financial statements and of arrangements and measures (systems) relevant to the audit of the management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems of the Company;
- evaluate the appropriateness of accounting policies used by management and the reasonableness of estimates made by management and related disclosures;
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the annual financial statements and in the management report or, if such disclosures are inadequate, to modify our respective opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern;
- evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German legally required accounting principles;
- evaluate the consistency of the management report with the annual financial statements, its conformity with German law and the view of the Company's position it provides;
- perform audit procedures on the prospective information presented by management in the management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by management as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, the related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Other legal and regulatory requirements

Report on the assurance on the electronic rendering of the annual financial statements and the management report prepared for publication purposes in accordance with Sec. 317 (3a) HGB

Opinion

We have performed assurance work in accordance with Sec. 317 (3a) HGB to obtain reasonable assurance about whether the rendering of the annual financial statements and the management report (hereinafter the "ESEF documents") contained in the file SIEMENS_2023.zip and prepared for publication purposes complies in all material respects with the requirements of Sec. 328 (1) HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the annual financial statements and the management report into the ESEF format and therefore relates neither to the information contained within these renderings nor to any other information contained in the file identified above.

In our opinion, the rendering of the annual financial statements and the management report contained in the file identified above and prepared for publication purposes complies in all material respects with the requirements of Sec. 328 (1) HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinions on the accompanying annual financial statements and the accompanying management report for the fiscal year from October 1, 2022 to September 30, 2023 contained in the "Report on the audit of the annual financial statements and of the management report" above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the file identified above.

Basis for the opinion

We conducted our assurance work on the rendering of the annual financial statements and the management report contained in the file identified above in accordance with Sec. 317 (3a) HGB and the IDW Assurance Standard: Assurance on the Electronic Rendering of Financial Statements and Management Reports Prepared for Publication Purposes in Accordance with Sec. 317 (3a) HGB (IDW AsS 410) (06.2022) and the International Standard on Assurance Engagements 3000 (Revised). Our responsibility in accordance therewith is further described in the "Auditor's responsibilities for the assurance work on the ESEF documents" section. Our audit firm applies the IDW Standard on Quality Management 1: Requirements for Quality Management in the Audit Firm (IDW QS 1).

Responsibilities of management and the Supervisory Board for the ESEF documents

Management is responsible for the preparation of the ESEF documents including the electronic rendering of the annual financial statements and the management report in accordance with Sec. 328 (1) Sentence 4 No. 1 HGB.

In addition, management is responsible for such internal control as it has determined necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements of Sec. 328 (1) HGB for the electronic reporting format.

The Supervisory Board is responsible for overseeing the process for preparing the ESEF documents as part of the financial reporting process.

Auditor's responsibilities for the assurance work on the ESEF documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material intentional or unintentional non-compliance with the requirements of Sec. 328 (1) HGB. We exercise professional judgment and maintain professional skepticism throughout the assurance work. We also:

- identify and assess the risks of material intentional or unintentional non-compliance with the requirements of Sec. 328 (1) HGB, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion;
- obtain an understanding of internal control relevant to the assurance on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls;
- evaluate the technical validity of the ESEF documents, i.e., whether the file containing the ESEF documents meets the requirements of Commission Delegated Regulation (EU) 2019/815, in the version in force at the date of the financial statements, on the technical specification for this file;
- evaluate whether the ESEF documents enable an XHTML rendering with content equivalent to the audited annual financial statements and to the audited management report.

Further information pursuant to Art. 10 of the EU Audit Regulation

We were elected as auditor by the Annual Shareholders' Meeting on February 9, 2023. We were engaged by the Supervisory Board on February 9, 2023. We have been the auditor of Siemens Aktiengesellschaft without interruption since the fiscal year from October 1, 2008 to September 30, 2009.

We declare that the opinions expressed in this auditor's report are consistent with the additional report to the Audit Committee pursuant to Art. 11 of the EU Audit Regulation (long-form audit report).

In addition to the financial statement audit, we have provided to the Company or entities controlled by it the following services that are not disclosed in the annual financial statements or in the management report:

In addition to auditing the statutory financial statements of Siemens AG, we performed the statutory audit of Siemens' consolidated financial statements, audits of financial statements of subsidiaries of Siemens AG, reviews of interim financial statements integrated in the audit, project-based IT audits as well as service organization control engagements.

Audit-related services include primarily audits of financial statements as well as other attestation services in connection with M&A activities, attestation services related to the sustainability reporting, the compensation reporting and the disclosures in accordance with EU Taxonomy, comfort letters and other attestation services required under regulatory requirements, contractually agreed or requested on a voluntary basis.

Other matter – use of the auditor's report

Our auditor's report must always be read together with the audited annual financial statements and the audited management report as well as the assured ESEF documents. The annual financial statements and the management report converted to the ESEF format – including the versions to be published in the Unternehmensregister [German Company Register] – are merely electronic renderings of the audited annual financial statements and the audited management report and do not take their place. In particular, the ESEF report and our assurance opinion contained therein are to be used solely together with the assured ESEF documents made available in electronic form.

German Public Auditor responsible for the engagement

The German Public Auditor responsible for the engagement is Siegfried Keller.

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Munich, December 4, 2023

Ernst & Young GmbH

Wirtschaftsprüfungsgesellschaft

Keller	Dr. Gaenslen
Wirtschaftsprüfer	Wirtschaftsprüfer
[German Public Auditor]	[German Public Auditor]

Five-Year Summary

for the five years until fiscal 2023

SIEMENS

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(in millions of €, except where otherwise stated)

Revenue and profit	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019
Revenue	**77,769**	71,977	62,265	55,254	56,797
Gross profit	**29,653**	25,847	22,737	19,888	21,381
Income from continuing operations	**8,514**	4,413	5,636	4,156	5,063
Net income	**8,529**	4,392	6,697	4,200	5,648

Assets, liabilities and equity	Sep 30, 2023	Sep 30, 2022	Sep 30, 2021	Sep 30, 2020	Sep 30, 2019
Current assets	**60,639**	58,829	52,298	52,968	70,370
Current liabilities	**44,901**	42,686	40,000	34,117	50,723
Debt	**46,596**	50,636	48,700	44,567	36,449
Long-term debt	**39,113**	43,978	40,879	38,005	30,414
Net debt	**34,843**	37,212	37,010	28,492	22,726
Provisions for pensions and similar obligations	**1,426**	2,275	2,839	6,360	9,896
Equity (including non-controlling interests)	**53,060**	54,805	48,991	39,823	50,984
as a percentage of total assets	**37%**	36%	35%	32%	34%
Total assets	**145,067**	151,502	139,372	123,897	150,248

Cash flows	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019
Cash flows from operating activities – continuing operations	**12,281**	10,322	10,109	7,851	6,825
Amortization, depreciation and impairments	**3,608**	3,561	3,075	3,098	2,222
Cash flows from investing activities – continuing operations	**(3,458)**	(2,467)	(17,192)	(4,050)	(4,166)
Additions to intangible assets and property, plant and equipment	**(2,218)**	(2,084)	(1,730)	(1,498)	(1,739)
Cash flows from financing activities – continuing operations	**(8,730)**	(7,502)	785	4,267	(1,214)
Change in cash and cash equivalents	**(388)**	927	(4,509)	1,663	1,325
Free cash flow – continuing and discontinued operations	**10,021**	8,157	8,237	6,404	5,845
Free cash flow – continuing operations	**10,062**	8,238	8,379	6,352	5,086

Employees	Sep 30, 2023	Sep 30, 2022	Sep 30, 2021	Sep 30, 2020	Sep 30, 2019
Continuing operations (in thousands)	320	311	303	285	287

Stock market information	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019
Basic earnings per share - continuing and discontinued operations	**€10.04**	€4.65	€7.68	€5.00	€6.41
Basic earnings per share - continuing operations	**€10.02**	€4.67	€6.36	€4.77	€5.82
Diluted earnings per share - continuing and discontinued operations	**€9.91**	€4.59	€7.59	€4.93	€6.32
Diluted earnings per share - continuing operations	**€9.90**	€4.62	€6.28	€4.70	€5.74
Dividend per share[1]	**€4.70**	€4.25	€4.00	€3.50	€3.90

[1] For FY 2023 to be proposed to the Annual Shareholders' Meeting.

Compensation Report
2023

SIEMENS

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Siemens Aktiengesellschaft
Berlin and Munich

Compensation Report 2023

This Compensation Report provides an explanation and a clear and comprehensible presentation of the compensation individually awarded and due to the current and former members of the Managing Board and the Supervisory Board of Siemens AG for fiscal 2023 (October 1, 2022, to September 30, 2023). The Report complies with the requirements of the German Stock Corporation Act (*Aktiengesetz*, AktG). Detailed information regarding the compensation systems for members of the Managing Board and the Supervisory Board of Siemens AG is available on the Siemens Global Website at **WWW.SIEMENS.COM/CORPORATE-GOVERNANCE**.

Due to rounding, numbers presented throughout this Report may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

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A. Fiscal 2023 in retrospect

What did the economic and political environment look like at the start of fiscal 2023?

Siemens AG began fiscal 2023 spurred by a strong performance in fiscal 2022. However, the economic and political environment still contained a large number of uncertainties. Although new variants of the coronavirus did not produce the negative impacts feared and a crisis in gas and electricity supplies failed to materialize, the economic situation began to weaken – particularly in Germany, the Company's home market. The war in Ukraine continued as did tensions between the western democracies and China. On the other hand, supply chain pressures eased. Due to a sharp increase in inflation, all major central banks raised their interest rates to levels not seen since the beginning of the financial crisis in 2008. In Europe, high energy prices burdened economic development, while, in the U.S., consumption and the labor market in particular proved to be very resilient despite the interest rate increases. Growth in China – which had been strong following the relaxation of COVID-19 restrictions in Q1 of fiscal 2023 – slowed due to the normalization of inventories, which had built up during the pandemic, and as a result of the burdens imposed by the crisis in China's real estate market. Siemens AG's markets benefited from high order backlogs, positive price developments and customers' efforts to become more resilient, more competitive and more sustainable.

How is the strategy reflected in Managing Board compensation?

As a leading technology company, Siemens partners closely with other companies, industries and innovators in order to combine the real and the digital worlds. In this context, the Company focuses on accelerated, high-value growth. The Managing Board compensation determined by the Supervisory Board fosters the implementation of the Company's strategic targets by providing incentives for increasing profit, capital efficiency and cash generation. Incentives are also provided for driving the Company's digital transformation and developing its sustainability-related business.

In addition, sustainability – as a strategic goal and an expression of Siemens' social responsibility – is a high priority at Siemens. Sustainability is managed using the DEGREE framework. Introduced in fiscal 2021, this framework addresses sustainability from every angle and determines Siemens' ambitions in the sustainability area with systematized, measurable and specific long-term targets for environment, social and governance (ESG) dimensions. DEGREE is an acronym that stands for decarbonization, ethics, governance, resource efficiency, equity and employability. The DEGREE framework is continuously developed and adapted to the commitments that Siemens has made, such as the Science Based Targets initiative. The key performance indicators applied in long-term variable compensation are part of this DEGREE framework (CO_2 emissions and digital learning hours per employee) and/or reflect the Company's priorities (Net Promoter Score as an expression of customer satisfaction).

How did Siemens perform in fiscal 2023?

Fiscal 2023 was another very successful year for Siemens. We achieved excellent financial results in a volatile market environment, which on the one hand included destocking by customers and distributors following previously proactive purchasing, particularly in our short-cycle businesses, and on the other hand included improved supply chain conditions, which accelerated revenue conversion from our high order backlog. We raised our outlook during the fiscal year after the first and the second quarters. We then reached or exceeded all the targets set for our primary measures for fiscal 2023.

Revenue was higher in nearly all our industrial businesses and rose to €77.8 billion, up 8% year-over-year. Smart Infrastructure and Digital Industries contributed double-digit growth with all businesses posting increases. Excluding currency translation and portfolio effects, revenue for Siemens rose 11%. Profit Industrial Business exceeded the record high of a year earlier and rose 11% to €11.4 billion. The profit margin of our Industrial Business rose to 15.4%, up from 15.1% a year earlier, reaching its highest level ever.

Net income nearly doubled year-over year to a historic high of €8.5 billion and corresponding basic earnings per share (EPS) more than doubled to €10.04. Earnings per share before purchase price allocation (EPS pre PPA) increased to €10.77.

Return on capital employed (ROCE) for fiscal 2023 rose to 18.6%, up from 10.0% in fiscal 2022. This increase was due to sharply higher income before interest after tax year-over-year. We thus exceeded the forecast for ROCE, which was to come close to or reach the lower end of our target range of 15% to 20%.

Free cash flow from continuing and discontinued operations for fiscal 2023 was €10.0 billion, reaching a record high. The cash conversion rate for Siemens, defined as the ratio of free cash flow from continuing and discontinued operations to net

income, was 1.17. We thus achieved a cash conversion rate that contributed strongly to the average required to reach our target of 1 minus annual comparable revenue growth rate over a cycle of three to five years.

Siemens' strong operating performance in fiscal 2023 is reflected in the Managing Board's variable compensation, which takes into account not only financial success but also environmental and social aspects. As a result, the compensation of the Managing Board members is also oriented toward the interests of the shareholders as well as the other stakeholders of Siemens AG.

Composition of the Managing Board and the Compensation Committee

There were no changes in the composition of the Managing Board of Siemens AG in fiscal 2023. In fiscal 2023, the Managing Board comprised Dr. Roland Busch (President and CEO), Cedrik Neike, Matthias Rebellius, Prof. Dr. Ralf P. Thomas and Judith Wiese.

Following the scheduled departure of Michael Diekmann, the previous Chairman of the Compensation Committee of the Supervisory Board of Siemens AG, from the Supervisory Board and thus also from the Compensation Committee, the Compensation Committee elected Matthias Zachert to serve as its new Chairman, effective February 10, 2023. Grazia Vittadini has been a new member of the Compensation Committee since February 2023. As of September 30, 2023, the Compensation Committee comprised Matthias Zachert (Chairman), Harald Kern, Jürgen Kerner, Jim Hagemann Snabe, Birgit Steinborn and Grazia Vittadini.

Vote on the Compensation Report for fiscal 2022 at the 2023 Annual Shareholders' Meeting

The Compensation Report for fiscal 2022 was prepared in accordance with Section 162 of the German Stock Corporation Act (AktG), and its content was also audited by the independent auditors, beyond the requirement of Section 162 para. 3 sent. 1 and 2 of the German Stock Corporation Act (AktG). The Compensation Report on the compensation individually awarded and due to the members of the Managing Board and the Supervisory Board of Siemens AG in fiscal 2022 was approved by a majority of 92.09% of the valid votes cast at the Annual Shareholders' Meeting on February 9, 2023.

In view of the high level of approval, the Compensation Report for 2023 is basically unchanged in structure and scope. In addition, no changes to the compensation system were deemed necessary for fiscal 2023. Pursuant to Section 120a para.1 sent. 1 of the German Stock Corporation Act (AktG), the compensation system for Managing Board members must be submitted for regular approval by the Annual Shareholders' Meeting in February 2024. In this connection, the compensation system has been subjected to a comprehensive review and adjusted. The compensation system as of fiscal 2024 is available on the Company website as part of the Notice of Annual Shareholders' Meeting.

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B. Compensation of Managing Board members

B.1 The compensation system at a glance

The compensation system for the members of the Managing Board of Siemens AG that is applicable for fiscal 2023 has been in place since fiscal 2020 and was approved by the Annual Shareholders' Meeting on February 5, 2020, by a majority of 94.51% of the valid votes cast.

The compensation of the Managing Board members consists of fixed and variable components. Fixed compensation, which is not performance-based, comprises base salary, fringe benefits and a pension benefit commitment. Short-term variable compensation (Bonus) and long-term variable compensation (Stock Awards) are performance-based compensation and thus variable.

The Share Ownership Guidelines are a further key component of the compensation system. They obligate Managing Board members to permanently hold Siemens shares worth a defined multiple of their base salary and to purchase additional shares in the event that the value of their shares falls below the defined amount.

The Managing Board compensation system is also supplemented by commitments granted in connection with the commencement and termination of appointments to the Managing Board as well as any change in the regular place of work.

Overview of the compensation system for Managing Board members

		Compensation components	Design of compensation components			Maximum payout (in % of target amount)	Malus and clawback regulations	Maximum compensation	Other design characteristics
Fixed	Cash	**Fixed compensation**	**Base salary**		**Fringe benefits** **Pension benefit commitment**	100%[1]	Not applicable	Equals the sum of maximum amounts that can possibly be paid out to each Managing Board member from all compensation components for the relevant fiscal year	**Share Ownership Guidelines**
Variable	Cash	**Short-term variable compensation** (Bonus)	**33.34%** Siemens Group	**33.33%** Managing Board portfolio	**33.33%** Individual targets	200%	✓		**Commitments in connection with the commencement of appointments**
	Shares	**Long-term variable compensation** (Stock Awards)	**80%** Total shareholder return (TSR) compared to MSCI World Industrials Index		**20%** Environment, Social and Governance (ESG) Sustainability Index	300%	✓		**Commitments in the event of termination of appointments** Severance cap

1 Fringe benefits are reimbursed up to a maximum amount set by the Supervisory Board.

The following tables describe the components of the compensation system for the Managing Board members, the components' link to the Company's strategy and their concrete application in fiscal 2023.

FIXED COMPENSATION		
Base salary	Implementation in compensation system • Contractually agreed-upon fixed annual compensation based on a Managing Board member's duties and related responsibilities and his or her experience • Payment in 12 monthly installments Application in fiscal 2023 • President and CEO: €1,770,000 a year • Other Managing Board members: €1,101,600 a year	Link to strategy Competitive compensation in order to obtain the best candidates worldwide to develop and execute the Company's strategy and manage its operations and in order to retain these individuals at the Company over the long term.

Fringe benefits	Implementation in compensation system
	• Determination of a maximum amount relative to base salary, covering expenses incurred to the benefit of the Managing Board member
	• Includes in-kind compensation and fringe benefits granted by the Company, for example:
	  • Provision of a company car
	  • Insurance allowances
	  • Costs of medical checkups
	
	Application in fiscal 2023
	In fiscal 2023, Managing Board members were entitled to fringe benefits equal to a maximum of 7.5% of their base salary
	• President and CEO: max. €132,750
	• Other Managing Board members: max. €82,620	

Pension benefit commitment	Implementation in compensation system • Annual contributions to the Siemens Defined Contribution Pension Plan (BSAV) • Newly appointed Managing Board members as of October 1, 2019: fixed cash amount for free disposal • Commitment at beginning of fiscal year • Credit to pension account (BSAV contribution) or payout (amount for free disposal) in January after the end of the fiscal year Application in fiscal 2023 BSAV contribution (credit in January 2024) • President and CEO: €991,200 • Other Managing Board members: €616,896 Amount for free disposal (payment in January 2024) • Other Managing Board members: €550,800	

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VARIABLE COMPENSATION

Short-term variable compensation (Bonus)	Implementation in compensation system
	Performance-oriented annual Bonus, paid in cash in the subsequent fiscal year
	• Performance range: 0% to 200%, using linear interpolation
	• Three equally weighted target dimensions:
	  • Siemens Group
	  • Managing Board portfolio
	  • Individual targets: two to four equally weighted financial targets or focus topics
	• Consideration of extraordinary developments in justified, infrequent special cases possible
	
	Application in fiscal 2023
	Bonus for fiscal 2023
	• Performance period: October 1, 2022, to September 30, 2023
	• Payout: February 2024 (at the latest)
	• Performance criteria:
	  • 33.34% earnings per share before purchase price allocation (EPS pre PPA)
	  • 33.33% return on capital employed adjusted (ROCE adjusted)
	  • 33.33% individual targets:
	  • Cash conversion rate (CCR) in the area of responsibility
	  • Comparable revenue growth in the area of responsibility
	  • Two additional individual targets with focus topics from the Bonus topic catalogue
	
	Target amounts (based on 100% target achievement)
	• President and CEO: €1,770,000
	• Other Managing Board members: €1,101,600
		Link to strategy
		Provides incentives for strong annual financial and non-financial performance as the basis for long-term Company strategy and sustainable value creation.

Long-term variable compensation (Stock Awards)	Implementation in compensation system
	Performance-oriented plan settled by share transfer after the end of an approximately four-year vesting period
	• Performance range: 0% to 200%, using linear interpolation
	• Two performance criteria:
	  • Development of total shareholder return (TSR) relative to an international sector index (weighting: 80%)
	  • 12-month reference and 36-month performance period
	  • Outperformance relative to sector index –/+ 20 percentage points
	  • Siemens-internal ESG/Sustainability index with three equally weighted key performance indicators and annual interim targets (weighting: 20%)
	• Payout cap: 300% of target amount
	
	Application in fiscal 2023
	2023 Stock Awards tranche
	• Allocation date: November 18, 2022
	• End of vesting period: in November 2026
	• Performance criteria:
	  • Development of TSR relative to MSCI World Industrials index (weighting: 80%)
	  • ESG key performance indicators: CO_2 emissions, digital learning hours per employee and Net Promoter Score (weighting: 20%)
	
	Target amounts (based on 100% target achievement)
	• President and CEO: €3,340,000
	• Chief Financial Officer: €2,145,000
	• Cedrik Neike: €1,470,000
	• Other Managing Board members: €1,380,000
		Link to strategy
		Fosters long-term commitment and provides incentives for sustainable value creation in accordance with the interests of shareholders and for the achievement of strategic sustainability targets.

Malus and clawback regulations	Implementation in compensation system In cases of severe breaches of duty or compliance and/or unethical behavior or in cases of grossly negligent or willful breaches of duty of care or in cases in which variable compensation components linked to the achievement of specific targets have been unduly paid out on the basis of incorrect data, the Supervisory Board can withhold or reclaim variable compensation. Application in fiscal 2023 No application in fiscal 2023	Link to strategy Aim to ensure sustainable Company development and avoid inappropriate risks.

MAXIMUM COMPENSATION		
Maximum compensation	Implementation in compensation system • Determined annually by the Supervisory Board based on total target compensation • Equals the sum of maximum amounts that can possibly be paid out to each Managing Board member from all compensation components for the relevant fiscal year and is calculated as follows: Base salary + maximum fringe benefits + BSAV contribution or amount for free disposal + two times the Bonus target amount + three times the Stock Awards target amount Application in fiscal 2023 • Maximum compensation for each Managing Board member for fiscal 2023 determined in accordance with the compensation system • Final assessment of compliance with maximum compensation when the 2023 Stock Awards tranche is settled in fiscal 2027 • Reporting in Compensation Report for fiscal 2027	Link to strategy Caps Managing Board members' compensation in order to avoid uncontrollably high payments and thus disproportionate costs and risks for the Company.
OTHER DESIGN CHARACTERISTICS		

Share Ownership Guidelines	Implementation in compensation system
	• Obligates Managing Board members to permanently hold Siemens shares of an amount equal to a multiple of their base salary during their terms of office on the Managing Board
	  • President and CEO: 300%
	  • Other Managing Board members: 200%
	• Four-year build-up phase
	• Verification date on second Friday in March
	• Relevant share price: average Xetra opening price of the fourth quarter of the previous calendar year
	• Obligation to purchase additional shares if the value of the accumulated shareholding falls below the respective amounts to be verified due to fluctuations in the Siemens share price
	
	Application in fiscal 2023
	• Verification date: March 10, 2023
	• Relevant share price: €120.12
	• Fulfilled by all the Managing Board members obligated to provide verification
		Link to strategy
		Foster an alignment of Managing Board and shareholder interests and provide additional incentives to sustainably increase Company value.

Commitments in connection with the commencement of Managing Board appointments	Implementation in compensation system • Compensation for the loss of benefits from a former employer • Moving expenses due to a change of the regular place of work at the request of the Company Application in fiscal 2023 No application in fiscal 2023	Link to strategy Are part of competitive compensation and help the Company obtain the best candidates worldwide for the Managing Board.
Commitments in the event of termination of Managing Board appointments	Implementation in compensation system • Termination by mutual agreement and without serious cause • Change of control (only for first-time appointments and/or reappointments before November 2019) Application in fiscal 2023 No application in fiscal 2023	

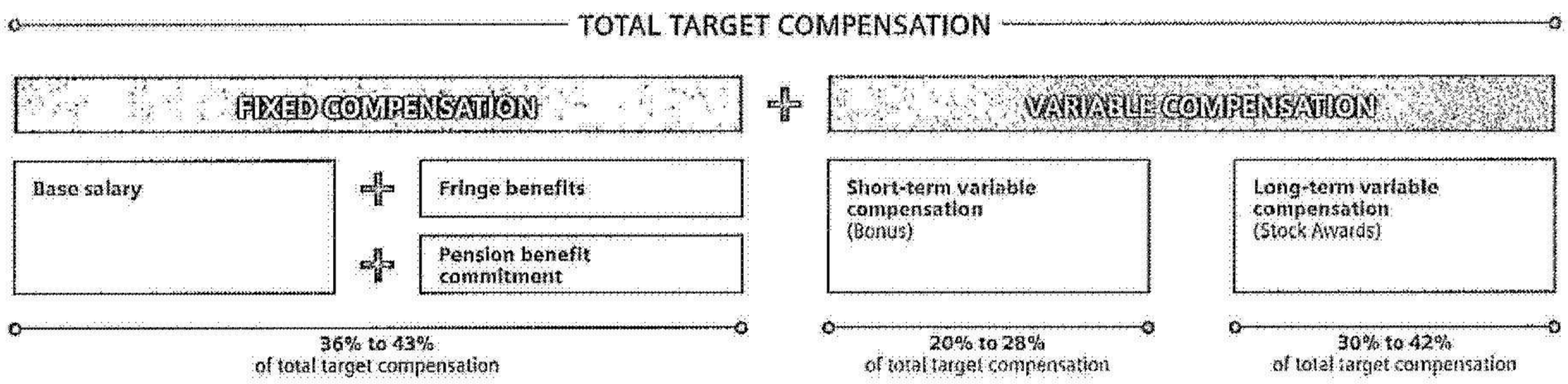
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B.2 Principles of the determination of compensation

B.2.1 Target compensation and compensation structure

The Supervisory Board has determined, in accordance with the compensation system for the Managing Board members, the amount of each Managing Board member's total target compensation for fiscal 2023. In making this determination, the Supervisory Board has ensured that the proportion of long-term variable compensation always exceeds that of short-term variable compensation and that the proportions of total target compensation represented by each of the individual compensation components are within the ranges defined in the compensation system.

Composition of total target compensation



The regular review of Managing Board compensation at the beginning of fiscal 2023 in order to determine the compensation's appropriateness and conformity with customary market practices indicated that – when compared to the companies in the DAX 40, the German blue-chip stock index, that have been defined in the compensation system as the relevant market – the total target compensation of the members of the Managing Board of Siemens AG was positioned toward the lower end of the customary market ranges. Compared to the companies in the STOXX Europe 50, which is also used for a market comparison due to Siemens' international footprint, direct target compensation was actually below the customary market range. Against this backdrop, the Supervisory Board approved an increase in the total target compensation of all Managing Board members as of October 1, 2022. This increase was implemented by raising the individual members' Stock Awards target amounts. The Stock Awards target amount for Dr. Roland Busch was raised to €3,340,000 from €2,954,000, the target amount for Prof. Dr. Ralf P. Thomas was raised to €2,145,000 from €2,000,000, the target amount for Cedrik Neike was raised to €1,470,000 from €1,259,000, and the target amounts for the remaining Managing Board members were raised to €1,380,000 from €1,259,000.

Due to the increase in the Stock Awards target amounts, variable compensation is structured on a more long-term basis, while compensation as a whole is oriented even more toward sustainable Company development.

Regarding compensation, all components of the compensation of the position of President and CEO are differentiated. The target amount of Prof. Dr. Ralf P. Thomas's Stock Awards is differentiated due to his particular responsibilities as CFO. The target amount of Cedrik Neike's Stock Awards is also differentiated due to the outstanding business results of Digital Industries, the strategic importance of this Business for the further development of Siemens AG and Cedrik Neike's five-years of membership on the Managing Board.

The following table shows the individualized target compensation of each Managing Board member and the relative proportions of total target compensation represented by each of the individual compensation components.

Target compensation fiscal 2023

Managing Board members in office on September 30, 2023			Dr. Roland Busch President and CEO since Feb. 3, 2021				Cedrik Neike Managing Board member since April 1, 2017			
			2023		2022		2023		2022	
			€ thousand	in % of TTC	€ thousand	in % of TTC	€ thousand	in % of TTC	€ thousand	in % of TTC
Fixed compensation		Base salary	**1,770**	**22%**	1,770	23%	**1,102**	**25%**	1,102	26%
	+	Fringe benefits[1]	**133**	**2%**	133	2%	**83**	**2%**	83	2%
	+	BSAV contribution / amount for free disposal[2]	**991**	**12%**	991	13%	**617**	**14%**	617	15%
	=	**Total**	**2,894**	**36%**	2,894	38%	**1,801**	**41%**	1,801	43%
Variable compensation	+	**Short-term variable compensation**								
		Bonus for fiscal 2023	**1,770**	**22%**	–	–	**1,102**	**25%**	–	–
		Bonus for fiscal 2022	–	–	1,770	23%	–	–	1,102	26%
	+	**Long-term variable compensation**								
		2023 Stock Awards (vesting: 2022 – 2026)	**3,340**	**42%**	–	–	**1,470**	**34%**	–	–
		2022 Stock Awards (vesting: 2021 – 2025)	-	-	2,954	39%	-	-	1,259	30%
	=	**Total target compensation (TTC)**	**8,004**	**100%**	7,618	100%	**4,373**	**100%**	4,162	100%

			Matthias Rebellius Managing Board member since Oct. 1, 2020				Prof. Dr. Ralf P. Thomas Managing Board member since Sept. 18, 2013			
			2023		2022		2023		2022	
			€ thousand	in % of TTC	€ thousand	in % of TTC	€ thousand	in % of TTC	€ thousand	in % of TTC
Fixed compensation		Base salary	**1,102**	**26%**	1,102	27%	**1,102**	**22%**	1,102	22%
	+	Fringe benefits[1]	**83**	**2%**	83	2%	**83**	**2%**	83	2%
	+	BSAV contribution / amount for free disposal[2]	**551**	**13%**	551	13%	**617**	**12%**	617	13%
	=	**Total**	**1,735**	**41%**	1,735	42%	**1,801**	**36%**	1,801	37%
Variable compensation	+	**Short-term variable compensation**								
		Bonus for fiscal 2023	**1,102**	**26%**	–	–	**1,102**	**22%**	–	–
		Bonus for fiscal 2022	–	–	1,102	27%	–	–	1,102	22%
	+	**Long-term variable compensation**								
		2023 Stock Awards (vesting: 2022 – 2026)	**1,380**	**33%**	–	–	**2,145**	**42%**	–	–
		2022 Stock Awards (vesting: 2021 – 2025)	–	–	1,259	31%	–	–	2,000	41%
	=	**Total target compensation (TTC)**	**4,217**	**100%**	4,096	100%	**5,048**	**100%**	4,903	100%

			Judith Wiese Managing Board member since Oct. 1, 2020			
			2023		2022	
			€ thousand	in % of TTC	€ thousand	in % of TTC
Fixed compensation		Base salary	**1,102**	**26%**	1,102	27%
	+	Fringe benefits[1]	**83**	**2%**	83	2%
	+	BSAV contribution / amount for free disposal[2]	**551**	**13%**	551	13%
	=	**Total**	**1,735**	**41%**	1,735	42%
Variable compensation	+	**Short-term variable compensation**				
		Bonus for fiscal 2023	**1,102**	**26%**	–	–
		Bonus for fiscal 2022	–	–	1,102	27%
	+	**Long-term variable compensation**				
		2023 Stock Awards (vesting: 2022 – 2026)	**1,380**	**33%**	–	–
		2022 Stock Awards (vesting: 2021 – 2025)	–	–	1,259	31%
	=	**Total target compensation (TTC)**	**4,217**	**100%**	4,096	100%

1 For fiscal 2023, each Managing Board member was awarded fringe benefits equal to a maximum 7.5% of his or her base salary. The target amount reported here is also equal to the maximum amount.

2 Matthias Rebellius and Judith Wiese are not included in the Siemens Defined Contribution Pension Plan (BSAV). Instead of BSAV contributions, they receive a fixed cash amount for free disposal.

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B.2.2 Maximum compensation

The maximum compensation of each Managing Board member is determined annually by the Supervisory Board in accordance with Section 87a para. 1 sent. 2 No. 1 of the German Stock Corporation Act (AktG). Maximum compensation is equal to the total of the maximum amounts of all compensation components that can possibly be paid out to each Managing Board member for the relevant fiscal year. It is calculated by adding base salary, maximum fringe benefits and the BSAV contribution (or the amount for free disposal) as well as two times the Bonus target amount and three times the Stock Awards target amount. Twice the Bonus target amount and triple the Stock Awards target amount also correspond to the respective limits (individual caps) on the amount of variable compensation.

The following table shows the maximum compensation of each Managing Board member as approved by the Supervisory Board for fiscal 2023 in accordance with Section 87a para. 1 sent. 2 No. 1 of the German Stock Corporation Act (AktG).

Maximum compensation fiscal 2023

			Managing Board members in office on September 30, 2023				
(€ thousand)			Dr. Roland Busch	Cedrik Neike	Matthias Rebellius	Prof. Dr. Ralf P. Thomas	Judith Wiese
Fixed compensation		Base salary	1,770	1,102	1,102	1,102	1,102
	+	Fringe benefits (maximum amount)	133	83	83	83	83
	+	BSAV contribution / amount for free disposal	991	617	551	617	551
Variable compensation	+	Bonus for fiscal 2023 (two times target amount)	3,540	2,203	2,203	2,203	2,203
	+	Stock Awards 2023 *vesting: 2022 – 2026* (three times target amount)	10,020	4,410	4,140	6,435	4,140
	=	**Maximum compensation**	**16,454**	**8,414**	**8,078**	**10,439**	**8,078**

The base salary and the BSAV contribution (or the amount for free disposal) are fixed amounts. In no case did the fringe benefits awarded to a Managing Board member exceed the maximum amount defined for fiscal 2023. The Bonus cap was not reached in fiscal 2023.

Since the 2023 Stock Awards tranche is not due until November 2026, compliance with the maximum limit of the Stock Awards for fiscal 2023 can be finally assessed only in November 2026, when the 2023 Stock Awards tranche is settled.

The final assessment of compliance with the maximum compensation for fiscal 2023 will be included in the Compensation Report for fiscal 2027.

B.2.3 Appropriateness of compensation

The Supervisory Board conducted the annual review of Managing Board compensation in order to determine the latter's appropriateness and conformity with market conditions. For this purpose, the Supervisory Board assessed the compensation's level and structure relative to the companies included in the DAX 40, the German blue-chip stock index, and relative to the companies included in the STOXX Europe 50 (horizontal comparison). In the course of its review, the Supervisory Board also assessed the development of Managing Board compensation relative to the compensation of Senior Management and Siemens' total workforce in Germany (vertical comparison). Senior Management comprises executive employees. The total workforce comprises Senior Management as well as the Siemens employees who are covered by collective bargaining agreements and those who are not. In addition to a status quo analysis, the vertical comparison took into account the development of compensation ratios over time. Since Siemens Healthineers is a separately managed, publicly listed company, its workforce was not included in the vertical comparison.

The appropriateness review of Managing Board compensation for fiscal 2023 has shown that Managing Board compensation is appropriate.

B.3 Variable compensation in fiscal 2023

Variable compensation is tied to performance and accounts for a significant proportion of the total compensation of Managing Board members. It consists of a short-term variable component (Bonus) and a long-term variable component (Stock Awards).

The performance criteria and the key performance indicators used to measure performance for variable compensation in fiscal 2023 are derived from the Company's strategic goals and operational steering and are in line with the compensation system applicable for fiscal 2023. As a rule, all the performance criteria measure successful value creation in all its different forms, as strategically envisioned. In line with Siemens' social responsibility, sustainability is also included in the performance criteria.

The performance criteria relevant for fiscal 2023, the key performance indicators, the focus topics and the explanations of how these foster the Company's long-term development are shown in the following table.

Performance criteria of variable compensation and link to strategy

Performance criterion	Key performance indicator / focus topic	Bonus	Stock Awards	Link to strategy
FINANCIAL TARGETS				
Profit	Earnings per share before purchase price allocation (EPS pre PPA)	✓		EPS reflects the net income attributable to the shareholders of Siemens AG and incentivizes the sustainable increase in profit – particularly by focusing on profitable growth. This key performance indicator provides a comprehensive perspective that encompasses all units of the Siemens Group. The consideration of EPS pre PPA strengthens the focus on Siemens' operating performance.
Profitability / capital efficiency	Return on capital employed adjusted (ROCE adjusted)	✓		ROCE, which is the primary measure for managing capital efficiency at Group level, reflects our focus on profitable growth, the implementation of measures to sustainably increase competitiveness and stringent working capital management. The adjustment of ROCE places the focus on Siemens' operating performance.
Liquidity	Cash conversion rate (CCR)	✓		CCR measures the ability to convert profit into cash flow in order to finance growth and offer our shareholders an attractive, progressive dividend policy.
Growth	Comparable revenue growth	✓		Further accelerating high-value growth is a key element of Siemens' strategy. As a leading technology company, Siemens wants to expand its position on all targeted markets and tap additional profitable markets.
Long-term value creation	Total shareholder return (TSR)		✓	TSR is a yardstick for measuring the achievement of Siemens' strategic goal of sustainably increasing Company value. It indicates total value creation for shareholders in the form of increases in the Siemens share price and dividends paid.
NON-FINANCIAL, QUALITATIVE TARGETS				
Execution of Company strategy	Various focus topics	✓		The individual targets for executing the Company strategy enable the Company to focus on specific factors that are aligned with its short- and medium-term targets and measures in order to ensure its long-term strategic development. The focus topics in fiscal 2023 comprised business development, the implementation of other strategic target setting, optimization / efficiency enhancement and the implementation of portfolio measures.
Sustainability	Various focus topics	✓		**Sustainability / diversity** – Siemens honors its social responsibility by fostering diversity, inclusion and equal opportunity.
	Siemens-internal ESG/Sustainability index	✓		The **Siemens-internal ESG/Sustainability index** for the 2023 Stock Awards tranche includes: • **CO_2 emissions** – Climate neutrality by 2030 in order to support the 1.5-degree target and thus combat global warming. • **Digital learning hours** – Focus on learning in order to empower our people to remain resilient and relevant in a constantly changing environment. • **Net Promoter Score** – Strong customer relationships are the basis for sustainable development both for Siemens and for our customers.

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The Supervisory Board aims to ensure that the targets for variable compensation are demanding and sustainable. If they are not reached, variable compensation can be reduced to zero. If the targets are significantly exceeded, target achievement is capped at 200%.

B.3.1 Short-term variable compensation (Bonus)

B.3.1.1 BASIC PRINCIPLES AND FUNCTIONING

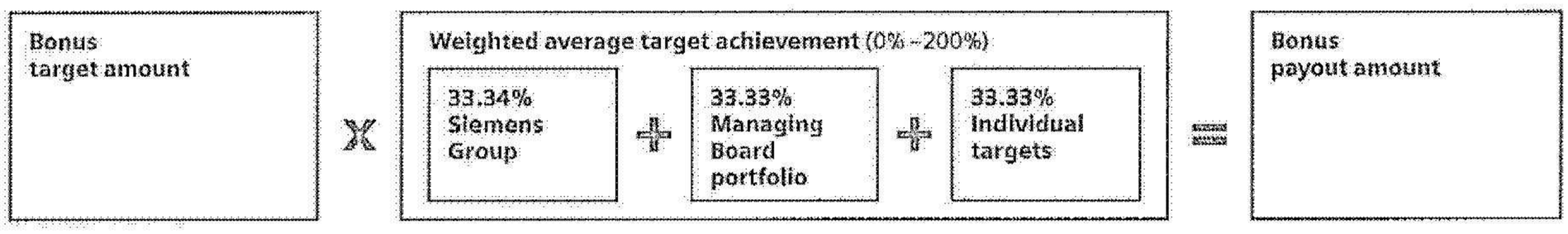
The Bonus system is based on three equally weighted target dimensions, which take account of the overall responsibility of the Managing Board as well as each Managing Board members' specific business responsibilities and individual challenges:

→ "Siemens Group"
→ "Managing Board portfolio"
→ "Individual targets."

Performance criteria are assigned to each of the three target dimensions based on Company priorities and the responsibilities of each Managing Board member. One financial performance criterion is assigned to the "Siemens Group" dimension and another to the "Managing Board portfolio" dimension. The fulfillment of these criteria is measured on the basis of key performance indicators. Within the "Individual targets" dimension, the financial performance criteria "growth" and "liquidity" can be employed as can additional, non-financial performance criteria. In the case of non-financial performance criteria, the Supervisory Board considers the degree to which a Managing Board member has fulfilled so-called focus topics, which comprise operations-related aspects of the execution of the Company's strategy as well as sustainability-related aspects.

At the end of the fiscal year, target achievement for the individual key performance indicators and the achievement of the Managing Board members' individual targets are determined and aggregated to form a weighted average. The percentage of weighted target achievement multiplied by the individual target amount yields the Bonus payout amount for the past fiscal year. The payable Bonus is capped at two times the target amount and is paid in cash, at the latest, together with the compensation paid at the end of February of the following fiscal year.

Bonus design and calculation of payout amount



B.3.1.2. BONUS FOR FISCAL 2023

"Siemens Group" target dimension

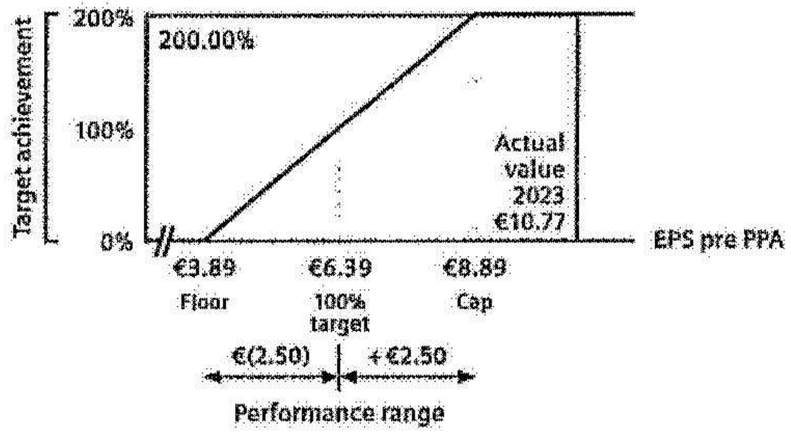
For the "Siemens Group" target dimension in fiscal 2023, the Supervisory Board of Siemens AG defined the performance criterion "profit." In accordance with external communications and the Siemens Financial Framework for the financial steering of the Company, the focus is on the transparent presentation of Siemens' operating performance. For this reason, "profit" is measured in terms of basic earnings per share before purchase price allocation (EPS pre PPA). EPS pre PPA is defined as basic earnings per share from net income adjusted for amortization of intangible assets acquired in business combinations and related income taxes. It includes the amounts attributable to shareholders of Siemens AG.

To take account of the Company's long-term performance and provide incentives for a sustainable increase in profit, the average EPS pre PPA of three consecutive fiscal years was used for target setting. The portfolio of Siemens AG changed significantly due to the spin-off of Siemens Energy at the end of fiscal 2020. Against this backdrop, target setting for fiscal 2023 was defined on the basis of comparable EPS pre PPA values. The following EPS pre PPA values were used for this purpose: the EPS pre PPA value of continuing operations was used for fiscal 2020, and the EPS pre PPA values of continuing and discontinued operations were used for fiscal 2021 and fiscal 2022.

As part of target achievement, the actual EPS pre PPA value of the reporting year is used in order to place the focus on performance in the reporting year.

Earnings per share before purchase price allocation (EPS pre PPA): Target setting and target achievement

33.34% Siemens Group
EPS pre PPA, basic



Calculation of target and actual value:

Fiscal	EPS pre PPA	
2020	€5.39	
2021	€8.32	← avg. 2020–2022 → 100% target = €6.39
2022	€5.47	
2023	€10.77	← Actual value

For fiscal 2020:
comparable EPS pre PPA of continuing operations

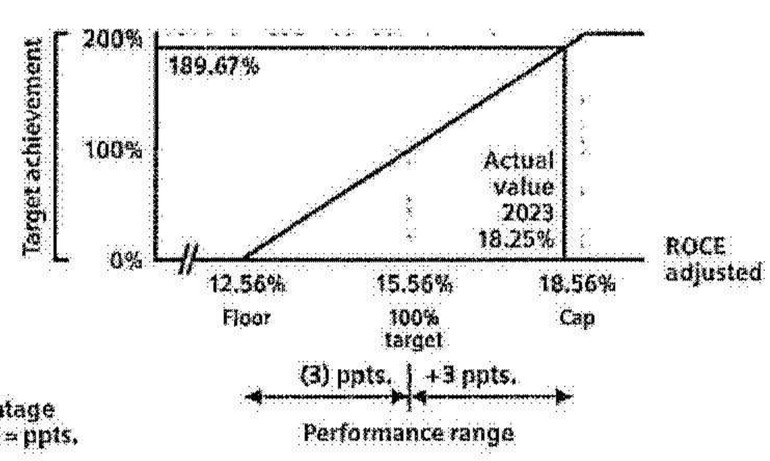
Target achievement: 200.00%

"Managing Board portfolio" target dimension

The Supervisory Board of Siemens AG established "profitability / capital efficiency" measured in terms of return on capital employed (ROCE) as the performance criterion for the "Managing Board portfolio" target dimension for fiscal 2023 for all Managing Board members. ROCE is defined as profit before interest and after tax divided by average capital employed. For the purposes of target setting and determining target achievement, ROCE – as defined in the Siemens Financial Framework, which excludes certain Varian-related acquisition effects – is adjusted for main effects relating to the stake in Siemens Energy (profit "Siemens Energy Investment" in the numerator and asset "Siemens Energy Investment" in the denominator). The target value for ROCE adjusted is derived from budget planning.

Return on capital employed adjusted (ROCE adjusted): Target setting and target achievement

33.33% Managing Board portfolio
ROCE adjusted



Calculation of actual value according to target setting:

ROCE as reported (excluding defined Varian-related acquisition effects)	**18.65%**
Main Siemens-Energy-related effects	*(0.40) ppts.*
Actual ROCE adjusted value	**18.25%**

Target achievement: 189.67%

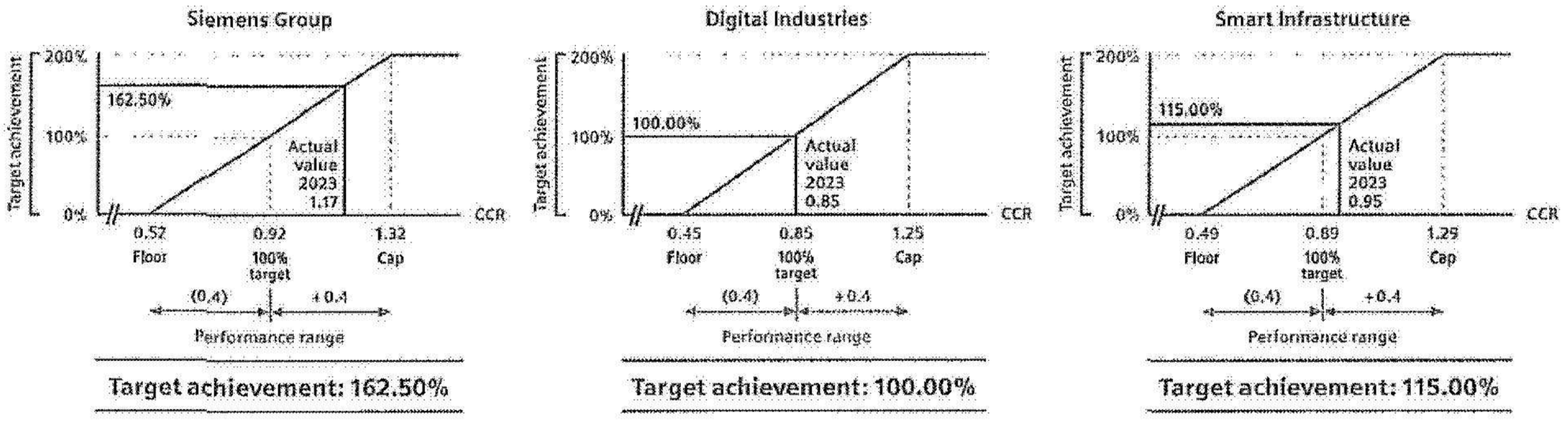
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"Individual targets" target dimension

The "Individual targets" target dimension comprises four equally weighted individual targets, achievement of each of which may be between 0% and 200%.

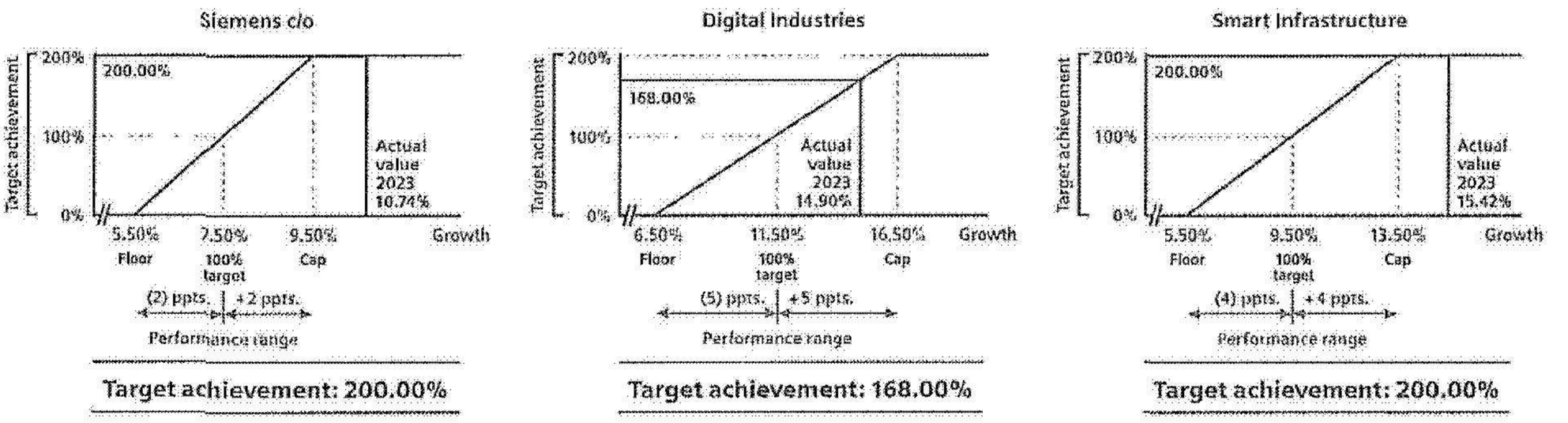
The cash conversion rate (CCR) was defined as the first individual target for all Managing Board members. The CCR reflects a company's ability to convert profit into available cash. For the President and CEO and the Managing Board members with primarily functional responsibility, the CCR target was defined on the basis of the Siemens Group in order to support Siemens' voluntary commitment to generate cash at Group level. CCR Siemens Group is defined as the ratio of free cash flow from continuing and discontinued operations to net income. For the Managing Board members with business responsibility for Digital Industries and Smart Infrastructure, the CCR targets are business-specific and defined as the ratio of free cash flow to profit at each business. The target amounts for CCR were based on the budget plans.

Individual targets: Cash conversion rate (CCR) – Target setting and target achievement



In addition to CCR, "comparable revenue growth" was defined as the second individual target for fiscal 2023 for all members of the Managing Board. It indicates the development in Siemens' business net of currency translation effects arising from the external environment outside of Siemens' control and the portfolio effects that involve business activities that are either new to or no longer a part of the relevant business. For the President and CEO and the members of the Managing Board with primarily functional responsibility, the growth target was determined on the basis of continuing operations (c/o) related to the Siemens Group (Siemens c/o). For the Managing Board members with business responsibility for Digital Industries and Smart Infrastructure, growth targets are based on their respective businesses. The respective target values were derived from the external outlook for fiscal 2023.

Individual targets: Comparable revenue growth – Target setting and target achievement



The other two individual targets include focus topics from the areas of Company strategy / sustainability and were defined on the basis of the Managing Board members' respective areas of responsibility.

Individual targets: Focus topics from the areas of Company strategy / sustainability

Dr. Roland Busch	**Business development**	
	Expansion of Siemens Xcelerator business	• Siemens Xcelerator revenue growth above fiscal-year targets • Accelerated expansion of Siemens Xcelerator business through modernization and modularization as well as the extension of marketplace content and functionalities
	Sustainable strengthening of the businesses, including resilience	• Market share gains in nearly all businesses with accompanying revenue growth • Strengthening of value chain resilience
	Sustainability / diversity	
	Further development of the sustainability-related business strategy and anchoring in Company steering	• Strengthening of the sustainability organization in the business units and establishment of a committee for sustainability-related business decisions • Implementation and anchoring in key processes such as product design and data / IT infrastructure as well as the development of business models
	Development of sustainability-related business	• Definition of basic structure and preparation of new key performance indicators for impact • Completion of materiality assessment pursuant to the Corporate Sustainability Reporting Directive (CSRD) as well as sustainability scenario modeling
Cedrik Neike	**Business development**	
	Expansion of Siemens Xcelerator business	• Positive revenue development as well as the expansion of Siemens Xcelerator scope to include product design, engineering and verification • Further expansion of customer and partner landscape with, among others, NVIDIA, Microsoft and Daimler Truck
	Strengthening of the Regions in go-to-market, including sector-specific expertise	• Driving Regional sales transformation, among other things, through the introduction of overarching sales processes and steering • Improved sector-specific expertise in the battery and semiconductor segment – in particular, through the dedicated allocation of resources and the addressing of key customers
	Achievement of software-as-a-service targets	• Transition to software-as-a-service considerably above plan and above the target communicated at the 2021 Capital Market Day
	Implementation of other strategic target setting	
	Development of sustainability-related business	• Definition of basic structure and preparation of new key performance indicators for impact • Implementation of sustainability and energy efficiency campaigns
	Strengthening of sector-specific solutions with regard to sustainability-related business	• Establishment and expansion of partnerships as well as analysis of new business opportunities • External communications and training of sales personnel in sector-specific aspects of sustainability
Matthias Rebellius	**Business development**	
	Expansion of Siemens Xcelerator business	• Siemens Xcelerator revenue growth above fiscal-year targets for Siemens Xcelerator software, internet of things (IoT) and digital services and for Siemens Xcelerator IoT hardware
	Strengthening of the Regions in go-to-market, including sector-specific expertise	• Planning for seven sectors in key countries for fiscal 2024 already concluded • Strong development in the battery and semiconductor segment, among other things, through the strengthening of sales structures and the conclusion of framework agreements
	Implementation of other strategic target setting	
	Development of sustainability-related business	• Definition and introduction of customer value in the sustainability strategy of Siemens AG • Determination of clear sustainability-related focus businesses and investment priorities
	Strengthening of sector-specific solutions with regard to sustainability-related business	• Identification of business opportunities and market-specific use cases • Successful, cross-sector scaling of energy-saving contracting in commercial buildings, hospitals, universities

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Individual targets: Focus topics from the areas of Company strategy / sustainability (cont.)

Prof. Dr. Ralf P. Thomas	**Implementation of portfolio measures**	
	Driving performance of Portfolio Companies	• Successful sale of Commercial Vehicles business to Meritor • Strong operating performance, including revenue growth and increase in operating profitability year-over-year
	Further development of Siemens Financial Services (SFS)	• Successful support for Siemens Xcelerator through specific SFS solutions and integration of a digital payment and financing gateway • Scaling of established financing solutions in new business models of the industrial business
	Sustainability / diversity	
	Development of the sustainability-related business of Siemens Financial Services (SFS)	• Development and implementation of methods for identifying SFS financing solutions with a positive value contribution in the sustainability area • Continuous further development of sustainability through innovation in financing offerings
Judith Wiese	**Optimization / efficiency enhancement**	
	Further development and performance of Global Business Services (GBS)	• Further expansion of business activities, including a first major external contract • Revenue increase above annual planning as well as achievement of planned productivity targets
	Implementation of Next Work program	• Targeted scaling of Next Work to now roughly 80,000 employees • Development and provision of a Next Work training program for managers and businesses
	Sustainability / diversity	
	Further development of DEGREE framework	• Launch of a project to further develop the DEGREE framework • Acceleration of two DEGREE targets with adjusted, ambitious target setting and early achievement of the target regarding the share of women in top management positions
	Further development of the sustainability-related business strategy and anchoring in Company steering	• Strengthening of the sustainability organization in the business units and establishment of a committee for sustainability-related business decisions • Implementation and anchoring in key processes such as project design and data / IT infrastructure as well as the development of business models

Target achievement for the target dimension "Individual targets" is summarized for each Managing Board member in the following table.

Individual targets: Total target achievement by each Managing Board member

	Weighting	Key performance indicator / focus topics	Target achievement	Total target achievement
Dr. Roland Busch	25%	CCR Siemens Group	162.50%	165.63%
	25%	Comparable revenue growth Siemens c/o	200.00%	
	50%	Business development Sustainability / diversity	150.00%	
Cedrik Neike	25%	CCR Digital Industries	100.00%	132.00%
	25%	Comparable revenue growth Digital Industries	168.00%	
	50%	Business development Implementation of other strategic target setting	130.00%	
Matthias Rebellius	25%	CCR Smart Infrastructure	115.00%	153.75%
	25%	Comparable revenue growth Smart Infrastructure	200.00%	
	50%	Business development Implementation of other strategic target setting	150.00%	
Prof. Dr. Ralf P. Thomas	25%	CCR Siemens Group	162.50%	160.63%
	25%	Comparable revenue growth Siemens c/o	200.00%	
	50%	Implementation of portfolio measures Sustainability / diversity	140.00%	
Judith Wiese	25%	CCR Siemens Group	162.50%	155.63%
	25%	Comparable revenue growth Siemens c/o	200.00%	
	50%	Optimization / efficiency enhancement Sustainability / diversity	130.00%	

Target achievement: 132.00% to 165.63%

Total target achievement for the Bonus for fiscal 2023

Total target achievement and the resulting Bonus payout amount for each Managing Board member are summarized in the following table.

Total target achievement and Bonus payout amounts for fiscal 2023

	Compensation range				
Managing Board members in office on September 30, 2023	Floor (based on 0% target achievement)	Target amount (based on 100% target achievement)	Cap (based on 200% target achievement)	Total target achievement	Bonus payout amount
Dr. Roland Busch	€0	€1,770,000	€3,540,000	**185.10%**	**€3,276,270**
Cedrik Neike	€0	€1,101,600	€2,203,200	**173.89%**	**€1,915,572**
Matthias Rebellius	€0	€1,101,600	€2,203,200	**181.14%**	**€1,995,438**
Prof. Dr. Ralf P. Thomas	€0	€1,101,600	€2,203,200	**183.43%**	**€2,020,665**
Judith Wiese	€0	€1,101,600	€2,203,200	**181.77%**	**€2,002,378**

B.3.2 Long-term variable compensation (Stock Awards)

B.3.2.1. BASIC PRINCIPLES AND FUNCTIONING

Siemens grants long-term variable compensation in the form of Stock Awards. A Stock Award is the claim to one share – conditional on target achievement – after the expiration of a defined vesting period. The vesting period is, accordingly, the term of each Stock Awards tranche.

At the beginning of a fiscal year, the Supervisory Board defines a target amount in euros based on 100% target achievement for each Managing Board member. This target amount is extrapolated to target achievement of 200% ("maximum allocation amount"). Stock Awards for this maximum allocation amount are then allocated to the Managing Board members. The number of Stock Awards is calculated by dividing the maximum allocation amount by the price of the Siemens share on the allocation date, less the estimated discounted dividends ("allocation price").

An approximately four-year vesting period begins with the allocation of Stock Awards, after the expiration of which Siemens shares are transferred. The beneficiary Managing Board members are not entitled to dividends during the vesting period.

Performance criteria

Since fiscal 2020, the number of Siemens shares that is actually transferred depends 80% on the financial performance criterion "long-term value creation," measured on the basis of the key performance indicator "total shareholder return" (TSR), and 20% on the non-financial performance criterion "sustainability." For measuring the "sustainability" performance criterion, Siemens AG's performance in the environment, social and governance (ESG) area is assessed on the basis of a Siemens-internal ESG/Sustainability index, the composition of which is determined annually by the Supervisory Board.

Total shareholder return – TSR is indicative of the performance of one share over a specified period of time – in the case of Siemens, over the approximately four-year vesting period. It takes into account changes in the share price and the dividends paid during this period. To reflect the Company's international footprint, the TSR of Siemens AG is compared at the end of the vesting period with the TSR of an international sector index, the MSCI World Industrials or a comparable successor index.

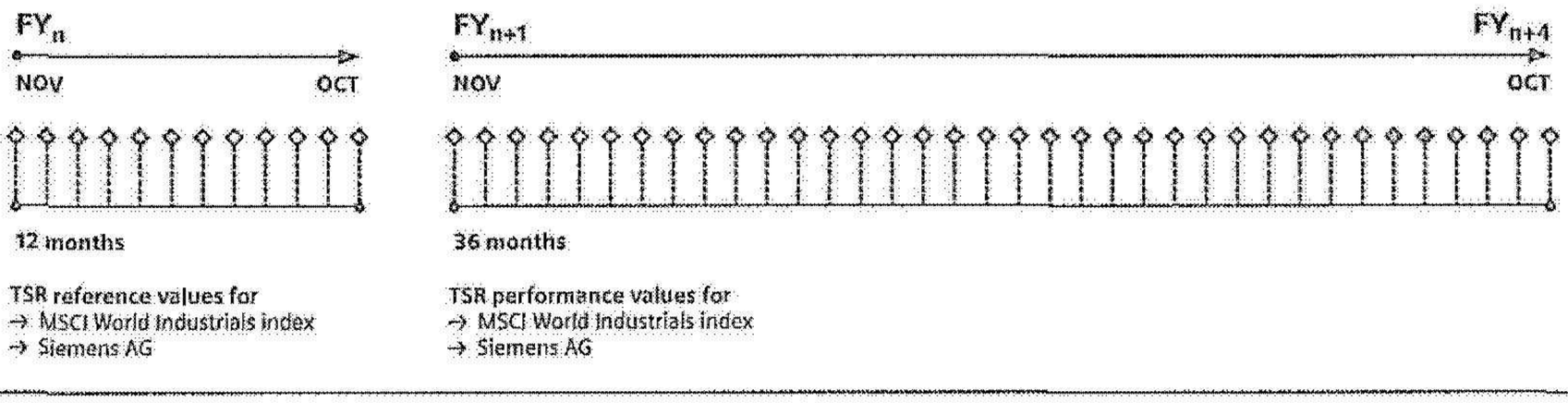
Target achievement for TSR is concretely determined by first calculating a TSR reference value for Siemens AG and a TSR reference value for the sector index. The TSR reference value is equal to the average of the end-of-month values over the first 12 months of the vesting period (reference period).

In order to determine at the end of the vesting period how well the TSR of Siemens AG has performed relative to the TSR of the sector index, the TSR performance value is calculated over the subsequent 36 months (performance period). The TSR performance value is the average of the end-of-month values during the performance period.

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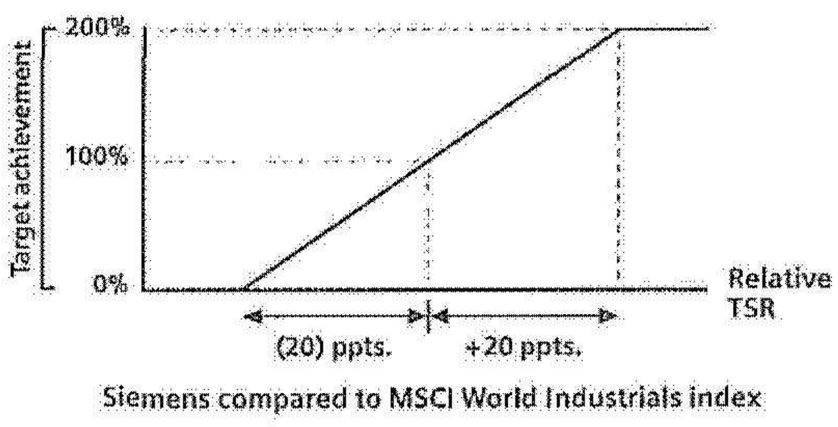
At the end of the vesting period, the change in Siemens' TSR as well as that of the sector index is determined by comparing the TSR reference values with the TSR performance values.

Calculation of TSR reference values and TSR performance values for Stock Awards



The following applies for the determination of target achievement.

Calculation of TSR target achievement



Siemens compared to MSCI World Industrials index

- If the change in the TSR of Siemens AG is at least 20 percentage points above that of the sector index, target achievement is 200%.
- If the change in the TSR of Siemens AG is equal to that of the sector index, target achievement is 100%.
- If the change in the TSR of Siemens AG is at least 20 percentage points below that of the sector index, target achievement is 0%.

If the change in the TSR of Siemens AG is between 20 percentage points above and 20 percentage points below that of the sector index, target achievement is calculated using linear interpolation.

Environment, social and governance – The Siemens-internal ESG/Sustainability index is based on three equally weighted, structured and verifiable ESG key performance indicators. At the beginning of each tranche, the Supervisory Board defines the target values for each of the ESG key performance indicators. Target measurement is based on defined interim targets for each fiscal year. Target achievement for the Siemens-internal ESG/Sustainability index is finally determined at the end of the approximately four-year vesting period on the basis of the weighted average of the target achievement values calculated for each of the key performance indicators.

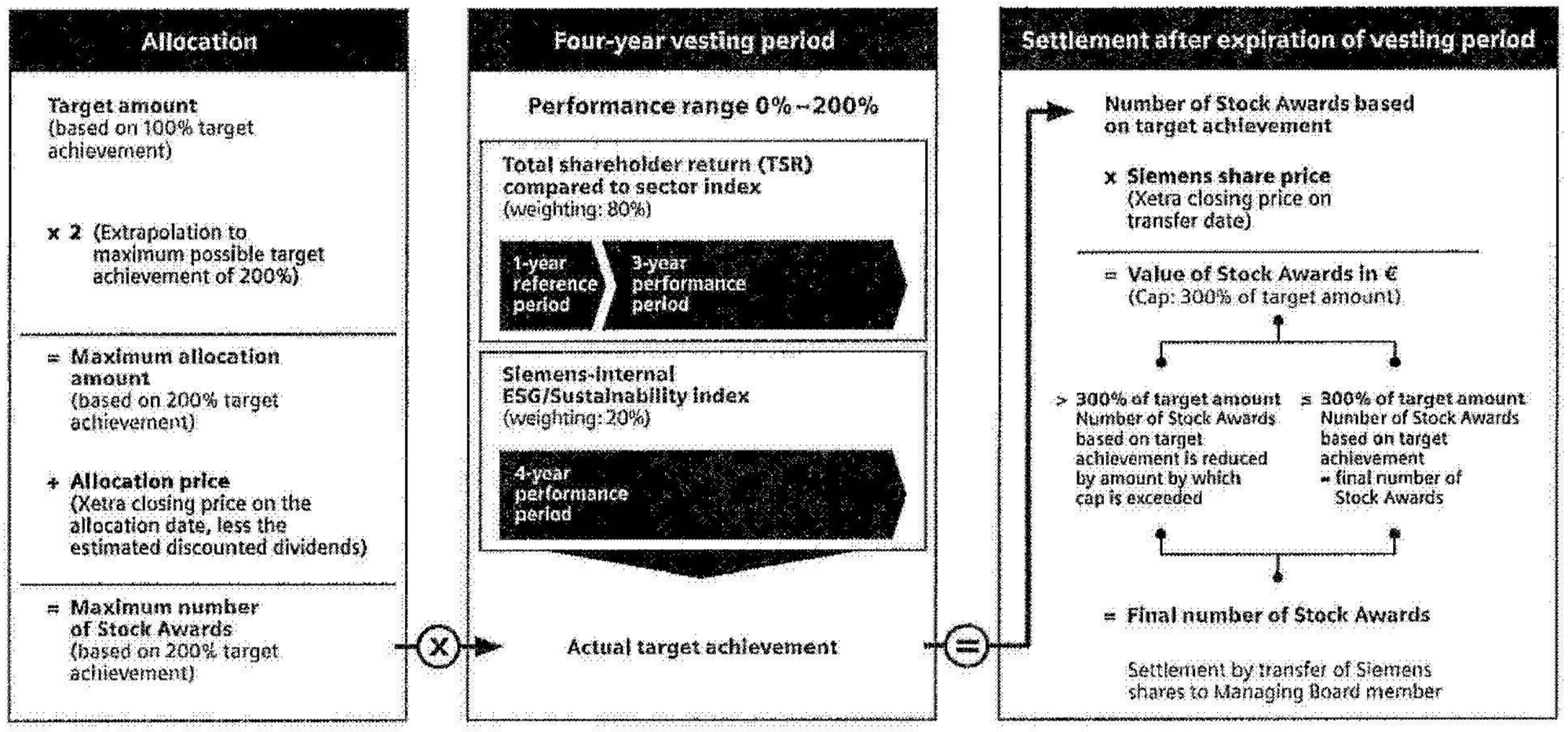
Determination of total target achievement

At the end of the approximately four-year vesting period, the Supervisory Board determines the degree of target achievement. The target achievement range for TSR and for the Siemens-internal ESG/Sustainability index is between 0% and 200%. If target achievement is less than 200%, a number of Siemens Stock Awards equivalent to the shortfall are forfeited without refund or replacement and a correspondingly smaller number of shares is transferred.

The value of the Siemens shares transferred after the expiration of the vesting period is also capped at 300% of the target amount. If this cap is exceeded, a corresponding number of Stock Awards is forfeited without refund or replacement.

The remaining number of Stock Awards is settled by the transfer of Siemens shares to the relevant Managing Board member.

Basic principles and functioning of Stock Awards



B.3.2.2 ALLOCATION OF STOCK AWARDS IN FISCAL 2023

The Supervisory Board approved the following performance criteria for the 2023 Stock Awards tranche:

→ "Long-term value creation," measured in terms of the development of the TSR of Siemens AG relative to the international sector index MSCI World Industrials and

→ "Sustainability," measured in terms of the Siemens-internal ESG/Sustainability index, which is based on the following three equally weighted key performance indicators. Target setting for the three key performance indicators is oriented on the Company's strategic sustainability planning, which is described in detail in Siemens' sustainability reporting.

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ESG key performance indicators for 2023 Stock Awards tranche

Key performance indicator	Definition	Derived from	Ambition
CO_2 emissions	Amount of greenhouse gases emitted by the Company's business operations in tons of CO_2 equivalent, excluding carbon offsets (for example, certificates).	Sustainability strategy (DEGREE framework)	Net zero emissions in business operations by 2030 with 55% emission reduction by 2025 and 90% by 2030. This ambition, which was raised in fiscal 2022, also contributes to compliance with the SBTi pathway[1] and the fulfilment of the obligations arising from membership in the RE100, EV100 and EP100 initiatives.[2]
Digital learning hours per employee	The total number of digital learning hours completed in virtual trainer-led training sessions, self-paced learning, learning on the job, community-based virtual learning and hybrid training sessions, divided by the total number of employees.	Sustainability strategy (DEGREE framework) and Company priorities (Growth mindset)	Siemens' success is inseparably linked with highly qualified employees. The right employees with the right expertise are decisive for our further growth. That is why we place a strong emphasis on learning in order to sustainably anchor it in our day-to-day working environment while continuously increasing learning hours.
Net Promoter Score (NPS)	Customer intention to recommend us, measured on a scale of 1 (extremely unlikely) to 10 (extremely likely) and based on comprehensive annual customer satisfaction surveys.[3]	Company priorities (Customer impact)	Customer satisfaction is Siemens' top priority. For us, this means identifying customer requirements as early as possible, strengthening partnerships and maintaining and building trust. As a result, we systematically measure customer satisfaction and take steps to improve it.

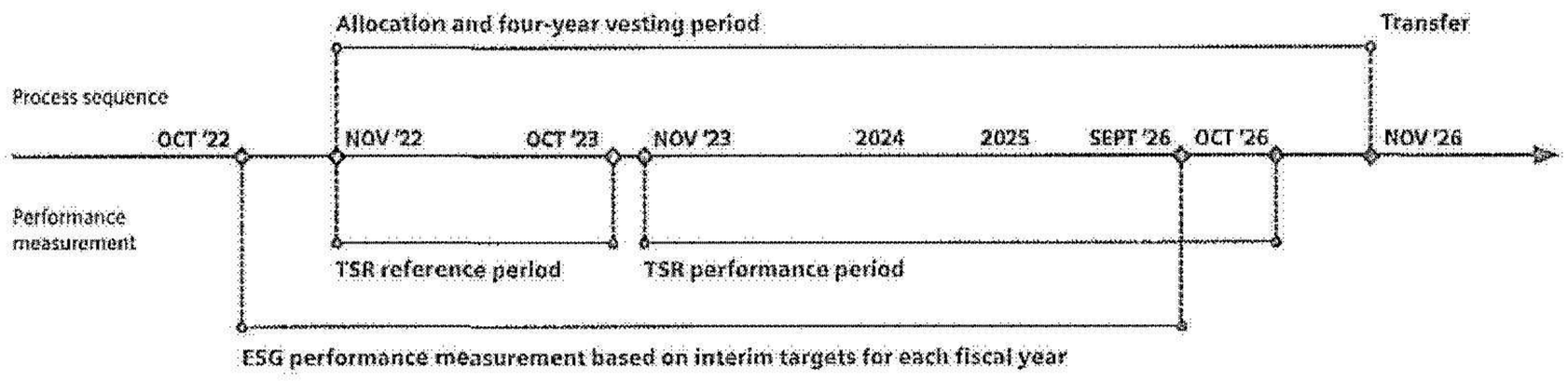
1 Science Based Target Initiative (SBTi): Reduction targets for 2030 based on the scientific requirements for limiting global warming to 1.5 degrees Celsius.

2 Use of renewable energy (RE): 100% green electricity by 2030; use of electric vehicles (EV): 100% electric vehicles; improving energy productivity (EP): 100% CO_2-neutral buildings.

3 The NPS is calculated by subtracting the percentage of detractors from the percentage of promoters. Customers that rate Siemens high on the scale are promoters. Customers that find it unlikely to recommend Siemens to others are named detractors. Example: promoters (55%) minus detractors (10%) = NPS (45%).

The Supervisory Board set the allocation date for the 2023 Stock Awards tranche at November 18, 2022. The timeline of this tranche is as follows.

Timeline for the 2023 Stock Awards tranche



The target amounts, the maximum allocation amounts, the maximum number of Stock Awards allocated and the fair value at allocation date in accordance with IFRS 2 Share-based Payment are shown in the following table. The allocation price applicable for the 2023 tranche was €114.22.

Information on the allocation of the 2023 Stock Awards tranche

		Based on 200% target achievement			
	Target amount (based on 100% target achievement)	Maximum allocation amount	Maximum number of Stock Awards		Fair value at allocation date[1]
Managing Board members in office on September 30, 2023			Total shareholder return (weighting: 80%)	Siemens-internal ESG/ Sustainability index (weighting: 20%)	
Dr. Roland Busch	€3,340,000	€6,680,000	46,787	11,697	€3,626,839
Cedrik Neike	€1,470,000	€2,940,000	20,592	5,148	€1,596,240
Matthias Rebellius[2]	€1,380,000	€2,760,000	19,331	4,833	€1,498,519
Prof. Dr. Ralf P. Thomas	€2,145,000	€4,290,000	30,047	7,512	€2,329,196
Judith Wiese	€1,380,000	€2,760,000	19,331	4,833	€1,498,519

1 The fair value on the allocation date is calculated for the TSR component on the basis of a valuation model and amounts to €49.42. The fair value for the ESG component of €112.39 is equal to the Xetra closing price of the Siemens share on the allocation date, less the discounted expected dividends. For the 2023 tranche, the allocation date in accordance with IFRS 2 was November 23, 2022 (the date of communication to the Managing Board members).

2 In addition to his position as a member of the Managing Board of Siemens AG, Matthias Rebellius is CEO of Smart Infrastructure and CEO of Siemens Schweiz AG. The corresponding legal relationship is defined in a separate contract between Matthias Rebellius and Siemens Schweiz AG. The entire compensation he receives under the terms of his contract with Siemens Schweiz AG is deducted from his Managing Board compensation. Of the target amount reported here (based on 100% target achievement), €600,000 is attributable to Siemens Schweiz AG.

Concrete target setting and the degree of target achievement for the Siemens-internal ESG/Sustainability index of the 2023 Stock Awards tranche will be published together with the degree of target achievement for the TSR in the Compensation Report for fiscal 2027, after the expiration of the vesting period.

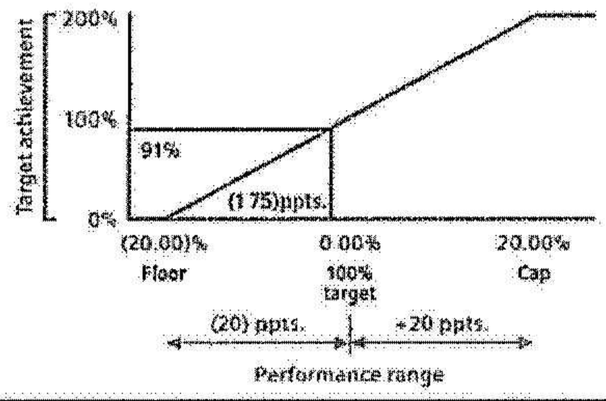
B.3.2.3 TRANSFER OF STOCK AWARDS IN FISCAL 2023 (2019 TRANCHE)

The 2019 Stock Awards tranche became due and was settled in fiscal 2023. The 2019 Stock Awards tranche depended on the performance of the Siemens share compared to the share performance of five relevant competitors during the approximately four-year vesting period from November 9, 2018, to November 17, 2022.

Overview of target achievement for the 2019 Stock Awards tranche

Performance of the Siemens share compared to the share performance of five relevant competitors

	Reference price	Performance price	Reference price versus performance price
ABB	CHF18.74	CHF25.73	37.32%
Eaton	$79.66	$127.46	60.01%
General Electric	$74.91	$82.64	10.32%
Mitsubishi Heavy Industries	¥4,401.17	¥3,422.67	(22.23)%
Schneider	€72.37	€121.12	67.35%
Competitors (average)			30.55%
Siemens AG	**€89.91**	**€115.81**	28.81%



Δ = (1.75) percentage points

Target achievement: 91%

The following table provides a summary of the key parameters of the 2019 Stock Awards tranche. In connection with the due date and settlement of the Stock Awards for fiscal 2019, the table also includes an additional cash payment to the Managing Board members as a result of the Siemens Energy spin-off. The spin-off of Siemens Energy in fiscal 2020 led to adjustments in the stock-based compensation commitments agreed upon until the spin-off date. At the time when the 2019 Stock Awards became due, the Managing Board members – like all other eligible employees – were, accordingly, entitled to receive an additional cash payment based on the spin-off ratio of 2:1 and on the Siemens Energy share price of €14.68 on the date when their stock-based compensation commitments became due.

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Information on the transfer of the 2019 Stock Awards tranche

	Maximum allocation amount (based on 200% target achievement)		Allocation price Nov. 9, 2018		Maximum number of Stock Awards (based on 200% target achievement)		Target achievement of share price performance		Number of Stock Awards based on target achievement		Value at transfer day Nov. 18, 2022[1]		Cash payment Siemens Energy spin-off
Managing Board members in office on September 30, 2023 with a commitment of the Stock Awards from the 2019 tranche													
Dr. Roland Busch	€2,280,000	/	€85.03	=	26,815	x	91%	=	12,202	>	€1,580,891	+	€89,532
Cedrik Neike[2]	€2,280,000	/	€85.03	=	26,815	x	91%	=	12,202	>	€1,580,891	+	€89,532
Prof. Dr. Ralf P. Thomas	€2,850,000	/	€85.03	=	33,518	x	91%	=	15,251	>	€1,975,920	+	€111,904

1 The Stock Awards settled by share transfer were valued at €129.56, the German low price of the Siemens share on November 18, 2022.

2 In addition to his position as a member of the Managing Board, Cedrik Neike served as Executive Chairman of the Board of Directors of Siemens Ltd. China from May 1, 2017, to March 31, 2019. Of the allocated number of Stock Awards reported here, 2,940 are attributable to the commitment by Siemens Ltd. China. Of the calculated number of Stock Awards reported here, 1,338 were awarded and paid by Siemens Ltd. China.

In the course of transferring the 2019 Stock Awards tranche, compliance with the maximum amounts of total compensation for fiscal 2019 was also reviewed. The applicable maximum amount was not exceeded in the case of any Managing Board member.

B.3.2.4 CHANGES IN STOCK AWARDS IN FISCAL 2023

The following overview shows the changes in the balance of the Stock Awards held by Managing Board members in fiscal 2023.

Changes in Stock Awards in fiscal 2023

		During fiscal year			
(Amount in number of units)[1]	Balance at beginning of fiscal 2023	Allocated	Vested and settled	Other changes[2]	Balance at the end of fiscal 2023
Managing Board members in office on September 30, 2023					
Dr. Roland Busch	154,052	58,484	(12,202)	(14,613)	185,721
Cedrik Neike[3]	98,036	25,740	(12,202)	(14,613)	96,961
Matthias Rebellius[4]	44,936	24,164	–	–	69,100
Prof. Dr. Ralf P. Thomas	127,859	37,559	(15,251)	(18,267)	131,900
Judith Wiese[5]	59,881	24,164	–	–	84,045

1 Starting with the 2019 tranche, the settlement of Stock Awards will be entirely by share transfer. For this reason, the number of Stock Awards, as set out in the table, is based on a target achievement of 200%. At the end of the vesting period, a final number of Siemens shares to be transferred will be determined on the basis of actual target achievement and taking into account the Stock Awards cap.

2 The target achievement of the Stock Awards from the 2019 tranche, which were due and settled in fiscal 2023, was 91%. Since the Stock Awards were initially allocated on the basis of 200% target achievement, a number equivalent to this shortfall was forfeited without refund or replacement, in accordance with plan requirements.

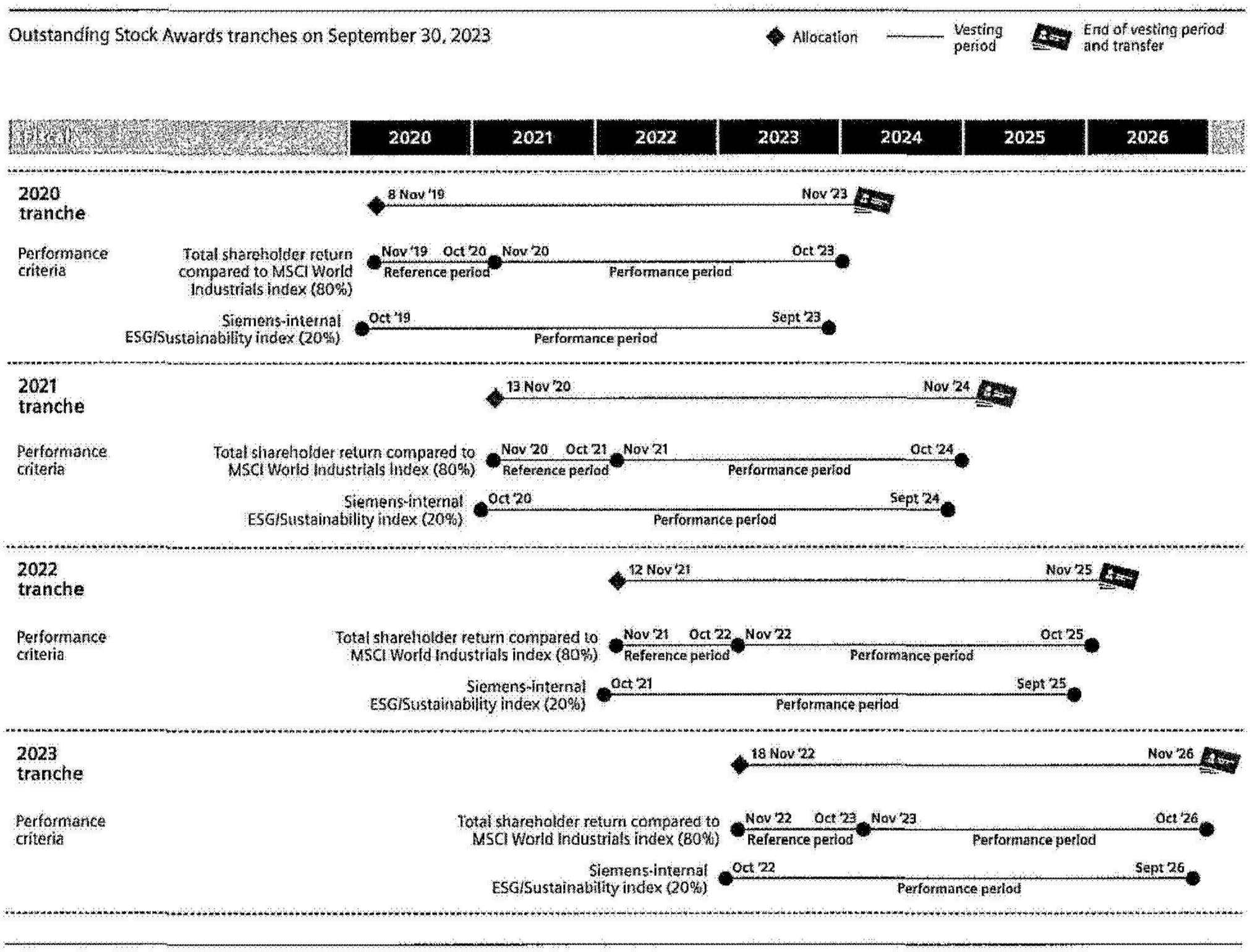
3 In addition to his position as a member of the Managing Board, Cedrik Neike served as Executive Chairman of the Board of Directors of Siemens Ltd. China from May 1, 2017, to March 31, 2019. The reported figures include the Stock Awards allocated to Cedrik Neike by Siemens Ltd. China due to this position.

4 In addition to his position as a member of the Managing Board of Siemens AG, Matthias Rebellius is CEO of Smart Infrastructure and CEO of Siemens Schweiz AG. The corresponding legal relationship is defined in a separate contract between Matthias Rebellius and Siemens Schweiz AG. The entire compensation he receives under the terms of his contract with Siemens Schweiz AG is deducted from his Managing Board compensation. The Stock Awards reported here also include the Stock Awards allocated by Siemens Schweiz AG since the appointment of Matthias Rebellius to the Managing Board of Siemens AG.

5 The reported figures also include the Stock Awards allocated to Judith Wiese in November 2020 as compensation for the loss of benefits granted by her former employer in addition to the regular allocation of Stock Awards from the 2021 tranche.

As of the end of fiscal 2023, the following Stock Awards tranches were within the vesting period and are therefore included in the balance at the end of the fiscal year.

Outstanding Stock Awards tranches on September 30, 2023



B.3.3 Malus and clawback regulations

Under existing malus and clawback regulations, the Supervisory Board is authorized to withhold or reclaim variable compensation in cases of severe breaches of duty or compliance and/or unethical behavior or in cases of grossly negligent or willful breaches of the duty of care or in cases in which variable compensation components linked to the achievement of specific targets have been unduly paid out on the basis of incorrect data.

The Supervisory Board exercises its authority to withhold or reclaim variable compensation components at its duty-bound discretion.

In fiscal 2023, the Supervisory Board did not exercise this authority.

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B.4 Share Ownership Guidelines

The deadlines by which the individual Managing Board members must first verify compliance with the Share Ownership Guidelines (SOG) vary from member to member, depending on when they were appointed to the Managing Board. For Managing Board members in office on September 30, 2023, the following table shows the number of Siemens shares that each held in order to comply with the SOG on March 10, 2023, the verification date. It also shows the number of shares to be held throughout the Managing Board members' terms of office with a view to future verification dates.

Obligations under the Share Ownership Guidelines

	Required			Verified		
Managing Board members in office on September 30, 2023, and required to verify compliance on March 10, 2023	Percentage of base salary	Value in €[1]	Number of shares[2]	Percentage of base salary[1]	Amount in €[2]	Number of shares[3]
Dr. Roland Busch	300%	4,704,300	39,163	316%	4,956,271	41,261
Cedrik Neike	200%	2,203,200	18,342	247%	2,718,676	22,633
Prof. Dr. Ralf P. Thomas	200%	2,203,200	18,342	466%	5,131,887	42,723
Total		**9,110,700**	**75,847**		**12,806,834**	**106,617**

1 The amount of the obligation is based on the average base salary during the four years prior to the respective verification dates.
2 Based on the average Xetra opening price of €120.12 for the fourth quarter of 2022 (October to December).
3 As of March 10, 2023 (verification date).

B.5 Pension benefit commitment

Most of the members of the Managing Board are included in the Siemens Defined Contribution Pension Plan (BSAV). Since fiscal 2020, newly appointed members of the Managing Board can be awarded, instead of BSAV contributions, a fixed cash amount for free disposal.

Contributions under the BSAV are credited to the individual members' pension accounts in the January following each fiscal year. Until pension payments begin, members' pension accounts are credited with an annual interest payment (guaranteed interest) on January 1 of each year. The interest rate is currently 0.25%.

Information regarding the Siemens Defined Contribution Pension Plan (BSAV)

	Contributions[1]		Service costs according to IAS 19R		Defined benefit obligation for all pension commitments excluding deferred compensation[2]	
(Amounts in €)	2023	2022	2023	2022	2023	2022
Managing Board members in office on September 30, 2023						
Dr. Roland Busch	**991,200**	991,200	**792,442**	913,079	**8,569,123**	7,814,364
Cedrik Neike	**616,896**	616,896	**502,591**	581,069	**4,350,198**	4,026,008
Prof. Dr. Ralf P. Thomas	**616,896**	616,896	**518,342**	578,296	**8,707,501**	7,572,833
Total	**2,224,992**	2,224,992	**1,813,375**	2,072,444	**21,626,822**	19,413,205

1 A total of €12,325 is attributable to the funding of personal pension benefit commitments earned prior to the transfer to the BSAV.
2 Deferred compensation for Prof. Dr. Ralf P. Thomas totals €59,980 (2022: €57,419).

Judith Wiese and Matthias Rebellius, who were appointed to the Managing Board as of October 1, 2020, are not included in the BSAV. Instead of BSAV contributions, the Supervisory Board awarded these members for fiscal 2023 a fixed cash amount of €550,800 each for free disposal. This amount will be paid in January 2024.

B.6 Compensation awarded and due

B.6.1 Active Managing Board members in fiscal 2023

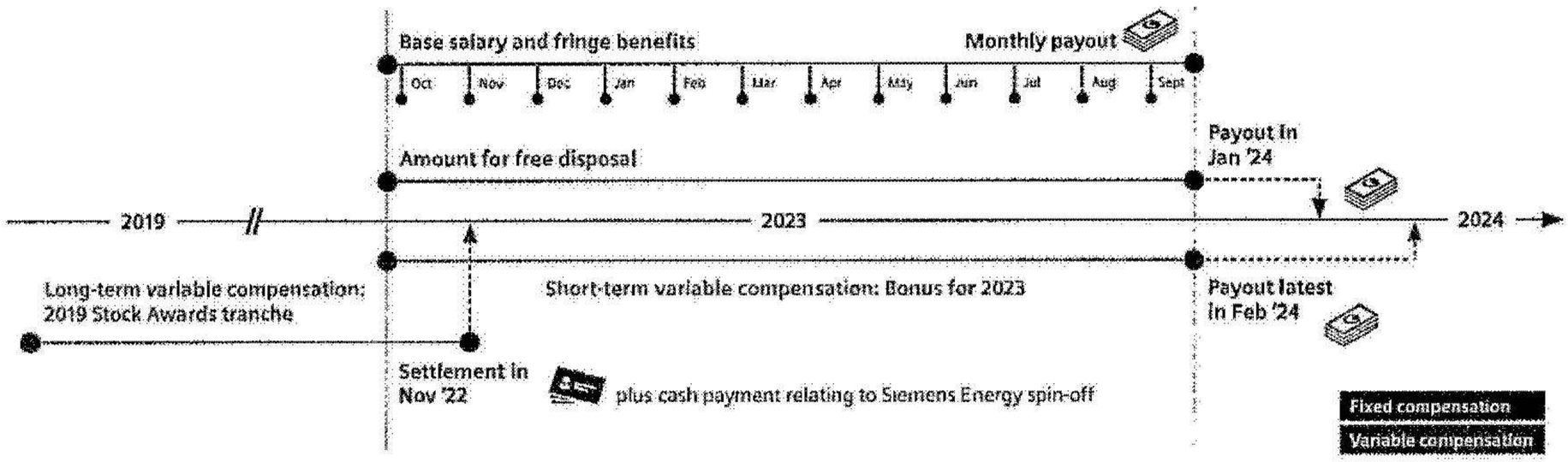
The following tables show the compensation awarded and due to the active members of the Managing Board in fiscal 2023 and fiscal 2022 in accordance with Section 162 para. 1, sent. 1 of the German Stock Corporation Act (AktG). As a result, they include all the amounts actually paid to individual Managing Board members in the reporting period ("awarded compensation") and all the compensation that is legally due but not yet received ("due compensation").

The Bonus is reported under "Short-term variable compensation" as "due compensation" since the underlying services were fully rendered by the end of each period (September 30). Therefore, the Bonus payout amounts for the reporting year are reported, although payout only occurs after the end of each reporting year, in order to make reporting transparent and comprehensible and in order to guarantee a connection between performance and compensation in the reporting period.

Furthermore, in fiscal 2023 and fiscal 2022, the Stock Awards from the 2019 and 2018 tranches allocated in fiscal 2019 and fiscal 2018, respectively, became due and were settled by transfer of Siemens shares. The value of Siemens shares at the time of transfer is reported under "Long-term variable compensation."

In connection with the due date and settlement of the Stock Awards for fiscal 2019 and fiscal 2018, the tables also include the additional cash payments to eligible Managing Board members as a result of the Siemens Energy spin-off. The spin-off of Siemens Energy in fiscal 2020 led to adjustments in the stock-based compensation allocations agreed upon until the spin-off date. At the time when the 2019 and 2018 Stock Awards became due, the Managing Board members – like all other eligible employees – were, accordingly, entitled to receive an additional cash payment based on the spin-off ratio of 2:1 and on the Siemens Energy share price of €14.68 and €24.32, respectively, on the date when their respective stock-based compensation allocations became due.

Compensation awarded and due in fiscal 2023



In addition to the amounts of compensation, Section 162 para. 1 sent. 2 No. 1 of the German Stock Corporation Act (AktG) requires disclosure of the relative proportion of total compensation represented by all fixed and variable compensation components. The relative proportions reported here refer to the compensation components "awarded" and "due" in the respective fiscal years in accordance with Section 162 para. 1 sent. 1 of the German Stock Corporation Act (AktG).

Although the service costs for Company pension plans are not to be classified as awarded and due compensation, they are also reported in the following table for purposes of transparency.

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Compensation awarded and due in accordance with Section 162 para. 1 sent. 1 German Stock Corporation Act (AktG) – Active Managing Board members in fiscal 2023

Managing Board members in office on September 30, 2023			Dr. Roland Busch President and CEO since Feb. 3, 2021				Cedrik Neike[2] Managing Board member since April 1, 2017			
			2023		2022		2023		2022	
			€ thousand	in % of TC	€ thousand	in % of TC	€ thousand	in % of TC	€ thousand	in % of TC
Fixed compensation		Base salary	1,770	26%	1,770	30%	1,102	23%	1,102	26%
	+	Fringe benefits	99	1%	111	2%	36	1%	31	1%
	+	Amount for free disposal[1]	–	–	–	–	–	–	–	–
	=	Total	1,869	27%	1,881	31%	1,137	24%	1,132	27%
Variable compensation	+	**Short-term variable compensation**								
		Bonus for fiscal 2023	3,276	48%	–	–	1,916	41%	–	–
		Bonus for fiscal 2022	–	–	2,479	41%	–	–	1,462	35%
	+	**Long-term variable compensation**								
		2019 Stock Awards (vesting: 2018 – 2022)	1,581	23%	–	–	1,581	33%	–	–
		2018 Stock Awards (vesting: 2017 – 2021)	–	–	1,496	25%	–	–	1,496	35%
		Cash payment Siemens Energy spin-off	90	1%	124	2%	90	2%	124	3%
	=	**Total compensation (TC)** (according to Section 162 AktG)	6,815	100%	5,979	100%	4,723	100%	4,215	100%
	+	Service costs	792	–	913	–	503	–	581	–
	=	*Total compensation (incl. service costs)*	7,608	–	6,892	–	5,226	–	4,796	–

			Matthias Rebellius[3] Managing Board member since Oct. 1, 2020				Prof. Dr. Ralf P. Thomas Managing Board member since Sept. 18, 2013			
			2023		2022		2023		2022	
			€ thousand	in % of TC	€ thousand	in % of TC	€ thousand	in % of TC	€ thousand	in % of TC
Fixed compensation		Base salary	1,102	30%	1,102	35%	1,102	21%	1,102	26%
	+	Fringe benefits	75	2%	80	3%	60	1%	58	1%
	+	Amount for free disposal[1]	551	15%	551	17%	–	–	–	–
	=	Total	1,727	46%	1,733	55%	1,161	22%	1,160	27%
Variable compensation	+	**Short-term variable compensation**								
		Bonus for fiscal 2023	1,995	54%	–	–	2,021	38%	–	–
		Bonus for fiscal 2022	–	–	1,428	45%	–	–	1,524	35%
	+	**Long-term variable compensation**								
		2019 Stock Awards (vesting: 2018 – 2022)	–	–	–	–	1,976	37%	–	–
		2018 Stock Awards (vesting: 2017 – 2021)	–	–	–	–	–	–	1,496	35%
		Cash payment Siemens Energy spin-off	–	–	–	–	112	2%	124	3%
	=	**Total compensation (TC)** (according to Section 162 AktG)	3,723	100%	3,160	100%	5,270	100%	4,304	100%
	+	Service costs	–	–	–	–	518	–	578	–
	=	Total compensation (incl. service costs)	3,723	–	3,160	–	5,788	–	4,882	–

1 Matthias Rebellius and Judith Wiese are not included in the Siemens Defined Contribution Pension Plan (BSAV). Instead of BSAV contributions, they receive a fixed cash amount for free disposal.

2 In addition to his position as a member of the Managing Board, Cedrik Neike served as Executive Chairman of the Board of Directors of Siemens Ltd. China from May 1, 2017, to March 31, 2019. The amounts reported under "2019 Stock Awards (vesting: 2018 – 2022)" and "2018 Stock Awards (vesting: 2017 – 2021)" include the value of the Stock Awards allocated by Siemens Ltd. China. Likewise, a portion of the additional cash payment attributable to the Stock Awards allocated by Siemens Ltd. China is included under "Cash payment Siemens Energy spin-off." For details, see chapter "B.3.2.3 Transfer of Stock Awards in fiscal 2023 (2019 tranche)."

3 In addition to his position as a member of the Managing Board of Siemens AG, Matthias Rebellius is CEO of Smart Infrastructure and CEO of Siemens Schweiz AG. The corresponding legal relationship is defined in a separate contract between Matthias Rebellius and Siemens Schweiz AG. The entire compensation he receives under the terms of his contract with Siemens Schweiz AG is deducted from his Managing Board compensation. Of the base salary and fringe benefits reported here, €710,428 and €34,312, respectively, were awarded and paid by Siemens Schweiz AG. Of the Bonus for fiscal 2023 reported here, €1,192,486 (corresponding to CHF 1,153,015 and converted into euros as of September 30, 2023) will be paid by Siemens Schweiz AG. Furthermore, employer contributions to pension plans paid by Siemens Schweiz AG are deducted from the amount for free disposal. Matthias Rebellius is subject to Swiss legislation on social insurance. Unlike in Germany, this subjection to social insurance also applies to compensation as a member of the Managing Board of Siemens AG. Since the clarification of this matter in May 2023, employer contributions of CHF5,785 (€6,048) have accrued. For the reverse transaction relating to the period from October 2020, when Matthias Rebellius joined the Managing Board, until May 2023, Siemens AG has incurred. In addition, one-time social insurance costs of CHF133,548 (€139,855). Neither the employer contributions nor the one-time social insurance costs are included in the compensation awarded and due to Matthias Rebellius in fiscal 2023.

Compensation awarded and due in accordance with Section 162 para. 1 sent. 1 German Stock Corporation Act (AktG) – Active Managing Board members in fiscal 2023 (cont.)

Managing Board members in office on September 30, 2023			Judith Wiese, Managing Board member since Oct. 1, 2020			
			2023		2022	
			€ thousand	in % of TC	€ thousand	in % of TC
Fixed compensation		Base salary	1,102	30%	1,102	34%
	+	Fringe benefits	41	1%	83	3%
	+	Amount for free disposal[1]	551	15%	551	17%
	=	Total	1,693	46%	1,735	54%
Variable compensation	+	Short-term variable compensation				
		Bonus for fiscal 2023	2,002	54%	–	–
		Bonus for fiscal 2022	–	–	1,487	46%
	+	Long-term variable compensation				
		2019 Stock Awards (vesting: 2018 – 2022)	–	–	–	–
		2018 Stock Awards (vesting: 2017 – 2021)	–	–	–	–
		Cash payment Siemens Energy spin-off	–	–	–	–
	=	Total compensation (TC) (according to Section 162 AktG)	3,696	100%	3,223	100%
	+	Service costs	–	–	–	–
	=	Total compensation (incl. service costs)	3,696	–	3,223	–

1 Matthias Rebellius and Judith Wiese are not included in the Siemens Defined Contribution Pension Plan (BSAV). Instead of BSAV contributions, they receive a fixed cash amount for free disposal.

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B.6.2 Former members of the Managing Board

The following table shows the compensation awarded and due to former members of the Managing Board in fiscal 2023 in accordance with Section 162 para. 1 sent. 1 of the German Stock Corporation Act (AktG). In accordance with Section 162 para. 5 of the German Stock Corporation Act (AktG), the personal information of former Managing Board members is no longer included if they left the Managing Board before September 30, 2013. The amounts reported under Stock Awards also include the additional cash payment due to the Siemens Energy spin-off.

Compensation awarded and due in accordance with Section 162 para. 1 sent. 1 German Stock Corporation Act (AktG) – Former members of the Managing Board[1]

(in Tsd. €)		Klaus Helmrich Managing Board member until March 31, 2021	Joe Kaeser President and CEO until Feb. 3, 2021	Michael Sen Managing Board member until March 31, 2020	Lisa Davis[2] Managing Board member until Feb. 29, 2020
Fixed and variable compensation	Fringe benefits	–	–	–	1
	2019 Stock Awards (vesting: 2018 – 2022)	1,670	3,338	2,088	1,670
Pensions	Annuity	28	58	–	–
	Capital payment (partial or full)	583	1,107	–	–

		Janina Kugel Managing Board member until Jan. 31, 2020	Prof. Dr. Siegfried Russwurm Managing Board member until March 31, 2017	Prof. Dr. Hermann Requardt Managing Board member until Jan. 31, 2015
Fixed and variable compensation	Fringe benefits	–	–	–
	2019 Stock Awards (vesting: 2018 – 2022)	1,670	–	–
Pensions	Annuity	–	29	47
	Capital payment (partial or full)	–	–	–

1 The table includes only compensation that was awarded to former members after they left the Managing Board.
2 Lisa Davis's fringe benefits include contractually agreed-upon payments for tax adjustments.

B.7 Outlook for fiscal 2024

The following overview shows the performance criteria for variable compensation for fiscal 2024, as approved by the Supervisory Board of Siemens AG. These criteria are based on the regularly audited and adjusted compensation system, which will be submitted to the Annual Shareholders' Meeting for approval in February 2024.

Outlook for fiscal 2024 – Variable compensation

BONUS

Performance criterion		Key performance indicator	Details
Financial targets	Profit	EPS pre PPA, basic	Analogously to fiscal 2023, basic earnings per share before purchase price allocation (EPS pre PPA) is used to place the focus on Siemens' operating performance and present it transparently.
	Profitability / capital efficiency	ROCE adjusted	With adjusted return on capital employed (ROCE adjusted), we aim to focus on Siemens' operating performance, analogously to fiscal 2023. Therefore, ROCE – as defined in the Siemens Financial Framework, which excludes certain Varian-related acquisition effects – is adjusted for the main effects relating to the stake in Siemens Energy.
Individual targets	Liquidity	CCR	Cash conversion rate (CCR), measured on the basis of: • Siemens Group for Managing Board members with primarily functional responsibility • the relevant business for Managing Board members with business responsibility
	Growth	Comparable revenue growth	Comparable revenue growth, measured on the basis of: • Siemens (c/o) for Managing Board members with primarily functional responsibility • the relevant business for Managing Board members with business responsibility
	Execution of the Company's strategy		• Business development • Expansion of Siemens Xcelerator business • Strengthening the Regions • Next Work
	Sustainability		• Further development of the DEGREE framework • Further anchoring of sustainability in business processes and product development

STOCK AWARDS

Performance criterion	Key performance indicator	Details
Long-term value creation	Total shareholder return (TSR)	Development of the TSR of Siemens AG relative to the international sector index MSCI World Industrials
Sustainability	Siemens ESG/ Sustainability index	The Siemens ESG/Sustainability index for the 2024 Stock Awards tranche is based on the following two equally weighted key performance indicators: • CO_2 emissions • Digital learning hours per employee

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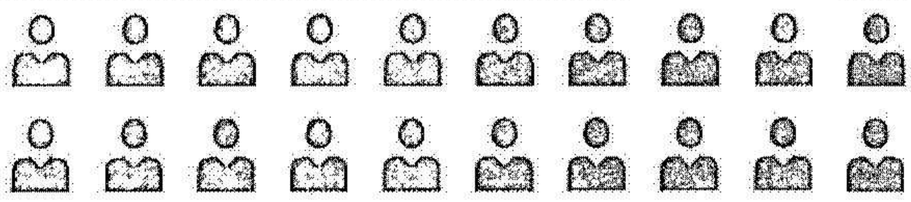
C. Compensation of Supervisory Board members

The currently applicable rules for Supervisory Board compensation are set out in Section 17 of the Articles of Association of Siemens AG. They have been in effect since October 1, 2021, and stem from a decision of the Annual Shareholders' Meeting on February 3, 2021, in accordance with Section 113 para. 3 of the German Stock Corporation Act (AktG). The compensation system for Supervisory Board members submitted to the Annual Shareholders' Meeting and the proposed new version of Section 17 of the Articles of Association were approved by a majority of 97.49% of the valid votes cast. The compensation system approved by the Annual Shareholders' Meeting as well as the Articles of Association are publicly available on the Siemens Global Website at **WWW.SIEMENS.COM/CORPORATE-GOVERNANCE**.

Supervisory Board compensation consists entirely of fixed compensation; it reflects the responsibilities and scope of the work of the Supervisory Board members. Under the applicable rules, the members of the Supervisory Board receive base compensation for each full fiscal year, and the members of the Audit Committee, the Chairman's Committee, the Compensation Committee and the Innovation and Finance Committee receive additional compensation for their committee work. The Chairman and Deputy Chairs of the Supervisory Board as well as the chairs of the Audit Committee, the Chairman's Committee, the Compensation Committee and the Innovation and Finance Committee receive additional compensation.

Compensation of members of the Supervisory Board and its committees

Basic compensation of Supervisory Board



Chairman	Deputy Chair	Member
€280,000	€210,000	€140,000

Additional compensation for committee work

Audit Committee	Chairman's Committee	Compensation Committee	Innovation and Finance Committee
Chair €180,000	Chair €80,000	Chair €80,000	Chair €80,000
Member €90,000	Member €40,000	Member €40,000	Member €40,000

In the event of changes in the composition of the Supervisory Board and/or its committees within a fiscal year, compensation is paid on a pro-rated basis, rounding up to the next full month.

In addition, the members of the Supervisory Board receive a fee of €2,000 for each of the meetings of the Supervisory Board and its committees that they attend. Attendance at a meeting also includes participation via telephone, video conference or other similar customary means of communication. For attendance at several meetings on the same day, only a single fee is paid.

The members of the Supervisory Board are reimbursed for out-of-pocket expenses incurred in connection with their duties and for any value-added tax to be paid on their compensation. For the performance of his duties, the Chairman of the Supervisory Board is also entitled to an office with secretarial support and the use of a car service. No loans or advances from the Company are provided to members of the Supervisory Board.

The following table shows the compensation awarded and due to the members of the Supervisory Board in fiscal 2023 and fiscal 2022 in accordance with Section 162 para. 1 sent. 1 of the German Stock Corporation Act (AktG).

Compensation awarded and due in accordance with Section 162 para. 1 sent. 1 German Stock Corporation Act (AktG) – Supervisory Board members

Supervisory Board members in office on September 30, 2023		Basic compensation		Committee compensation		Meeting attendance fee		Total compensation (TC)
		in €	in % of TC	in €	in % of TC	in €	in % of TC	in €
Jim Hagemann Snabe	2023	280,000	47%	290,000	48%	32,000	5%	602,000
(since Oct. 2013, Chairman since Jan. 2018)	2022	280,000	47%	290,000	48%	32,000	5%	602,000
Birgit Steinborn[1]	2023	210,000	47%	210,000	47%	30,000	7%	450,000
(since Jan. 2008, First Deputy Chairwoman since Jan. 2015)	2022	210,000	47%	210,000	47%	26,000	6%	446,000
Dr. Werner Brandt	2023	210,000	45%	220,000	47%	34,000	7%	464,000
(since Jan. 2018, Second Deputy Chairman since Feb. 2021)	2022	210,000	45%	220,000	48%	32,000	7%	462,000
Tobias Bäumler[1]	2023	140,000	47%	130,000	44%	26,000	9%	296,000
(since Oct. 2020)	2022	140,000	48%	130,000	45%	22,000	8%	292,000
Dr. Regina E. Dugan	2023	93,333	70%	26,667	20%	14,000	10%	134,000
(since Feb. 2023)	2022	–	–	–	–	–	–	–
Dr. Andrea Fehrmann[1]	2023	140,000	90%	–	–	16,000	10%	156,000
(since Jan. 2018)	2022	140,000	92%	–	–	12,000	8%	152,000
Bettina Haller[1]	2023	140,000	55%	90,000	35%	26,000	10%	256,000
(since April 2007)	2022	140,000	56%	90,000	36%	20,000	8%	250,000
Oliver Hartmann	2023	11,667	85%	–	–	2,000	15%	13,667
(since Sept. 2023)	2022	–	–	–	–	–	–	–
Keryn Lee James	2023	93,333	90%	–	–	10,000	10%	103,333
(since Feb. 2023)	2022	–	–	–	–	–	–	–
Harald Kern[1]	2023	140,000	57%	80,000	33%	24,000	10%	244,000
(since Jan. 2008)	2022	140,000	58%	80,000	33%	20,000	8%	240,000
Jürgen Kerner[1]	2023	140,000	43%	157,500	48%	28,000	9%	325,500
(since Jan. 2012)	2022	140,000	37%	210,000	56%	26,000	7%	376,000
Martina Merz	2023	93,333	56%	60,000	36%	14,000	8%	167,333
(since Feb. 2023)	2022	–	–	–	–	–	–	–
Dr.-Ing. Christian Pfeiffer[1]	2023	93,333	90%	–	–	10,000	10%	103,333
(since Feb. 2023)	2022	–	–	–	–	–	–	–
Benoît Potier	2023	140,000	88%	–	–	20,000	13%	160,000
(since Jan. 2018)	2022	140,000	86%	–	–	22,000	14%	162,000
Hagen Reimer[1]	2023	140,000	63%	60,000	27%	22,000	10%	222,000
(since Jan. 2019)	2022	140,000	92%	–	–	12,000	8%	152,000
Kasper Rørsted	2023	140,000	71%	40,000	20%	18,000	9%	198,000
(since Feb. 2021)	2022	140,000	71%	40,000	20%	16,000	8%	196,000
Dr. Nathalie von Siemens	2023	140,000	88%	–	–	20,000	13%	160,000
(since Jan. 2015)	2022	140,000	86%	–	–	22,000	14%	162,000
Dorothea Simon[1]	2023	140,000	91%	–	–	14,000	9%	154,000
(since Oct. 2017)	2022	140,000	92%	–	–	12,000	8%	152,000
Grazia Vittadini	2023	140,000	53%	104,167	39%	20,000	8%	264,167
(since Feb. 2021)	2022	140,000	48%	130,000	45%	20,000	7%	290,000
Matthias Zachert	2023	140,000	43%	160,000	49%	26,000	8%	326,000
(since Jan. 2018)	2022	140,000	48%	130,000	45%	22,000	8%	292,000

Supervisory Board members who left during the fiscal year		Basic compensation		Committee compensation		Meeting attendance fee		Total compensation (TC)
		in €	in % of TC	in €	in % of TC	in €	in % of TC	in €
Michael Diekmann	2023	58,333	59%	33,333	33%	8,000	8%	99,667
(until Feb. 2023)	2022	140,000	59%	80,000	34%	18,000	8%	238,000
Dr.-Ing. Dr.-Ing. E. h. Norbert Reithofer	2023	58,333	72%	16,667	21%	6,000	7%	81,000
(until Feb. 2023)	2022	140,000	72%	40,000	21%	14,000	7%	194,000
Baroness Nemat Shafik (DBE, DPhil)	2023	58,333	91%	–	–	6,000	9%	64,333
(until Feb. 2023)	2022	140,000	92%	–	–	12,000	8%	152,000
Michael Sigmund	2023	128,333	90%	–	–	14,000	10%	142,333
(until Aug. 2023)	2022	140,000	92%	–	–	12,000	8%	152,000
Gunnar Zukunft[1]	2023	58,333	91%	–	–	6,000	9%	64,333
(until Feb. 2023)	2022	140,000	92%	–	–	12,000	8%	152,000
Total	**2023**	**3,126,667**	**60%**	**1,678,333**	**32%**	**446,000**	**8%**	**5,251,000**
	2022	**3,080,000**	**60%**	**1,650,000**	**32%**	**384,000**	**8%**	**5,114,000**

1 These employee representatives on the Supervisory Board and the representatives of the trade unions on the Supervisory Board have agreed to transfer their compensation to the Hans Böckler Foundation, in accordance with the guidelines of the Confederation of German Trade Unions.

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D. Comparative information on profit development and annual change in compensation

The following table shows, in accordance with Section 162 para. 1 sent. 2 No. 2 of the German Stock Corporation Act (AktG), Siemens' profit development, the annual change in the Managing Board and Supervisory Board members' compensation and the annual change in average employee compensation on a full-time equivalent basis over the last five fiscal years.

Profit development is presented on the basis of the Siemens Group's key performance indicators revenue, comparable revenue growth and basic earnings per share from continuing and discontinued operations. Through fiscal 2021, the latter was also one of the financial targets for the short-term variable compensation (Bonus) of the Managing Board and thus had a significant influence on the amount of the compensation of the Managing Board members. Since fiscal 2022, the comparative information has also included basic earnings per share before purchase price allocation. This key performance indicator supersedes basic earnings per share from continuing and discontinued operations in the Bonus in accordance with the Siemens Financial Framework, which has been in effect since fiscal 2022. In accordance with Section 275 para. 3 No. 16 of the German Commercial Code (*Handelsgesetzbuch*, HGB), the development of the net income of Siemens AG is also shown.

The compensation awarded and due to the Managing Board and Supervisory Board members in each fiscal year is presented in accordance with Section 162 para. 1 sent. 1 of the German Stock Corporation Act (AktG). Pension payments to former members of the Managing Board are not listed here since they do not depend on Siemens' profit development.

The presentation of average employee compensation is based on the size of the workforce, including trainees, employed by Siemens in Germany. In fiscal 2023, this workforce comprised on average 70,984 employees (full-time equivalent). By way of comparison, the Siemens Group had about 254,000 employees and trainees worldwide as of September 30, 2023. The figures exclude the workforce of Siemens Healthineers, which is not included in the presentation since it is a separately managed, publicly listed company.

Average employee compensation comprises the personnel costs for wages and salaries, fringe benefits, employer contributions to social insurance and any short-term variable compensation components attributable to the fiscal year. For compensation in connection with share plans, the amounts received in the fiscal year are taken into account. Therefore, employee compensation is also equivalent, in principle, to awarded and due compensation within the meaning of Section 162 para. 1 sent. 1 of the German Stock Corporation Act (AktG) and is thus in line with Managing Board and Supervisory Board compensation.

Comparative information on profit development and change in compensation of employees, Managing Board and Supervisory Board members

Fiscal	2019	2020	Change in %	2021	Change in %	2022	Change in %	2023	Change in %
I. PROFIT DEVELOPMENT									
Revenue[1] (in € million)	86,849	57,139	(34)%	62,265	9%	71,977	16%	**77,769**	**8%**
Comparable revenue growth[2] (in %)	3	(2)	n.a.	11.5	n.a.	8.2	n.a.	**11**	**n.a.**
Earnings per share[3] (in €)	6.41	5.00	(22)%	7.68	54%	4.65	(40)%	**10.04**	**116%**
Earnings per share before purchase price allocation (in €)	–	–	–	8.32	–	5.47	(34)%	**10.77**	**97%**
Net income according to HGB (in € million)	11,219	5,270	(53)%	5,147	(2)%	3,612	(30)%	**4,460**	**23%**
II. AVERAGE EMPLOYEE COMPENSATION (in € thousand)									
Workforce in Germany	95	96	1%	99	3%	102	3%	**107**	**5%**
III. MANAGING BOARD MEMBERS' COMPENSATION (in € thousand)									
Dr. Roland Busch (since April 2011, President and CEO since Feb. 2021)	6,730	4,441	(34)%	6,008	35%	5,979	0%	**6,815**	**14%**
Cedrik Neike (since April 2017)	2,331	2,017	(13)%	3,524	75%	4,215	20%	**4,723**	**12%**
Matthias Rebellius (since Oct. 2020)	–	–	–	3,435	–	3,160	(8)%	**3,723**	**18%**
Prof. Dr. Ralf P. Thomas (since Sept. 2013)	6,740	4,087	(39)%	4,235	4%	4,304	2%	**5,270**	**22%**
Judith Wiese (since Oct. 2020)	–	–	–	4,185	–	3,223	(23)%	**3,696**	**15%**
Former Managing Board members									
Lisa Davis (until Feb. 2020)	7,969	6,562	(18)%	1,434	(78)%	1,721	20%	**1,671**	**(3)%**
Klaus Helmrich (until March 2021)	6,679	4,186	(37)%	2,756	(34)%	1,620	(41)%	**1,670**	**3%**
Joe Kaeser (President and CEO until Feb. 2021)	12,978	8,051	(38)%	4,616	(43)%	3,238	(30)%	**3,338**	**3%**
Janina Kugel (until Jan. 2020)	4,192	2,631	(37)%	1,274	(52)%	1,620	27%	**1,670**	**3%**
Michael Sen (until March 2020)	2,448	1,991	(19)%	5,914	197%	1,620	(73)%	**2,088**	**29%**

1 Revenue as reported. In fiscal 2020, the segments "Gas and Power" and "Siemens Gamesa Renewable Energy" were classified as discontinued operations and are therefore not included in the amount reported for fiscal 2020.

2 The primary measure for managing and controlling revenue growth is comparable growth, because it shows the development in Siemens' business net of currency translation effects arising from the external environment outside of Siemens' control and the portfolio effects that involve business activities that are either new to or no longer a part of the relevant business.

3 Basic earnings per share from continuing and discontinued operations as reported.

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Comparative information on profit development and change in compensation of employees, Managing Board and Supervisory Board members (cont.)

Fiscal	2019	2020	Change in %	2021	Change in %	2022	Change in %	2023	Change in %
IV. SUPERVISORY BOARD MEMBERS' COMPENSATION (in € thousand)									
Jim Hagemann Snabe (since Oct. 2013, Chairman since Jan. 2018)	613	632	3%	608	(4)%	602	(1)%	602	0%
Birgit Steinborn[1] (since Jan. 2008, First Deputy Chairwoman since Jan. 2015)	471	482	2%	467	(3)%	446	(4)%	450	1%
Dr. Werner Brandt (since Jan. 2018, Second Deputy Chairman since Feb. 2021)	324	336	4%	438	30%	462	5%	464	0%
Tobias Bäumler[1] (since Oct. 2020)	–	–	–	287	–	292	2%	296	1%
Dr. Regina E. Dugan (since Feb. 2023)	–	–	–	–	–	–	–	134	–
Dr. Andrea Fehrmann[1] (since Jan. 2018)	149	158	6%	154	(3)%	152	(1)%	156	3%
Bettina Haller[1] (since April 2007)	244	256	5%	243	(5)%	250	3%	256	2%
Oliver Hartmann (since Sept. 2023)	–	–	–	–	–	–	–	14	–
Keryn Lee James (since Feb. 2023)	–	–	–	–	–	–	–	103	–
Harald Kern[1] (since Jan. 2008)	240	247	3%	264	7%	240	(9)%	244	2%
Jürgen Kerner[1] (since Jan. 2012)	391	402	3%	384	(4)%	376	(2)%	326	(13)%
Martina Merz (since Feb. 2023)	–	–	–	–	–	–	–	167	–
Dr.-Ing. Christian Pfeiffer[1] (since Feb. 2023)	–	–	–	–	–	–	–	103	–
Benoît Potier (since Jan. 2018)	141	157	11%	155	(1)%	162	5%	160	(1)%
Hagen Reimer[1] (since Jan. 2019)	110	158	44%	154	(3)%	152	(1)%	222	46%
Kasper Rørsted (since Feb. 2021)	–	–	–	131	–	196	50%	198	1%
Dr. Nathalie von Siemens (since Jan. 2015)	194	201	4%	173	(14)%	162	(6)%	160	(1)%
Dorothea Simon[1] (since Oct. 2017)	149	158	6%	154	(3)%	152	(1)%	154	1%
Grazia Vittadini (since Feb. 2021)	–	–	–	188	–	290	54%	264	(9)%
Matthias Zachert (since Jan. 2018)	244	256	5%	286	12%	292	2%	326	12%
Supervisory Board members who left during the fiscal year									
Michael Diekmann (until Feb. 2023)	215	223	3%	246	11%	238	(3)%	100	(58)%
Dr.-Ing. Dr.-Ing. E. h. Norbert Reithofer (until Feb. 2023)	182	194	7%	190	(2)%	194	2%	81	(58)%
Baroness Nemat Shafik (DBE, DPhil) (until Feb. 2023)	140	158	13%	140	(11)%	152	8%	64	(58)%
Michael Sigmund (until Aug. 2023)	149	158	6%	154	(3)%	152	(1)%	142	(6)%
Gunnar Zukunft[1] (until Feb. 2023)	149	158	6%	154	(3)%	152	(1)%	64	(58)%

1 These employee representatives on the Supervisory Board and the representatives of the trade unions on the Supervisory Board have agreed to transfer their compensation to the Hans Böckler Foundation, in accordance with the guidelines of the Confederation of German Trade Unions.

E. Other

The Company provides a group insurance policy for Supervisory and Managing Board members and certain other employees of the Siemens Group. The policy is taken out for one year at a time or renewed annually. It covers the personal liability of the insured individuals in cases of financial loss associated with their activities on behalf of the Company. The insurance policy for fiscal 2023 includes a deductible for the members of the Managing Board that complies with the requirements of the German Stock Corporation Act (AktG).

For the Managing Board

Dr. Roland Busch
President and Chief Executive Officer
of Siemens AG

Prof. Dr. Ralf P. Thomas
Chief Financial Officer
of Siemens AG

For the Supervisory Board

Jim Hagemann Snabe
Chairman of the Supervisory Board
of Siemens AG

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Independent auditor's report

To Siemens Aktiengesellschaft, Berlin and Munich

We have audited the attached Compensation Report of Siemens Aktiengesellschaft, Berlin and Munich, prepared to comply with Sec. 162 AktG ["Aktiengesetz": German Stock Corporation Act] for the fiscal year from October 1, 2022 to September 30, 2023 and the related disclosures. We have not audited the content of disclosures regarding appropriateness and marketability of the compensation in chapter **B.2.3 APPROPRIATENESS OF THE COMPENSATION** that is beyond the scope of Sec. 162 AktG.

Responsibilities of management and the Supervisory Board
Management and the Supervisory Board of Siemens Aktiengesellschaft are responsible for the preparation of the Compensation Report and the related disclosures in compliance with the requirements of Sec. 162 AktG. In addition, management and the Supervisory Board are responsible for such internal control as they determine is necessary to enable the preparation of a Compensation Report and the related disclosures that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

Auditor's responsibility
Our responsibility is to express an opinion on this Compensation Report and the related disclosures based on our audit. We conducted our audit in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Compensation Report and the related disclosures are free from material misstatement, whether due to fraud or error.

An audit involves performing procedures to obtain audit evidence about the amounts in the Compensation Report and the related disclosures. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Compensation Report and the related disclosures, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation of the Compensation Report and the related disclosures in order to plan and perform audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the accounting policies used and the reasonableness of accounting estimates made by management and the Supervisory Board, as well as evaluating the overall presentation of the Compensation Report and the related disclosures.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion
In our opinion, on the basis of the knowledge obtained in the audit, the Compensation Report for the fiscal year from October 1, 2022 to September 30, 2023 and the related disclosures comply, in all material respects, with the financial reporting provisions of Sec. 162 AktG. Our opinion on the Compensation Report does not cover the content of the abovementioned disclosures of the Compensation Report that go beyond the scope of Sec. 162 AktG.

Other matter – formal audit of the Compensation Report
The audit of the content of the Compensation Report described in this auditor's report comprises the formal audit of the Compensation Report required by Sec. 162 (3) AktG and the issue of a report on this audit. As we are issuing an unqualified opinion on the audit of the content of the Compensation Report, this also includes the opinion that the disclosures pursuant to Sec. 162 (1) and (2) AktG are made in the Compensation Report in all material respects.

Limitation of liability
The "General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften [German Public Auditors and Public Audit Firms]" as issued by the IDW on January 1, 2017, are applicable to this engagement and also govern our responsibility and liability to third parties in the context of this engagement **(WWW.DE.EY.COM/GENERAL-ENGAGEMENT-TERMS)**.

Munich, December 6, 2023

Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

Keller
Wirtschaftsprüfer
[German Public Auditor]

Dr. Gaenslen
Wirtschaftsprüfer
[German Public Auditor]

Report of the Supervisory Board

December 2023

SIEMENS

Report of the Supervisory Board

Berlin and Munich, December 6, 2023

Dear Shareholders,

In fiscal 2023, Siemens AG once again demonstrated its operational excellence as a leading technology company by delivering an impressively high level of profitable growth. The Company's long-range strategy of combining the real and the digital worlds and its rigorous orientation toward long-term growth fields paid off: Siemens benefited from strong, stable developments in the global markets – above all, from worldwide efforts to make value chains across the board more efficient, resilient and sustainable. The Company also made major investments to drive its innovative power and enhance its manufacturing capacities – while further strengthening its regional diversification.

Against this backdrop, the Supervisory Board focused intensively in fiscal 2023 on the execution of Siemens' growth strategy. Siemens Xcelerator, our open digital business platform, gained more and more momentum and is the key element of Siemens' strategy to combine the real and the digital worlds. The business opportunities created by digitalization and sustainability as well as the DEGREE sustainability framework were likewise priorities. In addition, the elections at the 2023 Annual Shareholders' Meeting enabled the Supervisory Board to successfully further develop its own profile of skills and expertise, particularly in the areas of technology and sustainability. Today, our Supervisory Board is more global and more diverse than ever before – and, as a result, excellently positioned to optimally support the Company also in the next phases of its development.

In fiscal 2023, the Supervisory Board performed in full the duties assigned to it by law, the Siemens Articles of Association and the Bylaws for the Supervisory Board. On the basis of detailed written and oral reports provided by the Managing Board, we monitored the Managing Board and advised it on the management of the Company. In my capacity as Chairman of the Supervisory Board, I regularly exchanged information with the President and Chief Executive Officer and other Managing Board members. As a result, the Supervisory Board was always kept up to date on projected business policies, Company planning – including financial, investment and personnel planning – and the Company's profitability and business operations as well as on the state of Siemens AG and the Siemens Group. We were directly involved at an early stage in all decisions of fundamental importance to the Company and discussed these decisions with the Managing Board intensively and in detail. To the extent that Supervisory Board approval of the decisions and measures of Company management was required by law, the Siemens Articles of Association or our Bylaws, the members of the Supervisory Board – prepared in some cases by the Supervisory Board's committees – issued such approval after intensive review and discussion.

A special focus of our activities in fiscal 2023 was the further implementation of the Company's growth strategy. At our meetings and in additional informational sessions, we concerned ourselves intensively with the goals and priorities of Siemens' businesses and with the Managing Board's technology and personnel strategy. In this connection, we focused our attention on the accelerated transformation toward digitalization and sustainability and on business and technological innovation and the related opportunities for growth. Together with the Managing Board, we discussed markets, trends and growth fields. A further focus of our activities in fiscal 2023 – in addition to Siemens Xcelerator, our platform for driving the digital transformation – was Siemens AG's sustainability strategy. We focused on sustainability-related topics in the environment, social and governance (ESG) area. At the center was not only DEGREE, our Companywide sustainability framework – with the aspects of decarbonization, ethics, governance, resource efficiency, equity and employability – but also the positive impact the Company creates for customers with its portfolio. The Supervisory Board discussed the risks and opportunities for the Company connected with social and environmental factors as well as the environmental and social impact of the Company's activities. The discussion made clear that sustainability is a strategic business opportunity for Siemens due to our strong portfolio focused

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on decarbonization and energy efficiency, resource efficiency and circularity as well as people centricity and social impact. The Supervisory Board discussed the risks and opportunities for the Company connected with social and environmental factors as well as the environmental and social impact of the Company's activities. The Supervisory Board also concerned itself with the 2022 Sustainability Report.

Topics at the plenary meetings of the Supervisory Board

We held a total of six regular plenary meetings in fiscal 2023. We also held an extraordinary constituent meeting of the Supervisory Board immediately after the Annual Shareholders' Meeting on February 9, 2023. Six meetings were held in person and one in a so-called hybrid format – that is, as an in-person meeting with the possibility of virtual participation. No meetings were held via telephone conference or in an exclusively virtual format. We also made one decision using other customary forms of communication. Topics of discussion at our regular plenary meetings were strategic progress, revenue, profit and employment development at Siemens AG and the Siemens Group, the Company's financial position and the results of its operations, personnel-related matters, the status of the implementation of Siemens Xcelerator, and sustainability. In addition, we concerned ourselves, as occasion required, with acquisition and divestment projects and with risks to the Company. The Supervisory Board and/or the Innovation and Finance Committee were regularly informed – within the stipulated legal framework – by the relevant Managing Board member about measures and decisions of fundamental importance at the Equity Investments, companies in which Siemens holds a majority stake. In addition, we regularly met in sessions without the Managing Board in attendance. In these closed sessions, we dealt with agenda items that concerned either the Managing Board itself or internal Supervisory Board matters.

At our meeting on November 16, 2022, the Managing Board reported to us on the Company's current business position, including personnel-related matters and sustainability, as of the fourth quarter. We discussed the key financial figures for fiscal 2022 and approved the budget for fiscal 2023. We also discussed the Managing Board's considerations regarding business activities at Large Drive Applications. On a recommendation by the Compensation Committee, we also determined the Managing Board members' compensation for fiscal 2022 on the basis of calculated target achievement. A review conducted by an independent compensation expert confirmed the appropriateness of this compensation. We had already defined the performance criteria for the Managing Board's variable compensation for fiscal 2023 at our meeting on September 23, 2022. On this basis and on a recommendation by the Compensation Committee, we made a decision regarding target setting for Managing Board compensation for fiscal 2023 at our meeting on November 16, 2022. At this meeting, we also approved the Corporate Governance Statement for fiscal 2022 and endorsed a decision by the Managing Board regarding financing measures. In addition, we concerned ourselves with personnel-related matters regarding the Managing Board and, on a recommendation by the Chairman's Committee, approved the extension of Judith Wiese's appointment as a full member of the Managing Board from October 1, 2023, until the end of September 30, 2028.

On December 7, 2022, we discussed the 2022 Annual Financial Report – comprising the financial statements and the Combined Management Report for Siemens AG and the Siemens Group as of September 30, 2022 – as well as the Report of the Supervisory Board to the Annual Shareholders' Meeting, the Sustainability Report, the Compensation Report for fiscal 2022, the Report on Gender Equality and Equal Pay in accordance with the German Transparency in Wage Structures Act (*Entgelttransparenzgesetz*, EntgTranspG) and the agenda for the ordinary Annual Shareholders' Meeting on February 9, 2023. On the basis of recommendations by the Nominating Committee, we concerned ourselves with proposals regarding the election of seven shareholder representatives on the Supervisory Board at the 2023 Annual Shareholders' Meeting. We also concerned ourselves with the annual reporting by the Chief Compliance Officer and the Global Chief Cypersecurity Officer. One focus of the meeting was the Company's personnel strategy. The Managing Board reported on measures regarding employee training and development under the heading #NextWork, with the aim of systematically addressing the megatrends digitalization, automation and demographic change.

On January 31, 2023, we approved – in a decision using other customary means of communication – a decision regarding the exercise of shareholding rights in associated companies of Siemens AG pursuant to Section 32 of the German Codetermination Act (*Mitbestimmungsgesetz*, MitbestG).

At our meeting on February 8, 2023, the Managing Board reported on the Company's current business and financial position, including personnel-related matters

and sustainability, as of the first quarter. We were informed about the current business position of Siemens Healthineers and that of its Diagnostics Business Area, in particular.

Due to the regular election of ten employee representatives and seven shareholder representatives on the Supervisory Board, a constituent meeting of the Supervisory Board was held immediately after the Annual Shareholders' Meeting on February 9, 2023. At this meeting, the Supervisory Board confirmed Birgit Steinborn as the Supervisory Board's First Deputy Chairwoman and Dr. Werner Brandt as the Supervisory Board's Second Deputy Chairman, effective the beginning of their respective new electoral periods. The Supervisory Board also elected the members of its committees.

At the beginning of May 2023, the members of the Managing and Supervisory Boards met several times in smaller groups (so-called multilateral strategy sessions) to consider and discuss in detail topics of strategic importance to the Company.

At our meeting on May 16, 2023, the Managing Board reported on the Company's current business and financial position, including personnel-related matters and sustainability, as of the second quarter. As part of a strategic focus, we concerned ourselves at this meeting – on the basis of the strategy discussions held in the previous weeks in smaller groups with the Managing Board – extensively and in detail with the growth targets and the further implementation of Siemens' strategy as a focused technology company. For Siemens Xcelerator, our open digital business platform, growth targets for the portfolio at the Siemens and business level were presented in detail and the status of the two pillars "ecosystem" and "marketplace" were discussed. We were also informed about the current business position of Siemens Healthineers and about progress in the integration of Varian. We approved amendments to the Bylaws for the Managing Board, for the Supervisory Board and for the Chairman's Committee, the Audit Committee, the Innovation and Finance Committee, and the Compensation Committee of the Supervisory Board.

At our meeting on August 9, 2023, the Managing Board reported on the Company's current business and financial position and on personnel-related matters as of the third quarter. One focus of the meeting was the Company's sustainability strategy. We concerned ourselves with the Company's strategic orientation and with progress in its sustainability-related transformation. We discussed the Company's business opportunities connected with sustainability-related factors and concerned ourselves with business potential particularly in the areas of decarbonization, energy efficiency and resource efficiency. Regulatory requirements – in particular, the EU taxonomy and the Corporate Sustainability Reporting Directive (CSRD) – and their impact on Siemens were also topics of our discussions. In addition, we discussed the Siemens Energy investment and the format of the 2024 Annual Shareholders' Meeting. Finally, we dealt with Managing Board compensation and approved a proposal regarding the engagement of the auditors of the Compensation Report for fiscal 2023.

The Supervisory Board meeting on September 22, 2023, was held in Berlin, where we gained an insight into the future-oriented project Siemensstadt Square and, on a tour of the Röhrenwerk tube plant, familiarized ourselves with the advanced production and manufacturing methods at the long-standing location. At the meeting, the Managing Board reported on the state of the Company. The personnel strategy of Siemens AG was again a focus of the meeting. Following up on its reporting on December 7, 2022, the Managing Board informed us about the strategic approach to systematic workforce training, which aimed to drive the organization's transformation and empower its employees to continuously learn and grow. We discussed the Managing Board's considerations regarding the 2024 budget. A further focus of the meeting was Managing Board compensation, whose appropriateness had been confirmed by an internal review. After preparation by and on a recommendation of the Compensation Committee, we approved an adjustment of the compensation system for the Managing Board as of fiscal 2024. As part of the annual review of Managing Board compensation and after preparation by and on a recommendation of the Compensation Committee, we determined each Managing Board member's individual total target compensation and maximum compensation and defined the performance criteria for variable compensation for fiscal 2024. In addition, we dealt with matters relating to corporate governance – in particular, the Declaration of Conformity with the German Corporate Governance Code. We approved amendments to the Bylaws for the Managing Board and changes to the diversity concept for the Managing Board. We also concerned ourselves with the independence of

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the shareholder representatives on the Supervisory Board within the meaning of the German Corporate Governance Code and with the Supervisory Board's qualification matrix. Finally, we discussed the results of the Supervisory Board's self-assessment in August and the recommendations and measures to be derived from it.

Corporate Governance Code

At our meeting on September 23, 2022, we approved a Declaration of Conformity in accordance with Section 161 of the German Stock Corporation Act (*Aktiengesetz*, AktG). Information on corporate governance is provided in the Corporate Governance Statement, which is publicly available on the Siemens Global Website at 🖵 WWW.SIEMENS.COM/CORPORATE-GOVERNANCE. The Company's Declaration of Conformity has been made permanently available to shareholders on the Siemens Global Website at 🖵 WWW.SIEMENS.COM/DECLARATIONOFCONFORMITY. The current Declaration of Conformity is also available in the Corporate Governance Statement.

Work in the Supervisory Board committees

In fiscal 2023, the Supervisory Board had six standing committees. These committees prepare decisions and topics to be dealt with at the Supervisory Board's plenary meetings. Some of the Supervisory Board's decision-making powers have been delegated to these committees within the permissible legal framework. The committee chairpersons report to the Supervisory Board on their committees' work at the subsequent Board meeting. A list of the members and a detailed explanation of the tasks of the individual Supervisory Board committees are set out in the Corporate Governance Statement.

The Chairman's Committee met eight times. Three meetings were held in person, two in a virtual format via video conference and three in a so-called hybrid format. The Chairman's Committee also made one decision using other customary means of communication. In my capacity as Chairman of the Chairman's Committee, I discussed topics of major importance with other Committee members also between meetings. The Committee concerned itself, in particular, with personnel-related matters, long-term succession planning for the composition of the Managing Board, corporate governance issues and the acceptance by Managing Board members of positions at other companies and institutions.

The Nominating Committee met three times. Two meetings were held in a virtual format via video conference and one in a so-called hybrid format. The Nominating Committee gave in-depth consideration to succession planning for the composition of the Supervisory Board. One focus of the Nominating Committee's activities in fiscal 2023 was the preparation of the Supervisory Board's nominations of shareholder representatives on the Supervisory Board for election by the 2023 Annual Shareholders' Meeting. The Nominating Committee was supported in this connection by an external consulting firm. In selecting the potential candidates and in preparing a recommendation for the Supervisory Board's decision, the Nominating Committee gave particular consideration to the objectives that the Supervisory Board had previously approved for its composition – including the profile of required skills and expertise and the diversity concept for the Supervisory Board – and to the Supervisory Board's qualification matrix. With a view to the regular elections of three shareholder representatives on the Supervisory Board scheduled for 2025, the Nominating Committee also defined the topics for its work over the next few years and concerned itself with the regulatory framework, with the objectives that the Supervisory Board had approved for its composition, including the profile of required skills and expertise and the diversity concept for the Supervisory Board, and with the qualification matrix.

The Mediation Committee had no need to meet.

The Compensation Committee met four times. All four meetings were held in person. The Compensation Committee also made one decision using other customary means of communication. The Committee prepared, in particular, Supervisory Board decisions regarding the definition of performance criteria and the targets for variable compensation, regarding the determination and regarding the review of the appropriateness of Managing Board compensation and regarding the Compensation Report. In addition, the Compensation Committee prepared the Supervisory Board's decision regarding the engagement of an auditor for the Compensation Report for fiscal 2023. One focus of the Compensation Committee's work was the preparation of the Supervisory Board's decision regarding the adjustment of the compensation system for the members of the Managing Board as of fiscal 2024. Independent external consultants were also involved in the preparation of this decision.

The Innovation and Finance Committee met two times. Both meetings were held in person. A decision was also made using other customary means of communication. The focus of the Committee's work was on innovation- and technology-related topics. The Committee discussed the Company's progress, strategic priorities, technologies and growth opportunities relating to the industrial metaverse. In the strategic context, it concerned itself with progress regarding Siemens Xcelerator, the Company's open digital business platform. Detailed growth plans for the portfolio and new Siemens Xcelerator portfolio elements were presented. Expanding the ecosystem and increasing the relevance of the marketplace were also focus topics. Under the heading "UX Transformation," the Managing Board reported on progress in user-centered product design. The Committee's meetings and/or decisions also focused on the discussion of the pension system and the preparation and approval of investment and divestment projects and/or financial measures. For example, the Innovation and Finance Committee endorsed the Managing Board's decision regarding the Siemens Industrial Campus Erlangen Project.

The Audit Committee held six regular meetings. All the meetings were held in person. In the presence of the independent auditors, the President and Chief Executive Officer, the Chief Financial Officer, the General Counsel, the head of accounting, the head of corporate audit and the head of the sustainability function, the Audit Committee dealt with the financial statements and the Combined Management Report for Siemens AG and the Siemens Group, including the non-financial information integrated into the Combined Management Report. In this connection, the Audit Committee also concerned itself with the Sustainability Report, with the statements regarding the EU taxonomy in the Combined Management Report for Siemens AG and the Siemens Group and with the related reports of the independent auditors. The Committee discussed the Half-year Financial Report and the quarterly statements with the Managing Board and the independent auditors. In the presence of the independent auditors, it also discussed the report on the auditors' review of the Company's Half-year Consolidated Financial Statements and of its Interim Group Management Report. As part of the preparation and implementation of the audit, the Audit Committee regularly exchanged views with the independent auditors without the Managing Board in attendance. In addition, it met regularly without the Managing Board and/or the independent auditors in attendance. Outside its meetings, the Chairman of the Audit Committee regularly exchanged views with the independent auditors regarding the progress of the audit and reported to the Audit Committee thereon. The Audit Committee recommended that the Supervisory Board propose to the Annual Shareholders' Meeting that Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart, be elected independent auditors for fiscal 2023. It awarded the audit contract for fiscal 2023 to the independent auditors, who had been elected by the Annual Shareholders' Meeting, defined the audit's focus areas and determined the auditors' fee. The Audit Committee approved the audit plan and defined the Audit Committee's focus areas. It monitored the selection, independence, qualification, rotation and efficiency of the independent auditors as well as the services they provided and concerned itself with the review of the quality of the audit of the financial statements. In fiscal 2023, against the backdrop of the Wirecard situation, the Audit Committee regularly discussed the role of Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart, as the independent auditors of Wirecard AG. The Audit Committee questioned the independent auditors regarding this matter and assessed the impact on Siemens AG. The Audit Committee also dealt with the Company's accounting and accounting process, the appropriateness and effectiveness of its internal control system and its risk management system (including sustainability-related aspects), and the effectiveness, resources and findings of its internal audit as well as with reports concerning potential and pending legal disputes. In addition, the Audit Committee concerned itself with the Company's compliance with legal requirements, official regulations and the Company's internal guidelines (compliance) and dealt, in particular, with the quarterly reports, the Chief Compliance Officer's annual report and the compliance management system. For this topic, the Managing Board member responsible for People & Organization also attended the Audit Committee meetings at the invitation of the Audit Committee Chairman. In this connection, the Audit Committee concerned itself with the implementation of the new German Supply Chain Act (*Lieferkettensorgfaltspflichtengesetz*, LkSG). It also focused on the current and future regulatory requirements regarding sustainability reporting and its implementation, including, in particular, the requirements of the EU taxonomy and the Corporate Sustainability Reporting Directive (CSRD). Finally, the

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Audit Committee concerned itself in fiscal 2023 – due to the regular, legally required external rotation of the independent auditors at the end of fiscal 2023 – with the selection and transition procedure for the audit of the financial statements for fiscal 2024.

The Supervisory Board members take part, on their own responsibility, in the educational and training measures necessary for the performance of their duties – measures relating, for example, to changes in the legal framework and to new, groundbreaking technologies. The Company supports them in this regard. Internal informational events are regularly offered to support targeted training measures. In March and July of fiscal 2023, three internal training events concerning strategically relevant technology and sustainability-related topics were held for all Supervisory Board members. The Supervisory Board informed itself, in particular, about industrial and generative artificial intelligence and discussed the technological background, application and impact on Siemens' markets as well as the technology-related and regulatory challenges.

New Supervisory Board members can meet with Managing Board members and other managers with specialist responsibility to exchange views on current topics and topics of fundamental importance and thus gain an overview of Company-relevant matters (onboarding). In fiscal 2023, a separate informational event for the new members of the Supervisory Board was held on March 13, 2023, to familiarize those members, in particular, with the Company's business model and strategy and with the structures of the Siemens Group. As part of this onboarding program, Supervisory Board members also have the opportunity to visit the various locations of different Siemens business areas and gain an insight into the portfolio as well as production and manufacturing methods. Longer-serving Supervisory Board members may also attend onboarding events and regularly do so.

Disclosure of participation by individual Supervisory Board members in meetings

The average rate of participation by members in the meetings of the Supervisory Board and its committees was 97%. In fiscal 2023, meetings were held not only in person but, in some cases, also in a virtual format via video conference or in a so-called hybrid format. No meetings were held via telephone conference. The participation rate of individual members in the meetings of the Supervisory Board and its committees is set out in the following chart:

(Number of meetings/ participation in %)	Supervisory Board (plenary meetings)		Chairman's Committee		Compensation Committee		Audit Committee		Innovation and Finance Committee		Nominating Committee	
	No.	in %	No.	in %	No.	in %	No.	in %	No.	in %	No.	in %
Jim Hagemann Snabe Chairman	7/7	100	8/8	100	3/4	75	6/6	100	2/2	100	3/3	100
Birgit Steinborn First Deputy Chairwoman	7/7	100	8/8	100	4/4	100	6/6	100	2/2	100		
Werner Brandt (Dr. rer. pol.) Second Deputy Chairman	7/7	100	8/8	100			6/6	100			3/3	100
Tobias Bäumler	7/7	100					6/6	100	2/2	100		
Michael Diekmann (until February 9, 2023)	3/3	100			1/1	100						
Regina E. Dugan (PhD) (since February 9, 2023)	4/4	100							2/2	100		
Andrea Fehrmann (Dr. phil.)	7/7	100										
Bettina Haller	7/7	100					6/6	100				
Oliver Hartmann (since September 14, 2023)	1/1	100										
Keryn Lee James (since February 9, 2023)	4/4	100										
Harald Kern	7/7	100			4/4	100			2/2	100		
Jürgen Kerner	7/7	100	8/8	100	4/4	100	1/3	33	1/2	50		
Martina Merz (since February 9, 2023)	3/4	75					3/3	100				
Christian Pfeiffer (Dr. Ing.) (since February 9, 2023)	4/4	100										
Benoît Potier	7/7	100									3/3	100
Hagen Reimer	7/7	100					3/3	100				
Norbert Reithofer (Dr. Ing. Dr. Ing. E.h.) (until February 9, 2023)	3/3	100										
Kasper Rørsted	7/7	100							2/2	100		
Baroness Nemat Shafik (DBE, DPhil) (until February 9, 2023)	3/3	100										
Nathalie von Siemens (Dr. phil.)	7/7	100									3/3	100
Michael Sigmund (until August 31, 2023)	6/6	100										
Dorothea Simon	7/7	100										
Grazia Vittadini	5/7	71			3/3	100	2/3	67	2/2	100		
Matthias Zachert	7/7	100			4/4	100	6/6	100				
Gunnar Zukunft (until February 9, 2023)	3/3	100										
		98		**100**		**96**		**94**		**94**		**100**

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Detailed discussion of the audit of the financial statements

The independent auditors, Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart, audited the Annual Financial Statements of Siemens AG, the Consolidated Financial Statements of the Siemens Group and the Combined Management Report for Siemens AG and the Siemens Group for fiscal 2023 and issued an unqualified opinion for each. Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart, has served as the independent auditors of Siemens AG and the Siemens Group since fiscal 2009. Siegfried Keller has signed as auditor since fiscal 2023 and as auditor responsible for the audit also since fiscal 2023. Dr. Philipp Gaenslen has signed as auditor since fiscal 2021. The Annual Financial Statements of Siemens AG and the Combined Management Report for Siemens AG and the Siemens Group were prepared in accordance with the requirements of German law. The Consolidated Financial Statements of the Siemens Group were prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted for use in the European Union (EU) and with the additional requirements of German law set out in Section 315 e (1) of the German Commercial Code (*Handelsgesetzbuch*, HGB). The Consolidated Financial Statements of the Siemens Group also comply with all IFRS requirements as issued by the International Accounting Standards Board (IASB). The independent auditors conducted their audit in accordance with Section 317 of the German Commercial Code and the EU Audit Regulation and German generally accepted standards for the audit of financial statements as promulgated by the Institut der Wirtschaftsprüfer (IDW) as well as in supplementary compliance with the International Standards on Auditing (ISA). The abovementioned documents as well as the Managing Board's proposal for the appropriation of net income were submitted to the Supervisory Board by the Managing Board in advance. The Audit Committee discussed the dividend proposal in detail at its meeting on November 14, 2023. It discussed the Annual Financial Statements of Siemens AG, the Consolidated Financial Statements of the Siemens Group and the Combined Management Report in detail at its meeting on December 5, 2023. In this context, the Audit Committee concerned itself, in particular, with the key audit matters described in the independent auditors' respective opinions, including the audit procedures implemented. The Audit Committee's review also covered the non-financial information for Siemens AG and the Siemens Group that is included in the Combined Management Report. The audit reports prepared by the independent auditors were distributed to all members of the Supervisory Board and comprehensively reviewed at the Supervisory Board meeting on December 6, 2023, in the presence of the independent auditors, who reported on the scope, focal points and main findings of their audit, addressing, in particular, key audit matters, the Audit Committee's focus areas and the audit procedures implemented. No major weaknesses in the Company's internal control or risk management systems were reported. At this meeting, the Managing Board explained the financial statements of Siemens AG and the Siemens Group as well as the Company's risk management system.

The Supervisory Board concurs with the results of the audit. Following the definitive findings of the Audit Committee's examination and our own examination, we have no objections. The Managing Board prepared the Annual Financial Statements of Siemens AG and the Consolidated Financial Statements of the Siemens Group. We approved the Annual Financial Statements of Siemens AG and the Consolidated Financial Statements of the Siemens Group. In view of our approval, these financial statements are accepted as submitted. We endorsed the Managing Board's proposal that the net income available for distribution be used to pay out a dividend of €4.70 per share entitled to a dividend and that the amount of net income attributable to shares of stock not entitled to receive a dividend for fiscal 2023 be carried forward.

The Sustainability Report for fiscal 2023 and the information regarding the EU taxonomy in the Combined Management Report for Siemens AG and the Siemens Group for fiscal 2023 and the independent auditors' related reports were dealt with at the Audit Committee meeting on December 5, 2023, and at the Supervisory Board meeting on December 6, 2023.

Changes in the composition of the Supervisory and Managing Boards

There were no changes in the composition of the Managing Board in fiscal 2023.

The shareholder representatives Michael Diekmann, Dr.-Ing. Dr.-Ing. E.h. Norbert Reithofer and Baroness Nemat Shafik and the employee representative Gunnar Zukunft left the Supervisory Board upon the expiry of their regular terms of office at the end of the Annual Shareholders' Meeting on February 9, 2023.

On February 9, 2023, the Annual Shareholders' Meeting elected Dr. Regina E. Dugan, Keryn Lee James and Martina Merz to serve as new shareholder representatives on the Supervisory Board for four-year terms of office – that is, for the electoral period 2023 to 2027. Dr. Werner Brandt, Benoît Potier, Dr. Nathalie von Siemens and Matthias Zachert, who were already shareholder representatives on the Supervisory Board and whose regular terms of office expired at the end of the Annual Shareholders' Meeting on February 9, 2023, were reelected to serve as shareholder representatives on the Supervisory Board for four-year terms of office – for the electoral period 2023 to 2027. Kasper Rørsted, Jim Hagemann Snabe and Grazia Vittadini had already been elected by a decision of the Annual Shareholders' Meeting on February 3, 2021, to serve as shareholder representatives on the Supervisory Board for four-year terms of office – for the electoral period 2021 to 2025.

Pursuant to the provisions of the German Codetermination Act, Dr. Christian Pfeiffer was elected on November 22, 2022, to serve as a new employee representative on the Supervisory Board for a five-year term of office, effective at the end of the Annual Shareholders' Meeting on February 9, 2023. Tobias Bäumler, Dr. Andrea Fehrmann, Bettina Haller, Harald Kern, Jürgen Kerner, Hagen Reimer, Michael Sigmund, Dorothea Simon and Birgit Steinborn, who were already employee representatives on the Supervisory Board, were reelected to the Supervisory Board for five-year terms of office – that is, for the electoral period 2023 to 2028 – effective at the end of the Annual Shareholders' Meeting on February 9, 2023.

Upon his retirement from the Company on August 31, 2023, Michael Sigmund left the Supervisory Board, on which he had represented the Senior Management of Siemens AG. In a decision of September 14, 2023, the Charlottenburg District Court appointed Oliver Hartmann to succeed Michael Sigmund as an employee representative on the Supervisory Board for the remainder of Michael Sigmund's term of office.

We thanked the Supervisory Board members who departed in fiscal 2023 for their many years of trust-based cooperation and for their professional commitment and contribution to the Company's success. Our special thanks go to Michael Diekmann, who – as Chairman of the Compensation Committee – decisively shaped the Supervisory Board's activities over many years.

On behalf of the Supervisory Board, I would like to thank the members of the Managing Board and all the employees and employee representatives of Siemens AG and of all Group companies for their outstanding commitment and constructive cooperation in fiscal 2023.

For the Supervisory Board



Jim Hagemann Snabe
Chairman

Corporate Governance Statement

pursuant to Sections 289f and 315d
of the German Commercial Code

October 2023

SIEMENS

Corporate Governance Statement pursuant to Sections 289f and 315d of the German Commercial Code

In this Statement, the Managing Board and the Supervisory Board report as of November 9, 2023, on corporate governance at the Company in fiscal 2023 (October 1, 2022, to September 30, 2023) pursuant to Sections 289f and 315d of the German Commercial Code (*Handelsgesetzbuch*, HGB) and as prescribed in Principle 23 of the German Corporate Governance Code ("Code"). Further information regarding corporate governance – for example, the Bylaws for the Managing Board, the Bylaws for the Supervisory Board, the bylaws for the Supervisory Board committees and the Corporate Governance Statements of the previous fiscal years – is also available on the Siemens Global Website at WWW.SIEMENS.COM/CORPORATE-GOVERNANCE.

1. Declaration of Conformity with the German Corporate Governance Code

The Managing Board and the Supervisory Board of Siemens AG approved the following Declaration of Conformity pursuant to Section 161 of the German Stock Corporation Act (*Aktiengesetz*, AktG) as of October 1, 2023:

"Declaration of Conformity by the Managing Board and the Supervisory Board of Siemens Aktiengesellschaft with the German Corporate Governance Code pursuant to Section 161 of the German Stock Corporation Act

Siemens AG complies, and will continue to comply, with all the recommendations of the Government Commission on the German Corporate Governance Code in the version of April 28, 2022 ("Code"), published by the Federal Ministry of Justice in the official section of the Federal Gazette (*Bundesanzeiger*).

As of February 10, 2023, the date of its last Declaration of Conformity, Siemens AG complied with all the recommendations of the Code.

Berlin and Munich, October 1, 2023

Siemens Aktiengesellschaft
The Managing Board The Supervisory Board"

The current Declaration of Conformity and the Declarations of Conformity of the previous five years are available on the Siemens Global Website at WWW.SIEMENS.COM/DECLARATIONOFCONFORMITY.

2. Compensation Report / Compensation system

The Compensation Report and the Independent Auditor's Report in accordance with Section 162 of the German Stock Corporation Act, the compensation system for the Managing Board members pursuant to Section 87a para. 1 and para. 2 sent. 1 of the German Stock Corporation Act and the decision of the Annual Shareholders' Meeting pursuant to Section 113 para. 3 of the German Stock Corporation Act regarding the compensation of the Supervisory Board members are published on the Siemens Global Website at WWW.SIEMENS.COM/CORPORATE-GOVERNANCE.

3. Information on corporate governance practices

Suggestions of the Code

Siemens AG voluntarily complies with the Code's suggestions, with only the following exception:

According to the suggestion in A.8 of the Code, in the case of a takeover event, the Managing Board should convene an Extraordinary General Meeting at which shareholders will discuss the takeover offer and may

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decide on corporate actions. The convening of a shareholders' meeting – even taking into account the shortened time limits stipulated in the German Securities Acquisition and Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz*, WpÜG) – is an organizational challenge for large publicly listed companies. It appears doubtful whether the associated effort is justified also in cases where no relevant decisions by the shareholders' meeting are intended. Therefore, extraordinary shareholders' meetings shall be convened only in appropriate cases.

Further corporate governance practices applied beyond the applicable legal requirements are described in our Business Conduct Guidelines, which are publicly available on the Siemens Global Website at WWW.SIEMENS.COM/COMPLIANCE.

The Company's values and Business Conduct Guidelines

In its more than 175 years of existence, our Company has built an excellent reputation around the world. Technical performance, innovation, quality, reliability and international engagement have made Siemens a leading company in its areas of activity. It is top performance with the highest ethics that has made Siemens strong. This is what the Company will continue to stand for in the future.

The Business Conduct Guidelines provide the ethical and legal framework within which we want to conduct our activities and remain on course for success. 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 Company values: "Responsible" – "Excellent" – "Innovative." Our Business Conduct Guidelines are publicly available on the Siemens Global Website at WWW.SIEMENS.COM/COMPLIANCE.

4. Description of the operation of the Managing Board and the Supervisory Board and of the composition and operation of their committees

Siemens AG is subject to German corporate law. Therefore, it has a two-tier board structure, consisting of a Managing Board and a Supervisory Board. The duties and powers of the Managing Board and the Supervisory Board as well as the regulations regarding their operation and composition are defined primarily by the German Stock Corporation Act, the Articles of Association of Siemens AG and the bylaws for the Company's governing bodies. The Articles of Association of Siemens AG, the Bylaws for the Managing Board, the Bylaws for the Supervisory Board and the bylaws for the Supervisory Board's most important committees are available on the Siemens Global Website at WWW.SIEMENS.COM/CORPORATE-GOVERNANCE.

Managing Board

In fiscal 2023, the Managing Board of Siemens AG comprised Dr. Roland Busch (President and CEO), Cedrik Neike, Matthias Rebellius, Prof. Dr. Ralf P. Thomas and Judith Wiese. Further information regarding the Managing Board members and their memberships, which are to be disclosed pursuant to Section 285 No. 10 of the German Commercial Code, are set out in Section 10 of this Corporate Governance Statement. Information about the Managing Board members' areas of responsibility and their curricula vitae are available on the Siemens Global Website at WWW.SIEMENS.COM/MANAGEMENT.

As Siemens' top management body, the Managing Board is committed to serving the interests of the Company and achieving sustainable growth in company value. The members of the Managing Board are jointly responsible for the entire management of the Company and decide on basic issues of business policy and Company strategy, including Siemens' sustainability strategy as well as on the Company's annual and multi-year plans, unless specific circumstances are taken into account for companies that are separately managed and publicly listed themselves (Siemens Healthineers). The Companywide DEGREE program, which was approved by the Managing Board in fiscal 2021, intensified the focus of all Siemens businesses on ambitious sustainability targets – targets for environmental and social sustainability and good governance – even further. The Managing Board ensures that the risks and opportunities for the Company connected with social and environmental factors and the environmental and social impact of the Company's activities are systematically identified and assessed. The Company strategy gives due consideration to long-term targets as well as to environmental and social objectives. Company planning encompasses both the appropriate financial targets and the appropriate sustainability-related objectives. More details on sustainability are available

on the Siemens Global Website at WWW.SIEMENS.COM/SUSTAINABILITYINFORMATION.

The Managing Board prepares the Company's Quarterly Statements and Half-year Financial Report, the Annual Financial Statements of Siemens AG, the Consolidated Financial Statements of the Siemens Group and the Combined Management Report of Siemens AG and the Siemens Group. Together with the Supervisory Board, the Managing Board prepares the Compensation Report. The Managing Board has established an appropriate and effective internal control system and risk management system that also covers sustainability-related aspects. In addition, it ensures that the Company adheres to statutory requirements, official regulations and internal Company policies and works to achieve compliance with these provisions and policies within the Siemens Group. The Managing Board has established a comprehensive compliance management system oriented toward the Company's risk situation. Protection is offered to employees and third parties who provide information on unlawful behavior within the Company. Details on the compliance management system are available on the Siemens Global Website at WWW.SIEMENS.COM/SUSTAINABILITYINFORMATION.

The Supervisory Board has issued Bylaws for the Managing Board that contain the assignment of different portfolios and the rules for cooperation both within the Managing Board and between the Managing Board and the Supervisory Board as well as rules for the so-called Equity Investments. In accordance with these Bylaws, the Managing Board is divided into the portfolio of the President and CEO and a variety of Managing Board portfolios. The Managing Board members responsible for the individual Managing Board portfolios are defined in a business assignment plan that is determined by the Supervisory Board. As the Managing Board member with responsibility for the People & Organization portfolio, the Labor Director (*Arbeitsdirektor*) is appointed in accordance with the requirements of Section 33 of the German Codetermination Act (*Mitbestimmungsgesetz*, MitbestG). When making recommendations for the first-time appointments of Managing Board members, it is to be taken into account that the terms of these appointments shall not, as a rule, exceed three years.

As a rule, the portfolio assigned to an individual member is that member's own responsibility. Activities and transactions in a particular Managing Board portfolio that are considered to be extraordinarily important for the Company or associated with an extraordinary economic risk require the prior consent of the full Managing Board. The same applies to activities and transactions for which the President and CEO or another member of the Managing Board demands a prior decision by the Managing Board. The President and CEO is responsible for the coordination of all Managing Board portfolios. The Managing Board had no standing committee in fiscal 2023. Further details are available in the Bylaws for the Managing Board on the Siemens Global Website at WWW.SIEMENS.COM/BYLAWS-MANAGINGBOARD.

The Managing Board and the Supervisory Board cooperate closely for the benefit of the Company. The Managing Board informs the Supervisory Board regularly, comprehensively and without delay on all issues of importance to the entire Company with regard to strategy (including the Company's sustainability strategy), planning, business development, financial position, results of operations, compliance and entrepreneurial risks. At regular intervals, the Managing Board also discusses the status of strategy implementation with the Supervisory Board.

The members of the Managing Board are subject to a comprehensive prohibition on competitive activity for the period of their employment at Siemens AG. They are committed to serving the interest of the Company. When making their decisions, they may not be guided by personal interests, nor may they exploit for their own advantage business opportunities offered to the Company. Managing Board members may engage in secondary activities – in particular, hold supervisory board positions outside the Siemens Group – only with the approval of the Chairman's Committee of the Supervisory Board. The Supervisory Board is responsible for decisions regarding any adjustments to Managing Board compensation that are necessary in order to take account of compensation for secondary activities. Every Managing Board member is under an obligation to disclose conflicts of interest without delay to the Chairman of the Supervisory Board and to inform the other members of the Managing Board thereof.

Further details regarding the operation and composition of the Managing Board are provided in the Bylaws for the Managing Board, which are publicly available on the Siemens Global Website at WWW.SIEMENS.COM/BYLAWS-MANAGINGBOARD.

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Supervisory Board

The Supervisory Board of Siemens AG has 20 members. As stipulated by the German Codetermination Act, half of its members represent Company shareholders, and half represent Company employees. The shareholder representatives on the Supervisory Board are elected at the Annual Shareholders' Meeting by a simple majority vote. Elections to the Supervisory Board are conducted, as a rule, on an individual basis. The employee representatives on the Supervisory Board are elected in accordance with the provisions of the German Codetermination Act. Further information regarding the Supervisory Board members and their memberships, which are to be disclosed pursuant to Section 285 No. 10 of the German Commercial Code, are set out in Section 11 of this Corporate Governance Statement. The curricula vitae of the Supervisory Board members are publicly available on the Siemens Global Website at WWW.SIEMENS.COM/SUPERVISORY-BOARD and updated annually.

The Supervisory Board oversees and advises the Managing Board in its management of the Company's business. At regular intervals, the Supervisory Board discusses business development, planning, strategy (including sustainability strategy) and strategy implementation. It reviews the Annual Financial Statements of Siemens AG, the Consolidated Financial Statements of the Siemens Group, the Combined Management Report of Siemens AG and the Siemens Group (including non-financial matters), and the proposal for the appropriation of net income. It approves the Annual Financial Statements of Siemens AG as well as the Consolidated Financial Statements of the Siemens Group, based on the results of the preliminary review conducted by the Audit Committee and taking into account the reports of the independent auditors. The Supervisory Board approves the Managing Board's proposal for the appropriation of net income and the Report of the Supervisory Board to the Annual Shareholders' Meeting. The Supervisory Board is jointly responsible with the Managing Board for the preparation of the Compensation Report. In addition, the Company's adherence to statutory provisions, official regulations and internal Company policies (compliance) are monitored by the Supervisory Board and/or the Audit Committee. The Supervisory Board's oversight and advisory activities also encompass, in particular, sustainability-related topics in the environment, social and governance (ESG) area. The Managing Board reports regularly to the Supervisory Board on Siemens' Company-wide sustainability strategy and on the status of this strategy's implementation. The Supervisory Board deals with both the risks and the opportunities for Siemens relating to social and environmental factors and the environmental and social impact of the Company's activities. The Supervisory Board and the Audit Committee also concern themselves with sustainability reporting, which includes the Sustainability Report in addition to reporting on non-financial matters in the Combined Management Report, and are kept up to date on new developments and the status of their implementation at Siemens. In addition, the Supervisory Board appoints and dismisses the members of the Managing Board and determines each member's portfolios. The Supervisory Board approves – on the basis of a proposal by the Compensation Committee – the compensation system for Managing Board members and defines their concrete compensation in accordance with this system. It sets the individual targets for the variable compensation and the total compensation of each individual Managing Board member, reviews the appropriateness of total compensation and regularly reviews the Managing Board compensation system. Important Managing Board decisions – such as those regarding major acquisitions, divestments, fixed asset investments or financial measures – require Supervisory Board approval unless the Bylaws for the Supervisory Board specify that such authority be delegated to the Innovation and Finance Committee of the Supervisory Board.

Separate preparatory meetings of the shareholder representatives and of the employee representatives are held regularly in order to prepare the Supervisory Board meetings. The Supervisory Board also meets regularly without the Managing Board in attendance. Every Supervisory Board member must disclose conflicts of interest to the Supervisory Board. Information regarding conflicts of interest that may have arisen and their handling is provided in the Report of the Supervisory Board. Special informational (onboarding) events are held in order to familiarize new Supervisory Board members with the Company's business model and the structures of the Siemens Group. The Supervisory Board members take part, on their own responsibility, in the educational and training measures necessary for the performance of their duties – measures relating, for example, to changes in the legal framework and new, groundbreaking technologies. The Company supports them in this regard. Internal informational events are offered when necessary to support targeted training measures.

Details regarding the work of the Supervisory Board are provided in the Report of the Supervisory Board, which is made publicly available for each previous fiscal year on the Siemens Global Website.

SUPERVISORY BOARD COMMITTEES

In fiscal 2023, the Supervisory Board had six standing committees, whose duties, responsibilities and procedures fulfill the requirements of the German Stock Corporation Act and the Code. The chairmen of these committees provide the Supervisory Board with regular reports on their committees' activities.

The Chairman's Committee makes proposals, in particular, regarding the appointment and dismissal of Managing Board members and is responsible for concluding, amending, extending and terminating employment contracts with members of the Managing Board. When making recommendations for first-time appointments, it takes into account that the terms of these appointments shall not, as a rule, exceed three years. In preparing recommendations regarding the appointment of Managing Board members, the Chairman's Committee takes into account the candidates' professional qualifications, international experience and leadership qualities, the age limit specified for Managing Board members and long-term succession planning as well as diversity. It also takes into account the diversity concept for the Managing Board that has been approved by the Supervisory Board. The Chairman's Committee concerns itself with questions regarding the Company's corporate governance and prepares the proposals to be approved by the Supervisory Board regarding the Declaration of Conformity with the Code – including the explanation of deviations from the Code – and regarding the Corporate Governance Statement and the Report of the Supervisory Board to the Annual Shareholders' Meeting. It is responsible for approving the Company's related party transactions. Furthermore, the Chairman's Committee submits recommendations to the Supervisory Board regarding the composition of the Supervisory Board committees and decides whether to approve contracts and business transactions with Managing Board members and parties related to them.

As of September 30, 2023, the Chairman's Committee comprised Jim Hagemann Snabe (Chairman), Dr. Werner Brandt, Jürgen Kerner and Birgit Steinborn.

The Compensation Committee prepares, in particular, the proposals for decisions by the Supervisory Board's plenary meetings regarding the system of Managing Board compensation, including the implementation of this system in Managing Board contracts, the definition of the targets for variable Managing Board compensation, the determination and review of the appropriateness of the total compensation of the individual Managing Board members and the annual Compensation Report. Insofar as the non-financial aspects of Managing Board compensation are concerned, the Compensation Committee also considers sustainability in the environment, social and governance (ESG) area.

As of September 30, 2023, the Compensation Committee comprised Matthias Zachert (Chairman), Harald Kern, Jürgen Kerner, Jim Hagemann Snabe, Birgit Steinborn and Grazia Vittadini.

The Audit Committee oversees, in particular, the accounting and the accounting process and conducts a preliminary review of the Annual Financial Statements of Siemens AG, the Consolidated Financial Statements of the Siemens Group and the Combined Management Report of Siemens AG and the Siemens Group, including non-financial matters. On the basis of the independent auditors' report on their audit of the annual financial statements, the Audit Committee makes, after its preliminary review, recommendations regarding Supervisory Board approval of the Annual Financial Statements of Siemens AG and the Consolidated Financial Statements of the Siemens Group. The Audit Committee discusses the quarterly statements and Half-year Financial Report with the Managing Board and the independent auditors and deals with the auditors' reports on the review of the Half-year Consolidated Financial Statements and Interim Group Management Report. The Audit Committee concerns itself with sustainability reporting, which includes the Sustainability Report in addition to reporting on non-financial matters in the Combined Management Report. It also monitors the Company's adherence to statutory provisions, official regulations and internal Company policies (compliance). The Chief Compliance Officer reports regularly to the Audit Committee. The Audit Committee concerns itself with the Company's risk monitoring system. It oversees the appropriateness and effectiveness of the risk management system and of the internal control system with particular regard to financial

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reporting and sustainability reporting. The Audit Committee also monitors the internal audit system and the internal process for related party transactions. The Audit Committee receives regular reports from the internal audit department. It prepares the Supervisory Board's recommendation to the Annual Shareholders' Meeting concerning the election of the independent auditors and submits the corresponding proposal to the Supervisory Board. Prior to submitting this proposal, the Audit Committee obtains a statement from the prospective independent auditors affirming that their independence is not in question. Based on the decision of the Annual Shareholders' Meeting, it awards the audit contract to the independent auditors and monitors the independent audit of the financial statements as well as the auditors' selection, independence, qualification, rotation and efficiency and the services rendered by the auditors. The Audit Committee assesses the quality of the audit of the financial statements on a regular basis. Outside its meetings, the Supervisory Board is also in regular communication with the independent auditors via the Chairman of the Audit Committee. The Audit Committee regularly consults with the independent auditors also without the Managing Board in attendance. Outside its meetings, the Chairman of the Audit Committee is in regular communication with the independent auditors regarding the progress of the audit and reports thereon to the Audit Committee.

As of September 30, 2023, the Audit Committee comprised Dr. Werner Brandt (Chairman), Tobias Bäumler, Bettina Haller, Martina Merz, Hagen Reimer, Jim Hagemann Snabe, Birgit Steinborn and Matthias Zachert. The members of the Audit Committee are, as a group, familiar with the sector in which the Company operates. Pursuant to the German Stock Corporation Act, the Supervisory Board must have at least one member with expertise in the area of accounting and at least one additional member with expertise in the auditing of financial statements. According to the Code, expertise in the area of accounting consists of specialist knowledge and experience in the application of accounting principles and internal control and risk management systems, while expertise in the area of auditing consists of specialist knowledge and experience in the auditing of financial statements. Accounting and auditing also include sustainability reporting and its audit and assurance. In the person of Matthias Zachert, the Supervisory Board and the Audit Committee have at least one member with expertise in the area of accounting and in the person of Dr. Werner Brandt, the Chairman of the Audit Committee, at least one additional member with expertise in the area of auditing. Pursuant to the Code, the chair of the Audit Committee shall be an expert in at least one of these two areas and independent. The Chairman of the Audit Committee, Dr. Werner Brandt, fulfills these requirements.

In the course of his professional career, Matthias Zachert has served as the chief financial officer of a variety of publicly listed companies and thus has specialist knowledge and experience in the application of accounting principles and internal control and risk management systems, including sustainability reporting. His activities as the chief financial officer of a publicly listed international company include engagement with non-financial aspects and the reporting thereon. As the current chief executive officer and former chief financial officer of Lanxess AG, Matthias Zachert has extensive knowledge of the requirements for sustainability reporting and of current developments in this area. Matthias Zachert follows and monitors current developments in sustainability reporting and actively applies this expertise for the benefit of the Supervisory Board and the Audit Committee of Siemens AG.

Due to his many years of work at a major auditing firm – the former Price Waterhouse GmbH – and his many years of service as the chief financial officer of publicly listed international companies – Fresenius Medical Care AG and, subsequently, SAP AG – Dr. Werner Brandt has specialist knowledge and experience in the auditing of financial statements. Due to his above-mentioned activities and his many years of experience as the chairman of the supervisory board and audit committee of various publicly listed international companies, he also has specialist knowledge and experience in the application of accounting principles and internal control and risk management systems and thus has expertise in the area of accounting. In addition, Dr. Werner Brandt is independent. As former chief financial officer of various companies and as the current chairman of the supervisory board of RWE AG and Chairman of the Audit Committee of Siemens AG, Dr. Werner Brandt also has extensive knowledge regarding sustainability reporting. Dr. Werner Brandt follows current developments in sustainability reporting and its audit and assurance and is an active participant in discussions of this topic in expert committees. He actively applies this expertise for the benefit of the Supervisory Board and the Audit Committee of Siemens AG.

The Nominating Committee is responsible for making recommendations to the Supervisory Board on suitable candidates for the election by the Annual Shareholders' Meeting of shareholder representatives on the Supervisory Board. In preparing these recommendations, the objectives defined by the Supervisory Board for its composition and the approved diversity concept – in particular, independence and diversity – are to be appropriately considered, as are the proposed candidates' required knowledge, abilities and professional experience. Fulfillment of the required profile of skills and expertise is also to be aimed at. Attention shall be paid to an appropriate participation of women and men in accordance with the legal requirements relating to the gender quota as well as to ensuring that the members of the Supervisory Board are, as a group, familiar with the sector in which the Company operates.

As of September 30, 2023, the Nominating Committee comprised Jim Hagemann Snabe (Chairman), Dr. Werner Brandt, Benoît Potier and Dr. Nathalie von Siemens.

The Mediation Committee submits proposals to the Supervisory Board in the event that the Supervisory Board cannot reach the two-thirds majority required for the appointment or dismissal of a Managing Board member on the first ballot.

As of September 30, 2023, the Mediation Committee comprised Jim Hagemann Snabe (Chairman), Dr. Werner Brandt, Jürgen Kerner and Birgit Steinborn.

Based on the Company's overall strategy, the Innovation and Finance Committee discusses, in particular, the Company's innovation focuses and prepares the Supervisory Board's discussions and decisions regarding questions relating to the Company's financial situation and structure – including annual planning (budget) – as well as the Company's fixed asset investments and its financial measures. In addition, the Innovation and Finance Committee has been authorized by the Supervisory Board to decide on the approval of transactions and measures that require Supervisory Board approval and have a value of between €300 million and €600 million.

As of September 30, 2023, the Innovation and Finance Committee comprised Jim Hagemann Snabe (Chairman), Tobias Bäumler, Dr. Regina E. Dugan, Harald Kern, Jürgen Kerner, Kasper Rørsted, Birgit Steinborn and Grazia Vittadini.

The Supervisory Board has not established a dedicated sustainability committee. Sustainability is one of the focus topics of the Supervisory Board's work. Sustainability is of such central importance for Siemens that it is discussed regularly and in detail at the Supervisory Board's plenary meetings. As a cross-cutting issue, sustainability touches on the areas of responsibility of several committees. To the extent that sustainability affects reporting, the Audit Committee considers sustainability-related questions in detail and reports on these matters at the Supervisory Board's plenary meetings. To prepare for discussions and decisions at these meetings, the sustainability-related aspects of Managing Board compensation are dealt with in the Compensation Committee.

Further details regarding the operation and composition of the Supervisory Board and its committees are provided in the Bylaws for the Supervisory Board and the bylaws for its committees, which are publicly available on the Siemens Global Website at WWW.SIEMENS.COM/CORPORATE-GOVERNANCE.

SUPERVISORY BOARD SELF-ASSESSMENT

The Supervisory Board and its committees regularly conduct reviews – either internally or with the involvement of external consultants – in order to determine how efficiently they perform their duties. In fiscal 2023, the Supervisory Board conducted an internal self-assessment. At its meeting on September 22, 2023, the Supervisory Board concerned itself intensively with the results of the assessment and the measures to be derived from it. The results of the assessment confirm that cooperation within the Supervisory Board and with the Managing Board is professional, constructive and characterized by a high degree of trust and openness. The results also confirm that meetings are organized and conducted efficiently and that the participants receive sufficient information. The composition and structure of the Supervisory Board, including the structure and mechanisms of its committees, were assessed as effective and efficient. The review did not reveal a need for any fundamental changes. Individual suggestions for improvement are also discussed and implemented during the year.

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5. Targets, within the meaning of Section 76 para. 4 of the German Stock Corporation Act, for the quota of women at the two management levels below the Managing Board; Information on Managing Board compliance with the participation requirement and Supervisory Board compliance with minimum gender quota requirements

Pursuant to the German Stock Corporation Act, the Managing Board of Siemens AG must include at least one woman and at least one man (minimum participation requirement). In fiscal 2023, Siemens AG complied with this requirement. Beyond the minimum participation requirement, the consideration of women is an essential aspect of the Supervisory Board's long-term succession planning for the Managing Board.

When filling managerial positions at the Company, the Managing Board takes diversity into account and, in particular, aims for an appropriate consideration of women and internationality. In May 2022, in compliance with the German legal requirements set out in Section 76 para. 4 of the German Stock Corporation Act, the Managing Board set the targets for the percentage of women in management positions at Siemens AG that will apply until September 30, 2025, as follows: 30% for the first management level below the Managing Board and 25% for the second management level below the Managing Board. On the basis of projected employee figures, women will, accordingly, hold a total of four of the 13 positions at Siemens AG at the first management level below the Managing Board and a total of 32 of the 126 positions at Siemens AG at the second management level below the Managing Board. For the Siemens Group worldwide, the targets set out in the Companywide DEGREE sustainability framework continue to apply without change.

The composition of the Supervisory Board fulfilled the legal requirements regarding the minimum gender quota in the reporting period.

Statutory provisions on the equal participation of men and women in management positions that may be applicable to Group companies other than Siemens AG remain unaffected.

6. Diversity concept for the Managing Board and long-term succession planning

For the composition of the Managing Board, the following diversity concept applies:

"The goal of this diversity concept is to achieve a composition that is as diverse as possible and comprises individuals who complement one another in a Managing Board that provides strong leadership and brings different perspectives to the management of the Company as well as to ensure that, as a group, the members of the Managing Board have all the know-how and skills that are considered essential in view of Siemens' activities.

When selecting members of the Managing Board, the Supervisory Board pays close attention to candidates' personal suitability, integrity, convincing leadership qualities, international experience, expertise in their prospective areas of responsibility, achievements to date and knowledge of the Company as well as their ability to adjust business models and processes in a changing world. Diversity with respect to such characteristics as age and gender as well as professional and educational background is an important selection criterion for appointments to Managing Board positions. When selecting members of the Managing Board, the Supervisory Board also gives special consideration to the following factors:

- → In addition to the expertise and management and leadership experience required for their specific tasks, the Managing Board members shall have the broadest possible range of knowledge and experience and the widest possible educational and professional backgrounds.
- → Taking the Company's international orientation into account, the composition of the Managing Board shall reflect internationality with respect to different cultural backgrounds and international experience (such as extensive professional experience in foreign countries and responsibility for business activities in foreign countries in areas that are relevant for Siemens).
- → As a group, the Managing Board shall have experience in the business areas that are important for Siemens – in particular, in the industry, infrastructure, energy, mobility and healthcare sectors.

→ As a group, the Managing Board shall have many years of experience in technology (including information technology, digitalization and cybersecurity), sustainability, transformation, procurement, manufacturing, research and development, sales, finance, risk management, law (including compliance) and human resources.
→ Diversity also means gender diversity. According to the legal requirement applicable to Siemens AG (Section 76 para. 3a of the German Stock Corporation Act), the Managing Board must include at least one woman and at least one man (minimum participation requirement). Beyond the minimum participation requirement, the consideration of women is an essential aspect of the Supervisory Board's long-term succession planning for the Managing Board.
→ It is considered helpful if different age groups are represented on the Managing Board. In accordance with the recommendation of the Code, the Supervisory Board has defined an age limit for the members of the Managing Board. In keeping with this limit, the members of the Managing Board are, as a rule, to be not older than 67 years of age.

When making an appointment to a specific Managing Board position, the decisive factor is always the Company's best interest, taking into consideration all circumstances in the individual case."

Implementation of the diversity concept for the Managing Board in fiscal 2023

The diversity concept for the Managing Board is implemented as part of the process for making appointments to the Managing Board. When selecting candidates and/or making proposals for the appointment of Managing Board members, the Supervisory Board and/or the Chairman's Committee of the Supervisory Board take into account the requirements defined in the diversity concept for the Managing Board.

In its current composition, the Managing Board fulfills all the requirements of the diversity concept. The Managing Board members have a broad range of knowledge, experience and educational and professional backgrounds as well as international experience. The Managing Board has all the knowledge and experience that is considered essential in view of Siemens' activities. As a group, the Managing Board has experience in the business areas that are important for Siemens – in particular, in the industry, infrastructure, energy, mobility and healthcare sectors – as well as many years of experience in technology (including information technology, digitalization and cybersecurity), sustainability, transformation, procurement, manufacturing, research and development, sales, finance, risk management, law (including compliance) and human resources.

Siemens AG complies with the minimum participation requirement set out in Section 76 para. 3a of the German Stock Corporation Act. The Managing Board has one female member, Judith Wiese. Beyond the minimum participation requirement, the consideration of women is a key component of the Supervisory Board's long-term succession planning for the Managing Board. Different age groups are represented on the Managing Board. No Managing Board member has reached the stipulated regular age limit.

Long-term succession planning for the Managing Board

Jointly with the Managing Board and with the support of the Chairman's Committee, the Supervisory Board conducts long-term succession planning for the Managing Board. Long-term succession planning is systematic and based on the strategic target setting of the Company. Taking into account the concrete qualification requirements and the diversity concept that the Supervisory Board has approved for the Managing Board's composition, the Chairman's Committee prepares ideal profiles. When a concrete decision regarding succession is to be made, the Chairman's Committee compiles a shortlist of the available candidates on the basis of these profiles. Structured interviews are then conducted with these candidates. After the interviews, a recommendation is submitted to the Supervisory Board for approval. When developing the profile of requirements and selecting candidates, the Supervisory Board and/or the Chairman's Committee are supported, if necessary, by external consultants.

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7. Objectives regarding the Supervisory Board's composition as well as the profile of required skills and expertise and the diversity concept for the Supervisory Board

In September 2022, the Supervisory Board approved the objectives for its composition including the profile of required skills and expertise and the diversity concept:

"The composition of the Supervisory Board of Siemens AG shall be such that the Supervisory Board's ability to effectively monitor and advise the Managing Board is ensured. In this connection, mutually complementary collaboration among members with a wide range of personal and professional backgrounds and diversity with regard to internationality, age and gender are considered helpful.

Profile of required skills and expertise

The candidates proposed for election to the Supervisory Board shall have the knowledge, skills and experience necessary to carry out the functions of a Supervisory Board member in a multinational company oriented toward the capital markets and to safeguard the reputation of Siemens in public. In particular, care shall be taken with regard to the personality, integrity, commitment and professionalism of the individuals proposed for election.

The goal is to ensure that, in the Supervisory Board, as a group, all the knowhow and experience is available that is considered essential in view of Siemens' activities. This includes, for instance, knowledge and experience in the areas of technology (including information technology, digitalization and cybersecurity), sustainability, transformation, procurement, manufacturing, research and development, sales, finance, risk management, law (including compliance) and human resources. In addition, the members of the Supervisory Board shall collectively have knowledge and experience in the business areas that are important for Siemens, in particular, in the areas of industry, infrastructure, energy, mobility and healthcare. As a group, the members of the Supervisory Board are to be familiar with the sector in which the Company operates. In accordance with the German Stock Corporation Act, at least one member of the Supervisory Board must have knowledge and expertise in the area of accounting, and at least one additional member of the Supervisory Board must have knowledge and expertise in the auditing of financial statements. The expertise in the field of accounting shall consist of special knowledge and experience in the application of accounting principles and internal control and risk management systems and the expertise in the field of auditing shall consist of special knowledge and experience in the auditing of financial statements. Accounting and auditing also include sustainability reporting and its audit and assurance. The chairman of the audit committee shall have appropriate expertise in at least one of the two areas and shall be independent. In particular, the Supervisory Board shall also include members who have leadership experience as senior executives or members of a supervisory board (or comparable body) at a major company with international operations.

When a new member is to be appointed, a review shall be performed to determine which of the areas of expertise deemed desirable for the Supervisory Board are to be strengthened.

Internationality

Taking the Company's international orientation into account, care shall be taken to ensure that the Supervisory Board has an adequate number of members with extensive international experience. The goal is to make sure that the present considerable share of Supervisory Board members with extensive international experience is maintained.

Diversity

With regard to the composition of the Supervisory Board, attention shall be paid to achieving sufficient diversity. Not only is appropriate consideration to be given to women. Diversity of cultural heritage and a wide range of educational and professional backgrounds, experiences and ways of thinking are also to be promoted. When considering possible candidates for new elections or for filling Supervisory Board positions that have become vacant, the Supervisory Board shall give appropriate consideration to diversity at an early stage in the selection process.

In accordance with the German Stock Corporation Act, the Supervisory Board is composed of at least 30% women and at least 30% men. The Nominating

Committee shall continue to include at least one female member.

Independence

The Supervisory Board shall include what the shareholder representatives on the Supervisory Board consider to be an appropriate number of independent shareholder representatives. More than half of the shareholder representatives shall be independent of the Company and its Managing Board. Substantial – and not merely temporary – conflicts of interest are to be avoided.

No more than two former members of the Managing Board of Siemens AG shall belong to the Supervisory Board.

The Supervisory Board members shall have sufficient time to exercise their mandates with the necessary regularity and diligence.

Limits on age and on length of membership

In compliance with the age limit stipulated by the Supervisory Board in its Bylaws, only individuals who are no older than 70 years of age shall, as a rule, be nominated for election to the Supervisory Board. Nominations shall take into account the regular limit established by the Supervisory Board, which restricts membership on the Supervisory Board to a maximum of three full terms of office. It is considered helpful if different age groups are represented on the Supervisory Board."

Implementation of the objectives regarding the Supervisory Board's composition as well as the profile of required skills and expertise and the diversity concept for the Supervisory Board in fiscal 2023; Independent members of the Supervisory Board

Within the framework of the selection process and the nomination of candidates for the Supervisory Board, the Supervisory Board as well as the Nominating Committee of the Supervisory Board take into account the objectives regarding the Supervisory Board's composition and the requirements defined in its diversity concept. In preparing the nominations of the seven shareholder representatives elected by the 2023 Annual Shareholders' Meeting, the Supervisory Board and the Nominating Committee took these objectives – including the profile of required skills and expertise and the diversity concept – into consideration.

The Supervisory Board is of the opinion that, with its current composition, it meets the objectives for its composition and fulfills the profile of required skills and expertise as well as the diversity concept. The Supervisory Board members have the specialist and personal qualifications considered necessary. As a group, they are familiar with the sector in which the Company operates and have the knowledge, skills and experience essential for Siemens in the areas of technology (including information technology, digitalization and cybersecurity), transformation, procurement, manufacturing, research and development, sales, finance, risk management, law (including compliance) and human resources. Due to the presence in the Supervisory Board of expertise in the sustainability-related matters important for Siemens, the Supervisory Board is in a position to monitor the way in which environmental and social sustainability is taken into consideration in the Company's strategic orientation and in Company planning. Knowledge and experience in the business areas important for Siemens – in particular, in the industry, infrastructure, energy, mobility and healthcare sectors – are also present in the Supervisory Board. A considerable number of Supervisory Board members are engaged in international activities and/or have many years of international experience. Appropriate consideration has been given to diversity in the Supervisory Board. The Supervisory Board currently has nine female members, of whom five are shareholder representatives and four are employee representatives. As a result, 45% of the Supervisory Board members are women. Dr. Nathalie von Siemens is a member of the Nominating Committee.

In the estimation of the shareholder representatives, the Supervisory Board now includes ten independent shareholder representatives – namely, Dr. Werner Brandt, Dr. Regina E. Dugan, Keryn Lee James, Martina Merz, Benoît Potier, Kasper Rørsted, Dr. Nathalie von Siemens, Jim Hagemann Snabe, Grazia Vittadini and Matthias Zachert – and thus an appropriate number of members who are independent within the meaning of the Code. The regulations establishing limits on age and restricting membership in the Supervisory Board to three full terms of office are complied with.

The implementation status of the profile of required skills and expertise is disclosed below in the form of a qualification matrix.

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Qualification matrix

Shareholder representatives

		Werner Brandt (Dr. rer. pol.)	Regina E. Dugan (PhD)	Keryn Lee James	Martina Merz	Benoît Potier	Kasper Rørsted	Nathalie von Siemens (Dr. phil.)	Jim Hagemann Snabe	Grazia Vittadini	Matthias Zachert
Length of membership	Member since	January 31, 2018	February 9, 2023	February 9, 2023	February 9, 2023	January 31, 2018	February 3, 2021	January 27, 2015	October 1, 2013	February 3, 2021	January 31, 2018
Personal qualification	Independence[1]	●	●	●	●	●	●	●	●	●	●
	No overboarding[1]	●	●	●	●	●	●	●	●	●	●
Diversity	Date of birth	January 3, 1954	March 19, 1963	December 12, 1968	March 1, 1963	September 3, 1957	February 24, 1962	July 14, 1971	October 27, 1965	September 23, 1969	November 8, 1967
	Gender	Male	Female	Female	Female	Male	Male	Female	Male	Female	Male
	Nationality	German	US-American	Australian	German	French	Danish	German	Danish	Italian / German	German
International experience	Europe			●	●	●	●	●	●	●	●
	Americas		●	●	●	●	●	●	●	●	
	China			●	●				●	●	
	Asia / Pacific			●	●	●			●	●	
Professional qualification	Leadership experience	●	●	●	●	●	●	●	●	●	●
	Technology		●	●	●	●	●		●	●	●
	Sustainability	●	●	●	●	●	●	●	●	●	●
	Transformation	●	●	●	●	●	●	●	●	●	●
	Procurement / manufacturing / sales / R&D	●	●		●		●		●	●	
	Finance	●	●	●	●	●	●		●	●	●
	Financial expert[2]	●									●
	Risk management	●							●	●	●
	Legal / compliance	●	●				●		●	●	●
	Human resources	●	●	●	●	●	●	●	●		●
	Familiarity with business area / sector	●	●	●	●	●		●	●	●	●

1 According to the German Corporate Governance Code (GCGC).

2 According to Section 100 para. 5 of the German Stock Corporation Act and recommendation D.3 of the GCGC.

● Criterion met, based on a self-assessment by the Supervisory Board. A dot means at least "good knowledge" and thus the ability to understand the relevant issues well and make informed decisions on the basis of existing qualifications, the knowledge and experience acquired in the course of work as a member of the Supervisory Board (for example, many years of service on the Audit Committee) or the training measures regularly attended by all members of the Supervisory Board.

Employee representatives

		Tobias Bäumler	Andrea Fehrmann (Dr. phil.)	Bettina Haller	Oliver Hartmann	Harald Kern	Jürgen Kerner	Christian Pfeiffer (Dr.-Ing.)	Hagen Reimer	Dorothea Simon	Birgit Steinborn
Length of membership	Member since	October 16, 2020	January 31, 2018	April 1, 2007	September 14, 2023	January 24, 2008	January 25, 2012	February 9, 2023	January 30, 2019	October 1, 2017	January 24, 2008
Diversity	Date of birth	October 10, 1979	June 21, 1970	March 14, 1959	April 25, 1968	March 16, 1960	January 22, 1969	June 2, 1969	April 26, 1967	August 3, 1969	March 26, 1960
	Gender	Male	Female	Female	Male	Male	Male	Male	Male	Female	Female
	Nationality	German	German	German	German	German	German	German	German	German	German
	International experience	●			●	●		●			
Professional qualification	Leadership experience			●	●	●	●	●	●	●	●
	Technology	●			●	●		●			
	Sustainability	●	●	●	●	●	●	●	●	●	●
	Transformation	●	●	●	●		●	●	●		●
	Procurement / manufacturing / sales / R&D	●		●		●	●	●			●
	Finance			●			●				●
	Financial expert[2]										
	Risk management			●			●				●
	Legal / compliance	●	●	●	●	●	●	●	●	●	●
	Human resources	●	●	●	●	●	●	●	●	●	●
	Familiarity with business area / sector	●	●	●	●	●	●	●		●	●

1 According to the German Corporate Governance Code (GCGC).

2 According to Section 100 para. 5 of the German Stock Corporation Act and recommendation D.3 of the GCGC.

● Criterion met, based on a self-assessment by the Supervisory Board. A dot means at least "good knowledge" and thus the ability to understand the relevant issues well and make informed decisions on the basis of existing qualifications, the knowledge and experience acquired in the course of work as a member of the Supervisory Board (for example, many years of service on the Audit Committee) or the training measures regularly attended by all members of the Supervisory Board.

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8. Share transactions by members of the Managing and Supervisory Boards

Pursuant to Article 19 of EU Regulation No. 596/2014 of the European Parliament and Council of April 16, 2014, on market abuse (Market Abuse Regulation), members of the Managing Board and the Supervisory Board are legally required to disclose all transactions conducted on their own account relating to the shares or debt instruments of Siemens AG or to the derivatives or financial instruments linked thereto if the total value of such transactions entered into by a board member or any closely associated person in any calendar year reaches or exceeds €20,000. All transactions reported to Siemens AG in fiscal 2023 have been duly published and are available on the Siemens Global Website at WWW.SIEMENS.COM/DIRECTORS-DEALINGS.

9. Annual Shareholders' Meeting and investor relations

Shareholders exercise their rights at the Annual Shareholders' Meeting. An ordinary Annual Shareholders' Meeting normally takes place within the first five months of each fiscal year. The Annual Shareholders' Meeting decides, among other things, on the appropriation of net income, the ratification of the acts of the members of the Managing and Supervisory Boards, and the appointment of the independent auditors. Amendments to the Articles of Association and measures that change the Company's capital stock are approved at the Annual Shareholders' Meeting and implemented by the Managing Board. The Managing Board facilitates shareholder participation in this meeting through electronic communications – in particular, via the Internet – and enables shareholders who are unable to attend the meeting to vote by proxy. Proxies can also be reached during the Annual Shareholders' Meeting. Furthermore, shareholders may exercise their right to vote in writing or by means of electronic communications (absentee voting). The Managing Board may enable shareholders to participate in the Annual Shareholders' Meeting without the need to be present at the venue and without a proxy and to exercise some or all of their rights fully or partially by means of electronic communications. The Company enables shareholders to follow the entire Annual Shareholders' Meeting via the Internet. Shareholders may submit motions regarding the proposals of the Managing and Supervisory Boards and may contest decisions of the Annual Shareholders' Meeting. Shareholders owning Siemens stock with an aggregate notional value of €100,000 or more may also demand the judicial appointment of special auditors to examine specific issues. The reports, documents and information required by law for the Annual Shareholders' Meeting, including the Annual Financial Report, can be downloaded from the Siemens Global Website. The same applies to the agenda for the Annual Shareholders' Meeting and to any counterproposals or shareholders' nominations that may require disclosure. For the election of shareholder representatives on the Supervisory Board, a detailed curriculum vitae of every candidate is published.

Pursuant to a decision by the Annual Shareholders' Meeting on February 9, 2023, the Articles of Association have been amended and the Managing Board has been authorized to allow for the Annual Shareholders' Meeting to be held without shareholders or their representatives being physically present at the place of the Annual Shareholders' Meeting (virtual shareholders' meeting). This authorization applies to holding virtual shareholders' meetings in a period of two years after the registration of this amendment in the Company's commercial registers. This registration took place in May 2023.

As part of our investor relations activities, we inform our investors comprehensively about developments within the Company. For communication purposes, Siemens makes extensive use of the Internet. We publish quarterly statements, Half-year and Annual Financial Reports, earnings releases, ad hoc announcements, analyst presentations, letters to shareholders and press releases as well as the financial calendar for the current year, which contains the publication dates of significant financial communications and the date of the Annual Shareholders' Meeting, at WWW.SIEMENS.COM/INVESTORS. The Chairman of the Supervisory Board regularly discusses Supervisory-Board-specific topics with investors.

The Articles of Association of Siemens AG, the Bylaws for the Supervisory Board, the bylaws for the most important Supervisory Board committees, the Bylaws for the Managing Board, our Declarations of Conformity with the Code and a variety of other corporate-governance-related documents are posted on the Siemens Global Website at WWW.SIEMENS.COM/CORPORATE-GOVERNANCE.

10. Members of the Managing Board and positions held by Managing Board members

In fiscal 2023, the Managing Board had the following members:

Name	Date of birth	First appointed	Term expires	Memberships in supervisory boards whose establishment is required by law or in comparable domestic or foreign controlling bodies of business enterprises	
				External positions (as of September 30, 2023)	Group company positions (as of September 30, 2023)
Roland Busch (Dr. rer. nat.) President and Chief Executive Officer	November 22, 1964	April 1, 2011	March 31, 2025		**German positions:** → Siemens Healthineers AG, Munich[1] → Siemens Mobility GmbH, Munich (Chairman)
Cedrik Neike	March 7, 1973	April 1, 2017	May 31, 2025	**German positions:** → Evonik Industries AG, Essen[1]	**Positions outside Germany:** → Siemens Aktiengesellschaft Österreich, Austria (Chairman) → Siemens France Holding SAS, France
Matthias Rebellius	January 2, 1965	October 1, 2020	September 30, 2025	**German positions:** → Siemens Energy AG, Munich[1] → Siemens Energy Management GmbH, Munich	**Positions outside Germany:** → Arabia Electric Ltd. (Equipment), Saudi Arabia (Deputy Chairman) → Siemens Ltd., India[1] → Siemens Ltd., Saudi Arabia (Deputy Chairman) → Siemens Schweiz AG, Switzerland (Chairman) → Siemens W.L.L., Qatar
Ralf P. Thomas (Prof. Dr. rer. pol.)	March 7, 1961	September 18, 2013	December 14, 2026	**German positions:** → Siemens Energy AG, Munich[1] → Siemens Energy Management GmbH, Munich	**German positions:** → Siemens Healthcare GmbH, Munich (Chairman) → Siemens Healthineers AG, Munich (Chairman)[1] **Positions outside Germany:** → Siemens Proprietary Ltd., South Africa (Chairman)
Judith Wiese	January 30, 1971	October 1, 2020	September 30, 2028	**German positions:** → European School of Management and Technology GmbH, Berlin	

1 Publicly listed.

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11. Members of the Supervisory Board and positions held by Supervisory Board members

In fiscal 2023, the Supervisory Board had the following members:

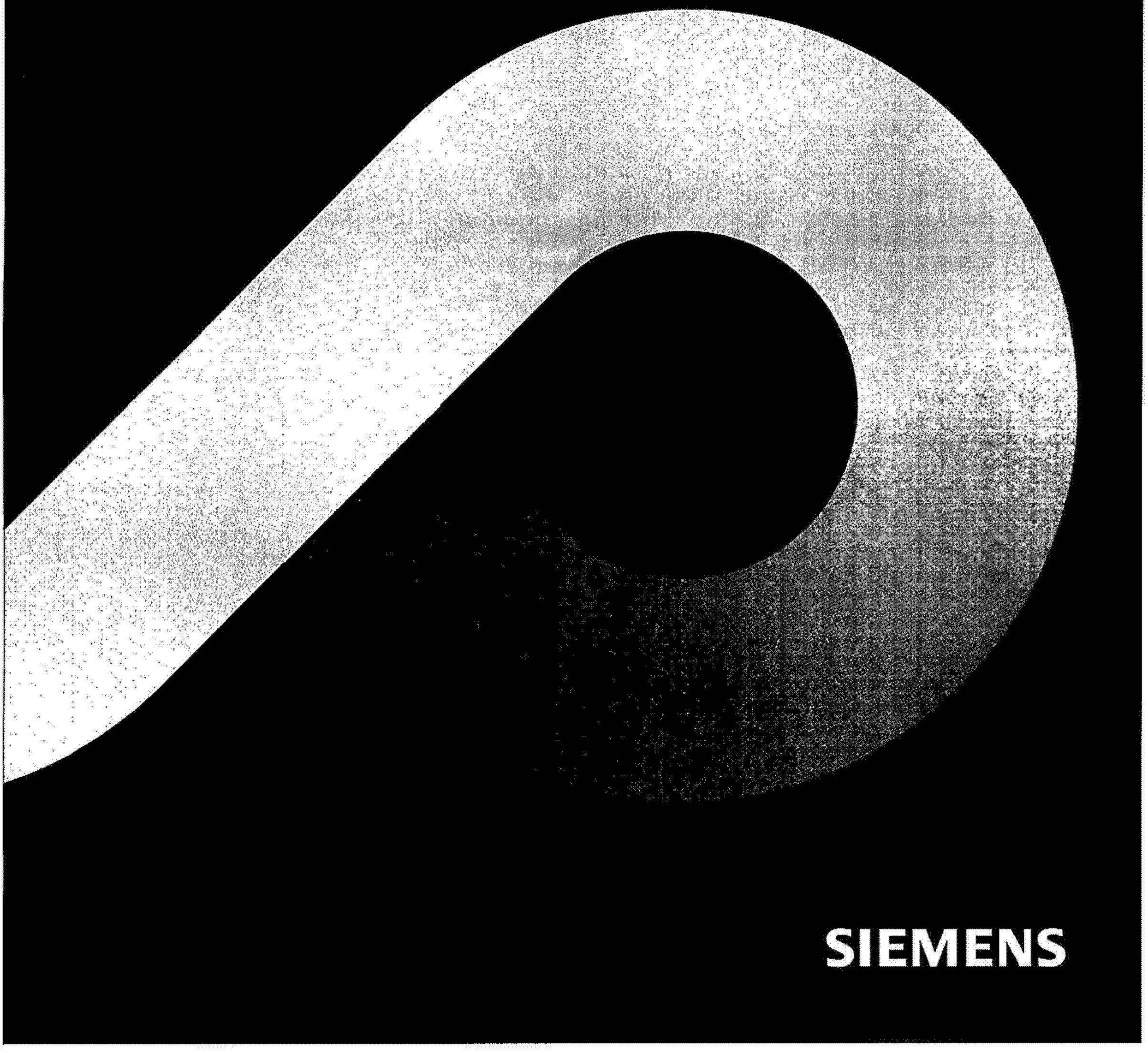
Name	Occupation	Date of birth	Member since	Term expires[1]	Memberships in supervisory boards whose establishment is required by law or in comparable domestic or foreign controlling bodies of business enterprises (as of September 30, 2023)
Jim Hagemann Snabe Chairman	Chairman of the Supervisory Board of Siemens AG	October 27, 1965	October 1, 2013	2025	**Positions outside Germany:** → C3.ai, Inc., USA[3] → Northvolt AB, Sweden (Chairman) → Urban Partners A/S, Denmark (Deputy Chairman)
Birgit Steinborn[2] First Deputy Chairwoman	Chairwoman of the Central Works Council of Siemens AG	March 26, 1960	January 24, 2008	2028	
Werner Brandt (Dr. rer. pol.) Second Deputy Chairman	Chairman of the Supervisory Board of RWE AG	January 3, 1954	January 31, 2018	2027	**German positions:** → RWE AG, Essen (Chairman)[3]
Tobias Bäumler[2]	Deputy Chairman of the Central Works Council and of the Combine Works Council of Siemens AG	October 10, 1979	October 16, 2020	2028	
Michael Diekmann (until February 9, 2023) (as of February 9, 2023)	Chairman of the Supervisory Board of Allianz SE	December 23, 1954	January 24, 2008	2023	**German positions:** → Allianz SE, Munich (Chairman)[3] → Fresenius Management SE, Bad Homburg → Fresenius SE & Co. KGaA, Bad Homburg (Deputy Chairman)[3]
Regina E. Dugan (PhD) (since February 9, 2023)	President and Chief Executive Officer of Wellcome Leap Inc.	March 19, 1963	February 9, 2023	2027	**Positions outside Germany:** → HPE, Houston, Texas, USA[3]
Andrea Fehrmann[2] (Dr. phil.)	Trade Union Secretary, IG Metall Regional Office for Bavaria	June 21, 1970	January 31, 2018	2028	**German positions:** → Airbus Defence and Space GmbH, Taufkirchen → Siemens Energy AG, Munich[3] → Siemens Energy Management GmbH, Munich
Bettina Haller[2]	Chairwoman of the Combine Works Council of Siemens AG	March 14, 1959	April 1, 2007	2028	**German positions:** → Siemens Mobility GmbH, Munich (Deputy Chairwoman)
Oliver Hartmann[2] (since September 14, 2023)	Head of the Regional Office Erlangen/Nuremberg, Germany, Chairman of the Committee of Spokespersons of the Siemens Group and Chairman of the Central Committee of Spokespersons of Siemens AG	April 25, 1968	September 14, 2023	2028	
Keryn Lee James (since February 9, 2023)	Chair of the Board of Directors of OPUS Talent Solutions	December 12, 1968	February 9, 2023	2027	**Positions outside Germany:** → OPUS Talent Solutions, UK (Chair)
Harald Kern[2]	Chairman of the Siemens Europe Committee	March 16, 1960	January 24, 2008	2028	
Jürgen Kerner[2]	Chief Treasurer and Executive Member of the Managing Board of IG Metall	January 22, 1969	January 25, 2012	2028	**German positions:** → Airbus GmbH, Hamburg → MAN Truck & Bus SE, Munich (Deputy Chairman) → Siemens Energy AG, Munich[3] → Siemens Energy Management GmbH, Munich → Thyssenkrupp AG, Essen (Deputy Chairman)[3] → Traton SE, Munich[3]
Martina Merz (since February 9, 2023)	Member of supervisory boards	March 1, 1963	February 9, 2023	2027	**Positions outside Germany:** → AB Volvo, Gothenburg, Sweden[3]
Christian Pfeiffer[2] (Dr.-Ing.) (since February 9, 2023)	Innovation manager at Siemens Mobility GmbH, member of the Combine Works Council of Siemens AG and of the Central Works Council of Siemens Mobility GmbH	June 2, 1969	February 9, 2023	2028	**German positions:** → Siemens Mobility GmbH, Munich (Chairman)
Benoît Potier	Chairman of the Board of Directors of L'Air Liquide S.A.	September 3, 1957	January 31, 2018	2027	**Positions outside Germany:** → L'Air Liquide S.A., France (Chairman)[3]

1 As a rule, the term of office ends at the conclusion of the (relevant) ordinary Annual Shareholders' Meeting.
2 Employee representative.
3 Publicly listed.
4 Shareholders' Committee.

Name	Occupation	Date of birth	Member since	Term expires[1]	Memberships in supervisory boards whose establishment is required by law or in comparable domestic or foreign controlling bodies of business enterprises (as of September 30, 2023)
Hagen Reimer[2]	Trade Union Secretary of the Managing Board of IG Metall	April 26, 1967	January 30, 2019	2028	
Norbert Reithofer (Dr.-Ing. Dr.-Ing. E.h.) (until February 9, 2023) (as of February 9, 2023)	Chairman of the Supervisory Board of Bayerische Motoren Werke Aktiengesellschaft	May 29, 1956	January 27, 2015	2023	**German positions:** → Bayerische Motoren Werke Aktiengesellschaft, Munich (Chairman)[3] → Henkel AG & Co. KGaA, Düsseldorf[3,4] → Henkel Management AG, Düsseldorf
Kasper Rørsted	Member of supervisory boards	February 24, 1962	February 3, 2021	2025	**Positions outside Germany:** → A.P. Møller-Mærsk A/S, Denmark[3]
Baroness Nemat Shafik (DBE, DPhil) (until February 9, 2023) (as of February 9, 2023)	Director of the London School of Economics	August 13, 1962	January 31, 2018	2023	
Nathalie von Siemens (Dr. phil.)	Member of supervisory boards	July 14, 1971	January 27, 2015	2027	**German positions:** → Messer SE & Co. KGaA, Bad Soden am Taunus → Siemens Healthcare GmbH, Munich → Siemens Healthineers AG, Munich[3] → TÜV Süd AG, Munich **Positions outside Germany:** → EssilorLuxottica SA, France[3]
Michael Sigmund[2] (until August 31, 2023) (as of August 31, 2023)	Chairman of the Committee of Spokespersons of the Siemens Group and Chairman of the Central Committee of Spokespersons of Siemens AG	September 13, 1957	March 1, 2014	2028	
Dorothea Simon[2]	Chairwoman of the Central Works Council of Siemens Healthcare GmbH	August 3, 1969	October 1, 2017	2028	**German positions:** → Siemens Healthcare GmbH, Munich
Grazia Vittadini	Chief Technology Officer and member of the Executive Team of Rolls-Royce Holdings plc[3] (until October 17, 2023), Special Advisor of Rolls-Royce Holdings plc[3] (since October 17, 2023)	September 23, 1969	February 3, 2021	2025	**German positions:** → The Exploration Company GmbH, Gilching
Matthias Zachert	Chairman of the Board of Management of LANXESS AG[3]	November 8, 1967	January 31, 2018	2027	
Gunnar Zukunft[2] (until February 9, 2023) (as of February 9, 2023)	Member of the Central Works Council of Siemens Industry Software GmbH	June 21, 1965	January 31, 2018	2023	**German positions:** → Siemens Industry Software GmbH, Cologne

1 As a rule, the term of office ends at the conclusion of the (relevant) ordinary Annual Shareholders' Meeting.
2 Employee representative.
3 Publicly listed.
4 Shareholders' Committee.

Notes and forward-looking statements



SIEMENS

This document contains statements related to our future business and financial performance and future events or developments involving Siemens that may constitute forward-looking statements. These statements may be identified by words such as "expect," "look forward to," "anticipate," "intend," "plan," "believe," "seek," "estimate," "will," "project" or words of similar meaning. We may also make forward-looking statements in other reports, in prospectuses, in presentations, in material delivered to shareholders and in press releases. In addition, our representatives may from time to time make oral forward-looking statements. Such statements are based on the current expectations and certain assumptions of Siemens' management, of which many are beyond Siemens' control. These are subject to a number of risks, uncertainties and factors, including, but not limited to, those described in disclosures, in particular in the chapter Report on expected developments and associated material opportunities and risks in the Combined Management Report of the Siemens Report (siemens.com/siemensreport). Should one or more of these risks or uncertainties materialize, should decisions, assessments or requirements of regulatory authorities deviate from our expectations, should events of force majeure, such as pandemics, unrest or acts of war, occur or should underlying expectations including future events occur at a later date or not at all or assumptions prove incorrect, actual results, performance or achievements of Siemens may (negatively or positively) vary materially from those described explicitly or implicitly in the relevant forward-looking statement. Siemens neither intends, nor assumes any obligation, to update or revise these forward-looking statements in light of developments which differ from those anticipated.

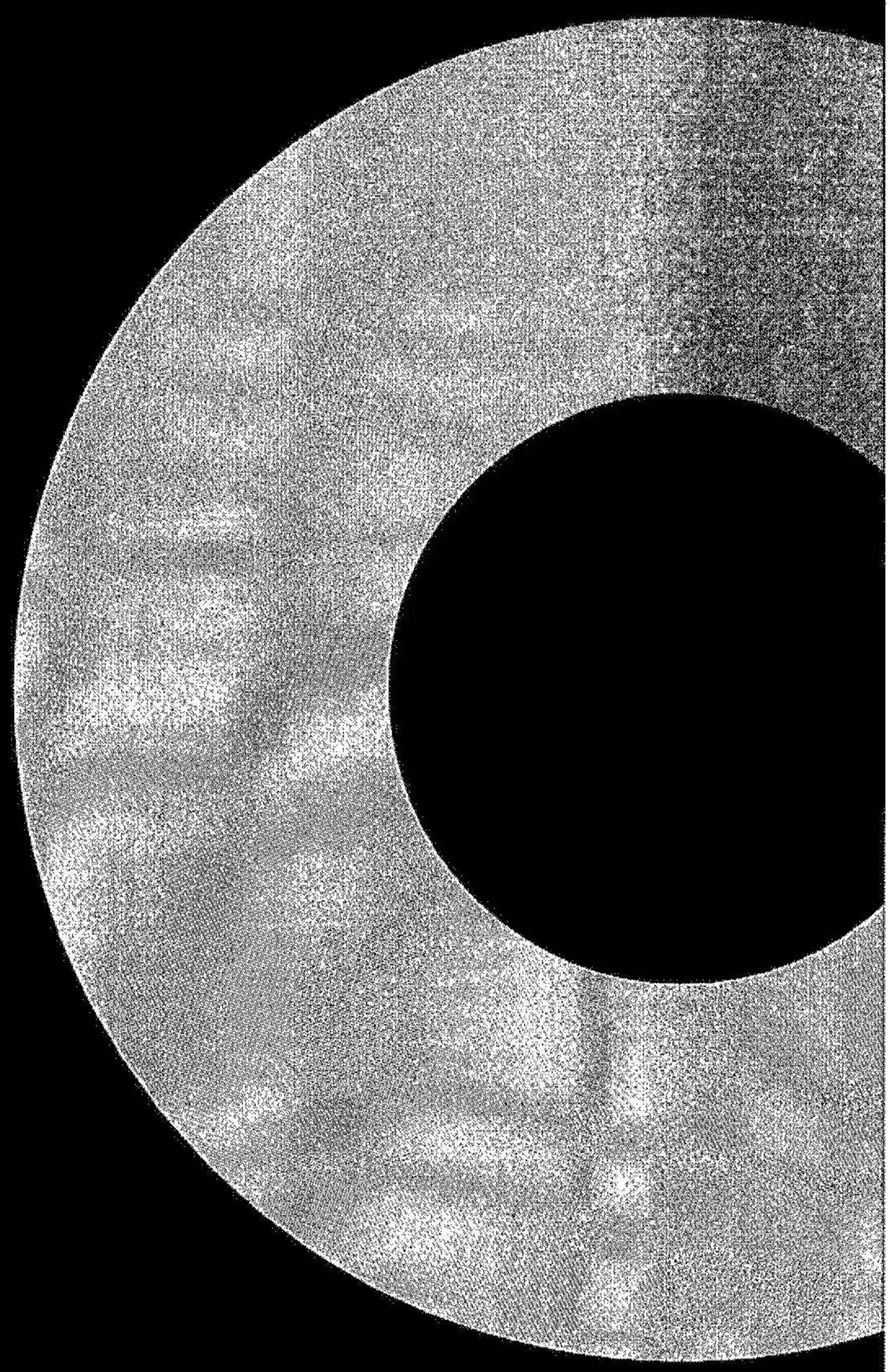
This document includes – in the applicable financial reporting framework not clearly defined – supplemental financial measures that are or may be alternative performance measures (non-GAAP-measures). These supplemental financial measures should not be viewed in isolation or as alternatives to measures of Siemens' net assets and financial positions or results of operations as presented in accordance with the applicable financial reporting framework in its Consolidated Financial Statements. Other companies that report or describe similarly titled alternative performance measures may calculate them differently.

Due to rounding, numbers presented throughout this and other documents may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

This document is an English language translation of the German document. In case of discrepancies, the German language document is the sole authoritative and universally valid version.

For technical reasons, there may be differences between the accounting records appearing in this document and those published pursuant to legal requirements.

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Sustainability report

2023



SIEMENS

Our Purpose

We create technology to transform the everyday, for everyone

Key figures

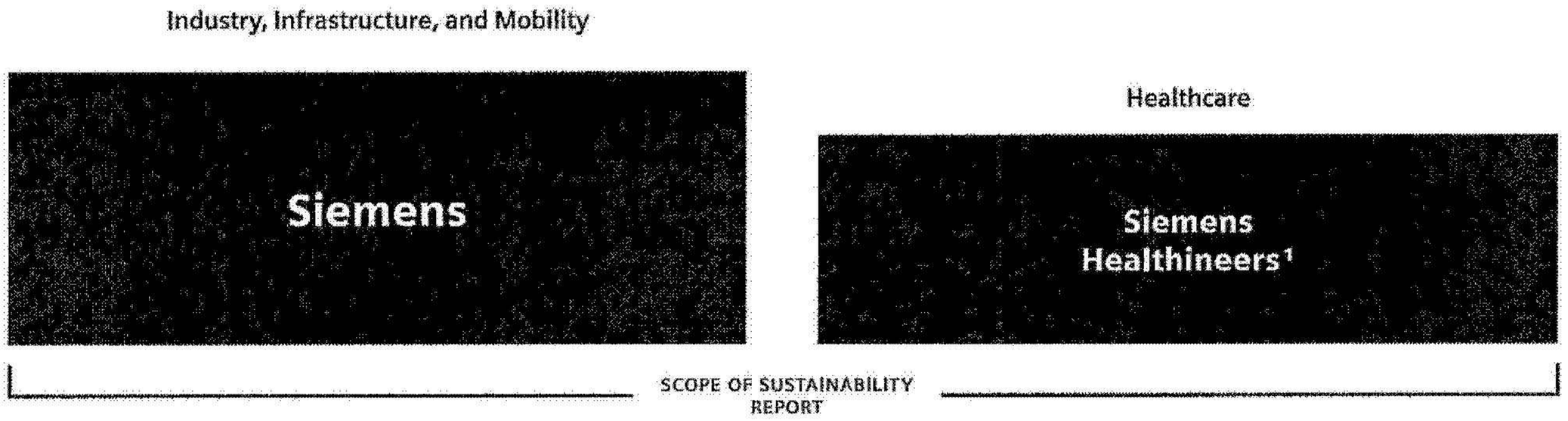
320,000
Employees

€78 billion
Revenue

15.4%
Adjusted EBITA margin for the Industrial Businesses

€8.5 billion
Net income

We are connected to Siemens Healthineers (SHS) under the Siemens brand through shared values.



All indicators in the report include Siemens Healthineers (SHS), unless otherwise noted.
For the sake of readability, the masculine form is used; it is representative of people of any gender.

1 Publicly listed subsidiary of Siemens; Siemens' share in Siemens Healthineers: 75%.

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Foreword

Scaling sustainability impact

In a tumultuous year of record-shattering heatwaves, wildfires and floods, and despite rising energy prices, inflation, supply chain challenges, labor shortages, plus the impact of growing geopolitical tensions, we remain optimistic about technology as the answer to some of the world's biggest challenges. Our technology empowers our customers and partners to scale their sustainability impact faster across the backbone of our economies. As we approach a critical tipping point for our planet, the demand to accelerate the digital and sustainability transformations has never been greater.

As a leading technology company, Siemens supports customers all over the world to become more competitive, resilient, and, above all, more sustainable. Our portfolio enables a positive impact on our planet and society at scale. Today, it is about more than just managing negative footprints; it is about a company's handprint and increasingly expanding businesses' net-positive impact on the world. That is why Siemens has integrated its sustainability strategy in our business activities, technology roadmap, investment decisions, own operations, and governance. We empower our customers to accelerate their sustainability goals along three impact areas: decarbonization & energy efficiency, resource efficiency & circularity, people centricity & societal impact.

Our purpose – which has guided us for 176 years – is to create technology to transform the everyday, for everyone. This technology with purpose touches the lives of customers, partners, and consumers everywhere – improving the quality of life for billions of people worldwide. Technology with purpose is about leveraging digitalization for optimized resource usage and circularity readiness and accelerating the energy transition through renewable integration, energy efficiency, and electrification. It is about societal impact by designing and operating the most efficient train and e-mobility solutions within sustainable communities, built upon decarbonized building technologies. And it is about pioneering breakthroughs in healthcare to improve the lives of patients and their families.

Combining the real and digital worlds

Our strategy is to combine the real and digital worlds – harnessing the power of hardware and software, or OT and IT. More than 90% of Siemens AG's business enables positive sustainability outcomes for our customers. Worth highlighting is that our products sold to customers in fiscal 2023 will, over the course of their lifetime, avoid around 190 million metric tons of CO_2 equivalent emissions – a significant increase in avoided emissions over the prior year. This represents more than the equivalent emissions of the Netherlands. In contrast, our own operations and supply chain accounted for around 12 million tons of greenhouse gas emissions.

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To help our customers and partners accelerate their transformation, we recently introduced Siemens Xcelerator, an open digital business platform that makes digital transformation easier, faster, and more scalable for companies of all sizes. A key element of this platform is a growing ecosystem of partners. The sustainability impact we create is more powerful when all partners pool their strengths and work together toward a common goal.

We are able to empower our customers to scale sustainability impact because we address challenges across the entire value chain – with deep domain know-how across many industries and across ecosystems of suppliers, partners, and customers.

An excellent example of the power of ecosystems is how software can track and manage carbon footprints throughout lifecycles and along supply chains. SiGREEN, an emissions-tracking tool on our Siemens Xcelerator platform, enables companies to connect to all their suppliers, enabling data-driven decisions to reduce product carbon footprints and decarbonize at scale.

Our DEGREE sustainability framework

And we do not stop at the sustainability impact of our portfolio. We define our environmental, social, and governance (ESG) ambitions within our DEGREE sustainability framework – a 360-degree approach reflecting our core sustainability values. We look at sustainability from every angle with clear ambitions in six fields of action – Decarbonization, Ethics, Governance, Resource efficiency, Equity, and Employability.

We have a clear position on responsible business conduct. And our DEGREE commitments are based on that. Ethical behavior, integrity and compliance are nonnegotiable. They go beyond strict adherence to rules by firmly placing responsible action sustainably at the core of our culture and business conduct.

We are also focused on our own environmental footprint: In 2015, as one of the first global companies to do so, we committed to becoming carbon neutral by 2030. Today, we are on track, and we have already accelerated. We are proud to have reduced our CO_2 footprint from our operations by 50% (without offsetting) since 2019 and are targeting 90% in 2030. We reduced our energy consumption by 9% since fiscal 2021, meanwhile 96% of our locations have implemented a water strategy.

Applying our own technologies in our own operations is key to achieving these ambitions. In Nanjing, China, for example, we consolidated three production sites into one lean and green digital native factory, which was first built as a digital twin. This led to annual savings of 5,000,000 kWh of energy, 3,300 metric tons of CO_2, and 6,000 m^3 of water. At the same time, productivity went up by 20%. For Siemens, rethinking scalable products and services for a sustainable world should go hand in hand with savings, efficiency gains, and customer value.

Our sustainability ambitions are supported by 320,000 colleagues who bring our purpose to life every day – in an increasingly inclusive environment in 190 countries around the world. Within Siemens AG, women now hold 31% of top management roles, having achieved our 2025 ambition for 30% two years ahead of time. Our people are at the heart of this company. In fiscal 2023 we invested €416 million in our active learning culture, ensuring sustainable employability in rapidly changing markets. We have also made progress in the number of hours our people spent learning across the three strategic focus areas of digitalization, sustainability, and leadership: On average, our people have accrued 23 digital learning hours per person per year. And they are on track to increase that to our ambition of 25 digital learning hours by 2025.

Easier, faster, and at scale

We create technology to transform the everyday, for everyone. By combining the real and digital worlds we can accelerate digital and sustainability transformations easier, faster, and at scale. Together, by scaling across ecosystems, we will continue to leverage the power of the digital world to have a positive sustainability impact in our precious real world. At Siemens, what's good for business and good for the planet and society go hand in hand.

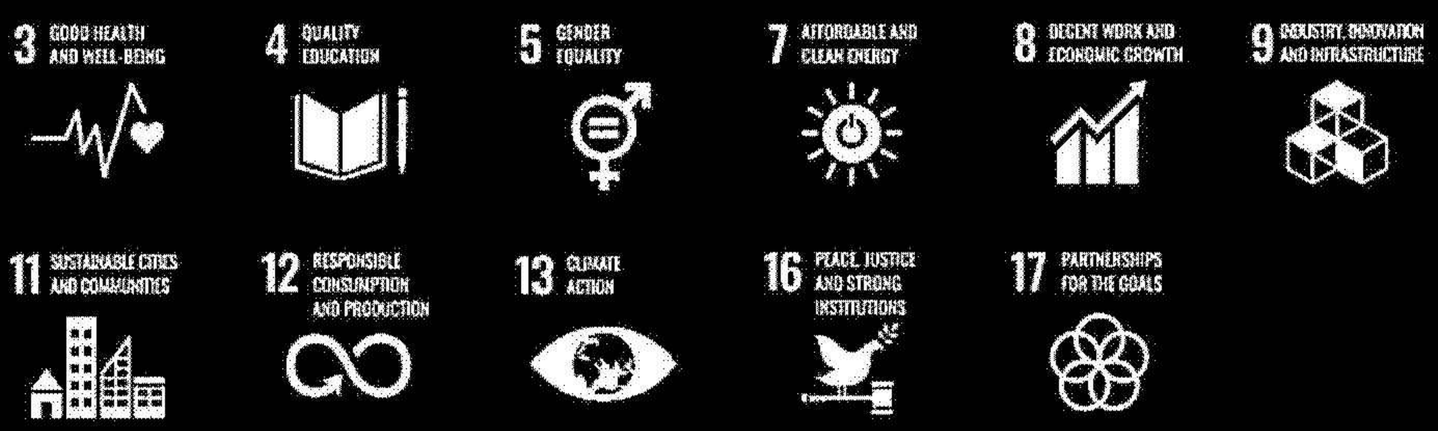


Dr. Roland Busch

Judith Wiese

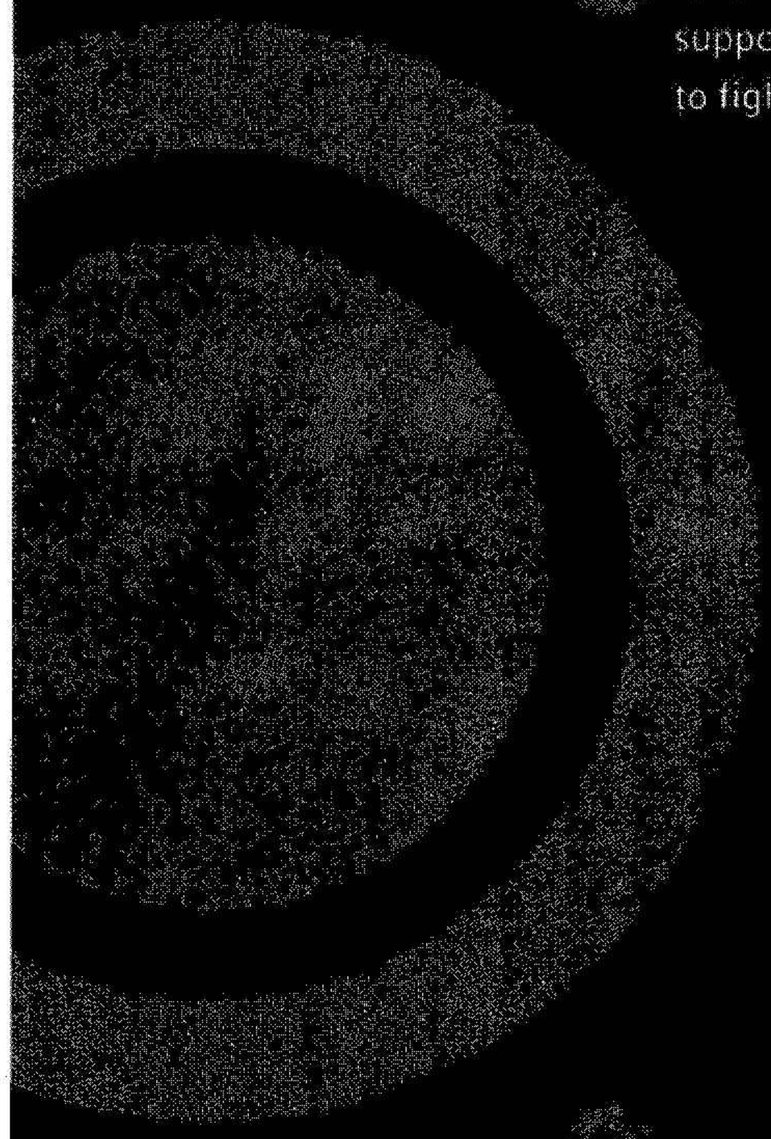
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Siemens at a glance



1.1

Our sustainability framework sets measurable ambitions



ecarbonization
support the 1.5 C target
to fight global warming

thics
foster a culture of trust, adhere to ethical standards,
and handle data with care

overnance
apply state-of-the-art systems for effective
and responsible business conduct

esource efficiency
achieve circularity
and dematerialization

quity
foster diversity, inclusion, and community development
to create a sense of belonging

mployability
enable our people to stay resilient and relevant
in a permanently changing environment

Sustainability is an integral part of our business. We are taking our ESG commitment to the next level with our . The framework provides a 360-degree approach to our core sustainability values.

By addressing the three aspects of ESG, we are building a better future that helps us to

→ Stay within the planetary boundaries;
→ Foster a culture of trust, empowerment, and growth;
→ Support inclusive economic opportunities;
→ Ensure that our people and businesses remain resilient and relevant for the future.

The DEGREE sustainability framework is based on six fields of action that drive sustainability and are dynamic and continuously evolving. We have set clear priorities and ambitions for key ESG issues, which we are driving towards. The DEGREE sustainability framework applies to all Siemens-affiliated companies, excluding Siemens Healthineers (SHS). However, the sustainability approach at SHS follows the same basic principles, which reflects our expectations as its majority shareholder.

What are our ESG ambitions and priorities, and what progress did we make by end of fiscal 2023?

		Baseline	Progress at the end of FY 23	Ambitions
Decarbonization	1. Net Zero operations by 2030, with 55% emissions reduction by 2025 and 90% by 2030	FY 19: **737 kt CO_2e**	**–50%**	**–55%** by 2025 **–90%** by 2030
	2. Net Zero supply chain by 2050, 20% emissions reduction by 2030	FY 20: **8,098 kt CO_2e**	**–1%**	**–20%** by 2030 **–100%** by 2050
Ethics	3. Striving to train 100% of our people on Siemens' Business Conduct Guidelines every three years	From FY 23	**69%**	**100%** by 2025
Governance	4. ESG-secured supply chain based on supplier commitment to the Supplier Code of Conduct	– –	**Suppliers committed**	– –
	5. Long-term incentives based on ESG criteria[1]	– –	**ESG criteria anchored**	– –
Resource efficiency	6. Next-level Robust Eco Design for 100% of relevant Siemens product families by 2030	FY 21: **26%**	**51%**	**100%** by 2030
	7. Natural resource decoupling through increased purchase of secondary materials for metals and resins[2]	– – – –	Metals **35%** Resins **<1%**	– – – –
	8. Circularity through waste-to-landfill reduction of 50% by 2025 and toward zero landfill waste by 2030	FY 21: **0%**	**–15%**	**–50%** by 2025 **~–100%** by 2030
Equity	9. 30% female share in top management by 2025	FY 20: **22.7%**	**31.1%**	**30%** by 2025
	10. Access to employee share plans: maintain high level and expand globally to up to 100%[3]	FY 21: **98%**	**99.9%**	**~100%** by 2025
	11. Global commitment to the New Normal Working Model[4]	– –	**Rollout continued**	– –
Employability	12. Increase digital learning hours to "25 by 25"[5]	FY 20: **7h**	**23h**	**25h** by 2025
	13. Access to Employee Assistance Program: maintain high level and expand globally to 100% by 2025	FY 20: **82%**	**96%**	**100%** by 2025
	14. 30% improvement in Siemens' globally aggregated LTIFR[6] by 2025	FY 20: **0.31**	**–26%**	**~30%** by 2025

1 Assessment based on the Siemens internal ESG/sustainability index, which is based on customer satisfaction (Net Promoter Score), CO_2 reduction, and digital learning hours.
2 Product specifications for the use of secondary plastics are in development.
3 Where legally possible and reasonable.
4 For employees with job profiles that make this possible and reasonable.
5 Digital learning hours per headcount on average.
6 LTIFR: Lost Time Injury Frequency Rate (Siemens employees and temporary workers).

MORE INFORMATION ON OUR AMBITIONS

1.2

Company profile

- **A leading technology company with a global footprint**
- **We create technology to transform the everyday, for everyone**
- **Combining the real and digital worlds to benefit customers, planet, and society**

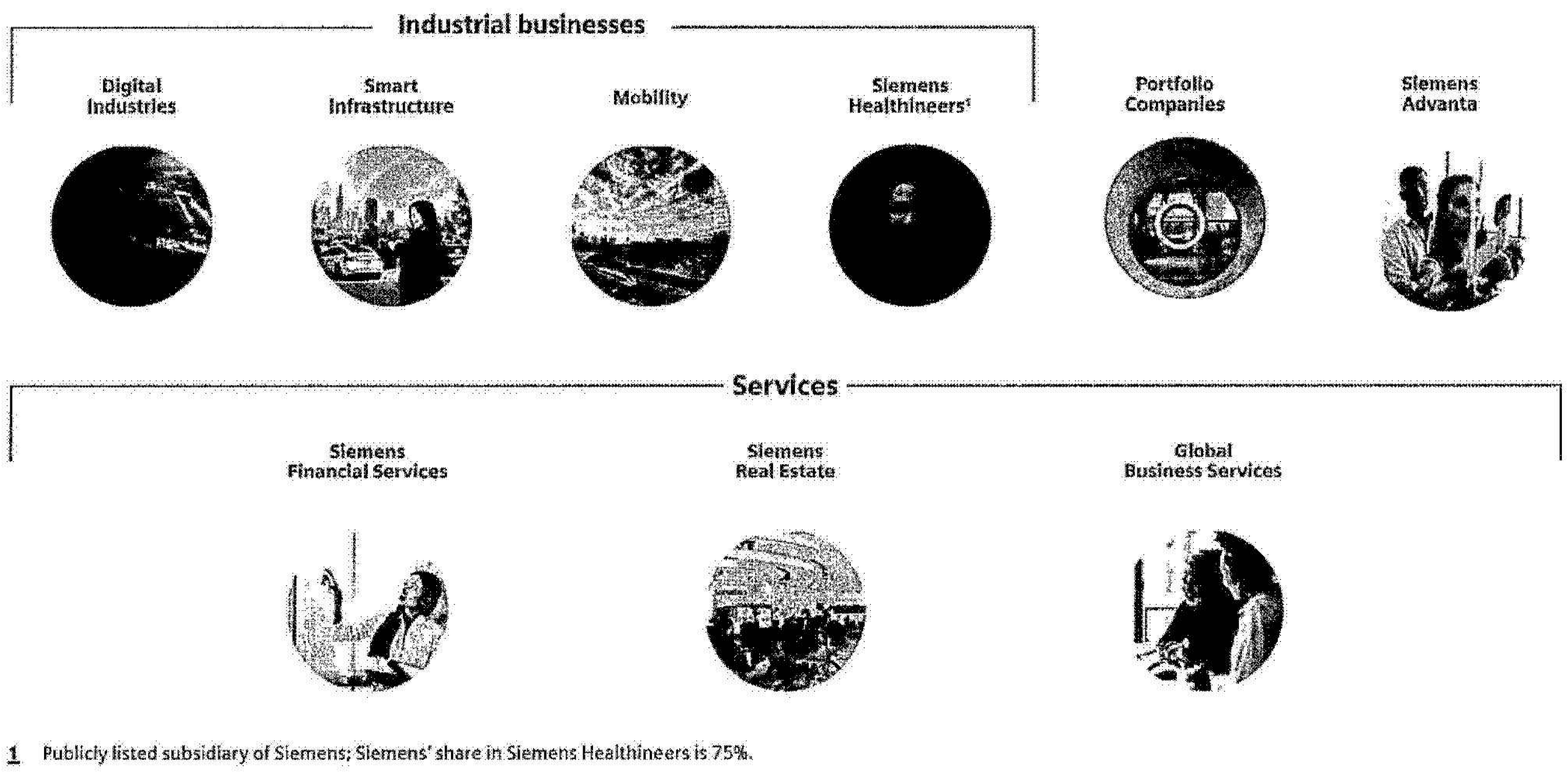
A leading technology company

Siemens AG (Berlin and Munich) is a technology company focused on the fields of industry, infrastructure, mobility, and healthcare.

By combining the real and digital worlds, Siemens helps its customers accelerate their own digital transformations (easier, faster and at scale) and achieve their sustainability targets.

In addition to its core businesses (Digital Industries, Smart Infrastructure, and Siemens Mobility), Siemens is the majority shareholder of the exchange-listed company Siemens Healthineers AG (SHS), a leading global provider of medical technology. Siemens also holds a minority interest in the exchange-listed company Siemens Energy AG, which operates in the field of energy transmission and generation.

Businesses and services



1 Publicly listed subsidiary of Siemens; Siemens' share in Siemens Healthineers is 75%.

SIEMENS COMPANY PRESENTATION

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As a minority interest, Siemens Energy AG is not included in this Sustainability Report. Siemens is a technology company that operates in nearly all countries of the world. Ever since it was founded in 1847, Siemens has provided solutions to global challenges and stands for innovation, quality, and reliability. We are focused on leveraging the digital and sustainability transformation to drive sustainable growth.

Industrial businesses

Digital Industries

The industrial world faces tremendous challenges. As our planet's resources are finite, we must decarbonize and do more with less. Digital Industries' offerings enable customers to optimize entire value chains from product design and development through production and post-sale services. With its advanced software solutions in particular, Digital Industries supports customers in their evolution towards the "Digital Enterprise," resulting in increased flexibility and efficiency of production processes and reduced time to market for new products.

Smart Infrastructure

Siemens Smart Infrastructure drives the decarbonization, resource-efficiency, and people-centricity of energy systems, buildings, and industries by connecting the real and digital worlds. This helps to improve the way people live and work by paving the way for the sustainability transition to an all-electric world with decarbonized power supply and efficient energy use.

Siemens Mobility

Siemens Mobility drives the decarbonization and resource-efficiency of transportation by connecting the real and digital worlds. Leveraging digital technologies enables lifecycle cost-optimized rail infrastructure and rolling stock, 100% system availability, maximized network capacity, and optimized customer experience and processes to support a mobility shift in our society.

Siemens Healthineers

Based on its foundation in in vitro diagnostics, image-guided therapy, in vivo diagnostics, and cancer care, Siemens Healthineers aims to fight the most dangerous non-communicable diseases such as cancer, stroke, and coronary heart disease worldwide, enable efficient workflows in hospitals, and improve access to modern medical care. Today, more than three billion people around the world still lack access to adequate medical care. Depending on where you live, this lack of access is even true in developed countries. It is the privilege of Siemens Healthineers to provide innovative healthcare solutions and services which make healthcare affordable and accessible for underserved communities everywhere.

Key figures

In fiscal 2023, which ended on September 30, 2023, Siemens generated revenues of €78 billion and profits after tax of €8.5 billion. As of September 30, 2023, the company had approximately 320,000 employees worldwide.

SIEMENS FINANCIAL REPORT FISCAL 2023, COMBINED MANAGEMENT REPORT, CHAPTER 7, OVERALL ASSESSMENT OF THE ECONOMIC POSITION

Customers

Putting customers first is a longstanding tradition at Siemens.[1] When it comes to technology, sustainability, and innovation, our customers are always at the heart of what we think and do: everything begins with them. That is why we have made "customer impact" a strategic priority. We listen to understand our customers' needs as early as possible, and ideally, before our customers even become aware of them.

To meet our customers' needs and the constantly changing demands of the markets, Siemens draws on a global sales force that takes its guidance from our regional companies. Key success factors include a strong customer focus, digital transformation, efficient processes, and collaboration with external partners.

1 We call any current or potential purchaser of Siemens products or services, no matter what the sales channel, a "customer." Some customers who are especially significant for Siemens are called "Key Customers".

Sustainable growth through digital transformation

The COVID-19 pandemic has rapidly accelerated digitalization. New business models are emerging, and the importance of collaborative partnerships within ecosystems is increasing, especially in the context of sustainability challenges that cannot be solved unilaterally. We need to achieve more, and we need to do it sustainably while consuming fewer resources. We can do this by increasing our efficiency with the help of new technologies and by working in ecosystems with new business models to keep resources in circulation.

Combining the real and digital worlds represents a major leap forward for Siemens and our customers as well as for industries, planet, and society. This will help shape a world where intelligent manufacturing, smart energy systems, smart buildings, and connected mobility can make our infrastructure more sustainable and our lives easier.

Technology is driving sustainability, and the digital transformation is also essential to accelerating sustainability. To speed up our customers' digital transformation and increase their value added, we have created Siemens Xcelerator, an open digital business platform. It is intended to accelerate digital transformation (easier, faster, and at scale). It comprises three fundamental elements:

1. A curated modular portfolio of IoT-enabled hardware, software, and digital services from Siemens and certified partners based on standard application programming interfaces (APIs)
2. An ever-growing open ecosystem of partners
3. An evolving marketplace that enables customers, partners, and developers to explore, teach, and exchange digital solutions.

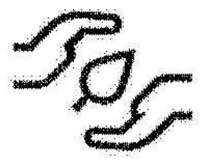
The platform is constantly growing and provides many market-tested solutions that enable customers to easily begin their sustainability projects. These projects can include managing energy efficiency, integrating renewable energies, and saving resources. Siemens Xcelerator provides cybersecurity standards at every level to reduce risks for customers.

Customer Impact

At Siemens we rely on a mature Key Account Management approach to systematically structure and drive our Key Customer relationships company-wide. While all our customers are served by the general Sales organization, Key Customers are also managed through our Key Account Management approach.

Over and above our basic sales approach, Siemens' primary principles for successful Key Account Management are a special understanding of our customers' technology and vertical markets along with the collaboration among all customer-facing parties – across functional, organizational, and regional boundaries ("go-to-market" approach).

Our harmonized Key Account Management process enables us to act as one company and serve our customers in a global, sustainably coordinated approach.



Key Account Management – A holistic approach to meeting customer needs

Systematically measuring and improving customer satisfaction

We use the Net Promoter Score (NPS) every year to measure customer satisfaction, and by extension, the quality of our partnerships. Management compensation at Siemens also includes a component that is based on customer satisfaction. This component incorporates long-term performance incentives using ESG criteria and is defined under Governance in our DEGREE sustainability framework. The assessment is based on the internal ESG/Sustainability index, which includes the Net Promoter Score[2], among others.[3]

↗ SUSTAINABILITY GOVERNANCE AND ORGANIZATION

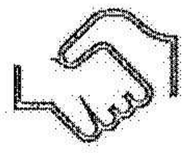
2 Assessment based on the Siemens internal ESG/sustainability index, which is based on customer satisfaction (Net Promoter Score), CO_2 reduction, and digital learning hours.
3 Siemens without SHS.

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Siemens' systematic evaluation draws from customer satisfaction surveys conducted annually worldwide. The score itself is based on a single question: "How likely is it that you would recommend Siemens to a colleague or business partner?"

The survey pursues a holistic approach to customer relations because it follows up by implementing processes and systems designed to help foster long-term customer loyalty.[4]

Regardless of the score, we initiate a follow-up process after the survey, both internally and externally. When a score is low and considered critical, we take immediate action to identify key issues and determine what measures are needed to improve the relationship.



Our customers' satisfaction is our top priority

Despite the tense global situation (for example, with supply bottlenecks for materials and goods), our customers have recognized us for our customer support, reliable products, and a wide range of offerings. By consistently addressing their concerns, we have achieved a higher Net Promoter Score than the previous year.

We are focusing on areas where we can make a difference. This means creating sustainable, long-term value for our customers, for the environment, for society, and for the people who work for Siemens.

Research and Development

At Siemens our purpose is to provide innovations that improve the quality of life and create added value for people all over the world.

Innovation strengthens Siemens and its customers

Our Research and Development (R&D) activities are geared towards developing innovative and sustainable solutions for Siemens' customers and businesses, while simultaneously strengthening our competitive positioning. This is also how we contribute to society.

We focus on core technologies and innovation fields – Siemens Company Core Technologies – that play an essential role in the success of Siemens and its customers. The implementation of our core technologies by our operating businesses and Technology – our central R&D department – ensures that research activities and business strategies are closely aligned, and that all businesses can profit equally and quickly from technological developments. For example:

- → **Data Analytics & AI:** Industrial facilities and infrastructures are generating ever-growing amounts of data. Using methods of machine-based data analysis and artificial intelligence (AI), we help operators increase availability, improve operational quality, and reduce the stress on humans and the environment. At the same time, our quality statement on industrial-grade AI expresses its trustworthiness, reliability, and robustness according to the requirements suggested for the European Union's upcoming AI Act.
- → **Connectivity & Edge:** The Industrial Internet of Things (IIoT) is the result of the increasing networking of field devices. The IIoT enables field devices to be equipped with additional software-based functions during ongoing operations and makes it possible for the data generated by these devices to be evaluated in the field or in the cloud.
- → **Simulation & Digital Twin:** Digital twins are the result of modeling and simulating systems and processes, including the development and manufacturing of products. Digital twins make it easier to accelerate the commissioning of manufacturing plants, speed up time-to-market, and improve the operation of infrastructures throughout their lifecycles.

4 In most cases, the survey questions are focused on the business unit level. However, the overall score can be aggregated up to the business level and to the level of the entire company.

- → **Software Systems & Processes**: Complex, distributed industrial software systems that integrate software from different providers can only be developed using new methods and processes in software system development.
- → **Power Electronics**: Power electronics for inverters have always played a major role in industry. As the amount of electricity generated by renewable energy sources grows, the stable operation of power grids will also depend on advances in power electronics.
- → **Additive Manufacturing & Materials** (from fiscal 2024 on: Advanced Manufacturing & Circularity): Because of the increasing importance of circularity for our customers and society, we will sharpen our focus on elements like recycling. Additive manufacturing technologies continue to play an essential role by facilitating flexible production: for instance, component designs with optimized material utilization and an optimized performance-weight ratio.
- → **Future of Automation**: We are shaping automation technologies with the goal of cutting engineering expenses, increasing flexibility – by integrating autonomous manufacturing machines, for example – and improving our customers' productivity while also reducing energy consumption.
- → **Cybersecurity & Trust**: Industrial cybersecurity is a key technology for digitalization. The security of industrial facilities and the protection of data and intellectual property are important requirements for customers as well as governments and societies.
- → **Sustainable Energy & Infrastructure**: Energy generation is moving away from the paradigm of large, centralized power plants towards a network of smaller independent generators. Sustainable infrastructure and energy sources are essential to this transformation.
- → **Integrated Circuits & Electronics**: Integrated Circuits & Electronics bundles R&D activities in areas like optimized circuit design and resource-efficient manufacturing, the testing and operation of industrial electronics, and recycling electronics-based products.
- → **User Experience**: Users expect intuitive operation in all our products. The purpose of the User Experience core technology is to find out how customers use Siemens products, what functions they need, what they expect, and what is unnecessary.

Siemens Healthineers' focus also lies on other research priorities with the goal of shaping the healthcare of the future. These include medical technology, sensor systems, and robotics and any of the increasingly complex applications that can be automated. By using digitalization and AI responsibly, Siemens Healthineers is increasing the quality, efficiency, and effectiveness of care at all levels of the healthcare delivery system.

Siemens supports research, founders, and students to help drive the development of innovative solutions. We work closely with scientists at more than 500 leading universities and research institutions, not just through bilateral research cooperation agreements but also in publicly funded collective research projects. With the Siemens Research and Innovation Ecosystem program (RIE), we want to address today's challenges with technologies of the future in a collaborative approach. In fiscal 2023 we collaborated in 16 local Siemens Research and Innovation Ecosystems around the globe[3].

Siemens' global venture unit, Next47, provides capital to help enterprise-focused start-ups expand and scale. It nurtures next-generation business for Siemens by partnering with global start-ups at the early and expansion stages of their development. Next47 seeks to anticipate the impact that new technologies will have on our markets. This knowledge enables Siemens and its customers to grow and thrive in the age of digitalization.

Continued high investment in R&D

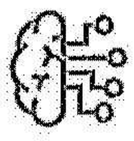
In fiscal 2023, we reported research and development expenses of €6.2 billion, compared with €5.6 billion in fiscal 2022. The resulting R&D intensity, defined as the ratio of R&D expenses to revenue, was rated at 8.0%. Additions to capitalized development expenses amounted to €0.3 billion. As of September 30, 2023, Siemens held approximately 45,000 granted patents worldwide in its continuing operations. COMBINED MANAGEMENT REPORT

3 Siemens without SHS.

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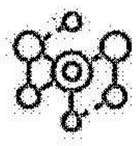
Our Siemens Company Core Technologies drive technology development to master key sustainability challenges

Data Analytics & AI



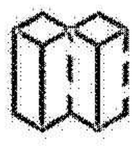
Trustworthy AI in critical IT/OT infrastructures to safeguard sustainability, transparency, safety, security, and privacy

Connectivity & Edge



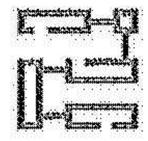
Robust IoT wireless connections and edge solutions for efficient management of energy consumption in buildings and grids

Simulation & Digital Twin



Data-based digital building twin and knowledge graphs to optimize building operation over the lifecycle (e.g., Siemens headquarters)

Software Systems & Processes



Siemens Water Apps (SIWA) for greater efficiency and security of the water supply

Future of Automation



Automation hardware based on Supervisory Control and Data Acquisition enables the reuse of wastewater in agriculture

Cybersecurity & Trust



SiGREEN for a trustworthy exchange of product carbon footprints in the value chain, with verifiable credentials for transparency and control

Sustainable Energy & Infrastructure



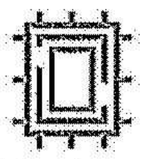
Lifecycle Assessment and optimization of production, supply chain, logistics, and transportation for Environmental Product Declaration

Advanced Manufacturing & Circularity



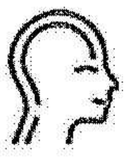
Tools and procedures for designing products that optimize resource use, including AM designs and strategies for 4R (reuse, remanufacture, repair, recycle)

Power Electronics



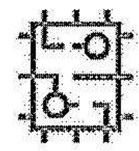
Tools for optimizing energy efficiency, advanced lifecycle services, and circular economy designs for power electronic systems

User Experience



Serious gaming to increase awareness of the product carbon footprint

Integrated Circuits & Electronics



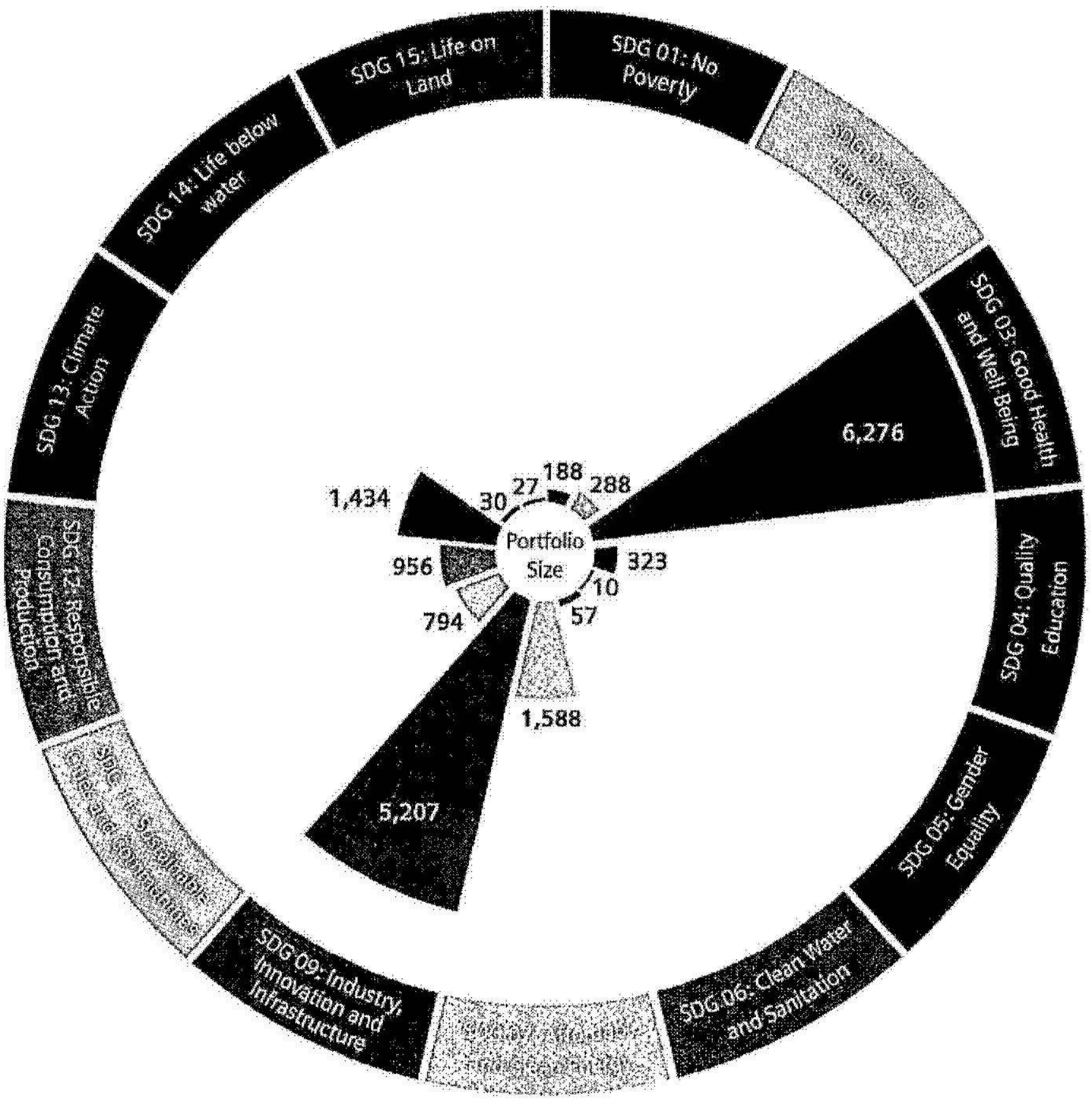
Reduce-reuse-recycle approaches through lifecycle management for electronics-based products

Patent portfolio reflects sustainable innovation

Siemens' sustainable innovation is reflected in the company's patent portfolio. Using the LexisNexis® PatentSight® patent information platform, we evaluate our sustainable innovations against the United Nations' 17 defined Sustainable Development Goals (SDGs) and the corresponding 169 targets. 46.8% of the active patent families in Siemens' patent portfolio relate to at least one SDG, mainly in the categories of Good Health and Well-Being (SDG 3), Industry, Innovation, and Infrastructure (SDG 9), Affordable and Clean Energy (SDG 7), and Climate Action (SDG 13).

SDG-related Siemens IP portfolio by SDG category

Absolute figures represent patent families. Multiple assignments of patents possible.



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1.3

Strategy

- **We combine the real and the digital worlds to scale sustainability impact**
- **Siemens' business is focused on enabling customers to achieve positive sustainability impact along three customer value propositions: decarbonization & energy efficiency, resource efficiency & circularity, people centricity & societal impact**
- **The DEGREE sustainability framework defines clear fields of action for our sustainability ambition**

Siemens is a leading technology company with a portfolio designed to drive the digital and sustainable transformation of industry, infrastructure, mobility, and healthcare. We firmly believe that technology is the answer to creating a sustainable future. As key pillars of our strategy, digitalization and sustainability help future-proof our business and that of our customers.

Siemens offers technologies and solutions to advance growth as societies transition toward a more sustainable future. We enable our customers to accelerate the energy transition, create more resource-efficient factories, smarter buildings, and cleaner transportation, and advance healthcare. By combining the real and the digital worlds, we empower our customers to be more competitive and more resilient while simultaneously reducing their environmental impact. Managing data across complex value chains has become an important prerequisite for accelerating this transformation. Siemens' industrial metaverse and digital twin technologies integrate data from physical factories and products across entire lifecycles to optimize production design, increase production efficiency, and reduce CO_2e emissions and the consumption of energy, water, and raw materials. Our products, services, and solutions demonstrate how technology advances sustainability and is helping shape the world we want to live in.

Global megatrends

Complexity in the industrial world has never been greater than today. Several megatrends are driving us to rethink established ways of doing things:

→ Environmental change and the associated climate change, along with extreme weather conditions like increasing flooding and drought, pose critical challenges. Current legislation alone is insufficient to effectively combat environmental change. We are also facing challenges related to resource efficiency and material extraction, water scarcity, and biodiversity loss.

→ In times of crisis, glocalization can create a greater balance between the global and the local in our economy. For instance, by ensuring production of our products and solutions near our customers, we can strengthen our resilience to shocks while also reducing the environmental impact of our products.

→ Increasing urbanization, especially in less-developed regions, is a significant megatrend. In this context, the demand for more sustainable and efficient products, technologies, and solutions – including passenger transportation and access to renewable energy – continues to grow as more and more people move to cities.

→ As global population growth progresses at a slower pace, our societies are aging, and an increasing number of people need medical care. This demographic change is also contributing to a shortage of workers across industries.

→ Lastly, digitalization continues to accelerate advancements in connectivity, the Internet of Things (IoT), automation, and AI technologies. Digitalization is being rapidly adopted by multiple industries in the public and private sectors. By optimizing processes, it can play a decisive role in reducing environmental impacts.

Scaling sustainability impact

These megatrends and their impacts are reshaping the needs of our customers and markets. To create a holistic picture of potential futures, we execute sustainability scenario analyses that enable us to map impacts and risks, identify opportunities, and find new ways to create value through pathways by 2030 and 2040. Strategic insights are derived from scientific frameworks like the Intergovernmental Panel on Climate Change's (IPCC) Representative Concentration Pathways (RCPs) and Shared Socioeconomic Pathways (SSPs) as well as market trends and expert knowledge. The sustainability scenarios illustrate different possible development pathways for the global economy and Siemens' operating environment across the focus topics climate, circularity, biodiversity, and society that take into account both an organized 1.5°C and a disorganized 3°C pathway. These scenarios guide the development of our sustainability strategy.

To further increase our positive impact, we believe that working in ecosystems is the best way to jointly create seamless solutions for our customers and their specific challenges. This approach increases our own sustainable offerings and facilitates our customers' sustainability transformation. Our commitment to sustainability covers the entire value chain. Based on our strategic priority to produce purpose-driven technology, we strive to create a positive long-term impact for our customers with our products across our operations and through connected ecosystems.

Supporting our customers in their sustainability transformation

Siemens' business is focused on enabling customers to achieve a positive sustainability impact along the following value propositions:

Decarbonization & energy efficiency

We support our customers with their efforts to decarbonize their infrastructure and operations, drive energy-efficiency, and future-proof entire industries. We do this by offering products, systems, solutions, and services that are based on our strategic focus on digitalization, electrification, and automation. For example, our energy-efficient products and solutions support the transition from fossil fuels to renewable energy sources, and our electrification solutions enable renewable grid integration and the electrification of heat and hydrogen. Across industries, we offer energy optimization and carbon footprint management throughout our products' lifecycles and supply chains. In buildings, we offer energy efficiency and decarbonization solutions, such as smart buildings and smart energy management for a reduced carbon footprint. Our rail systems offer low-carbon mobility and increased energy efficiency.

Resource efficiency & circularity

Through their use of our digital technology, our customers can achieve resource efficiency and profitability. For instance, we harness digitalization to reduce the requirements of physical assets and resources. We combine the real and the digital worlds with our digital twin technology, a virtual representation of a physical product or process that is used to simulate, predict, and optimize its physical counterpart. Digital twins enable users to do more with fewer resources and make current and future environmental footprints transparent. Our building solutions also contribute to optimized space utilization and ultimately increase resource efficiency. Our mobility solutions focus on enhanced network capacity and extended lifecycles.

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People centricity & societal impact

We enable our partners and customers to improve people's lives today and transform the backbone of societies for a better tomorrow. For instance, our technologies support the well-being, productivity, safety, and security of building tenants and operators. Similarly, in the field of mobility, passengers and operators benefit from greater safety and convenience thanks to our technologies. They also promote the socioeconomic development of communities by enabling access to basic goods, resilient electric power, affordable real estate, food and water, healthcare, education, and public transportation.

DEGREE: High ambitions for sustainability

Sustainability is integral to our business and influences everything we do. The DEGREE sustainability framework defines our comprehensive approach to sustainability. Across six fields of action, the framework defines clear priorities for us in key sustainability areas that we drive in our own operations and in collaboration with our partners, suppliers, and customers. We continuously develop these priorities and ambitions while fully integrating the expectations of all our stakeholders. The fields of action are defined along the dimensions of Environment, Social, and Governance:

Environment: Decarbonization, Resource efficiency

As part of DEGREE, we have set high ambitions to significantly reduce CO_2e emissions in Siemens' operations and upstream supply chain. Our approach to resource efficiency accelerates recycling and promotes a more circular business. Our software and simulations reduce the use of substances of concern and other resource usage and introduce recycled materials as early as the design and simulation phases of our products, factories, and solutions. In addition, we promote the decoupling of natural resource consumption from economic growth by increasing the amount of secondary materials that we purchase.

Social: Equity, Employability

Equal treatment and respect are the core of our corporate values. Our goal is to position Siemens as the inclusive employer of choice in all our relevant talent markets. We foster diversity, equity, inclusion, and community development in order to create a sense of belonging and a healthy and safe environment where all our people can give their best. At Siemens, we invest in the education, development, and individual growth of our people. We maintain a strong focus on digital learning, employee assistance programs, and occupational health and safety.

Governance: Ethics, Governance

At Siemens, we believe that the way we do business is as important as our business success. Our values and ethical principles are embedded in our Business Conduct Guidelines, which are mandatory throughout the company. In addition to embedding these principles in our own management systems, we extend them to our suppliers who are required to follow a comprehensive Code of Conduct. Beyond that, we have made sustainability criteria an integral part of our long-term variable compensation programs[1] for both the Managing Board and our senior management.[2]

The DEGREE sustainability framework applies to Siemens AG apart from Siemens Healthineers (SHS), which is an independent stock-listed company. In its sustainability concept, SHS pursues the same values as Siemens AG, because they represent our expectations as the majority shareholder. SHS's own sustainability approach is described in a dedicated report.

↗ OUR DEGREE SUSTAINABILITY FRAMEWORK

1 Assessment based on the Siemens internal ESG/sustainability index, which is based on customer satisfaction (Net Promoter Score), CO_2 reduction, and digital learning hours.
2 Siemens without SHS.

Our sustainability management

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2.1

Materiality assessment

- **Materiality assessment based on GRI 2021**
- **15 material sustainability topics of the greatest relevance to Siemens**
- **Material impacts, risks, and opportunities as part of our strategic considerations**

Key topics as guiding principles

Our materiality assessment is based on external frameworks like the UN Global Compact and the Standards of the Global Reporting Initiative (GRI 2021), which are the foundation for our reporting. The key topics covered in this report are structured based on ESG.

Materiality assessment

We updated our materiality assessment with an emphasis on our industrial businesses Digital Industries, Smart Infrastructure, and Mobility in fiscal 2023 based on the GRI 2021 standards. Our aim was to identify our company's key economic, ecological, and social impacts on the environment and society in accordance with the updated GRI Standards. The resulting topics also align with Siemens Healthineers' (SHS) material topics, which were determined in an independent materiality assessment.

The material topics form the framework for implementing sustainability in the company – at the central corporate level, in our business units, and in the countries. Siemens strives to continuously improve sustainability management and understands the materiality assessment to be a prerequisite for identifying and managing potential opportunities and risks. The Siemens business units derive their key action areas from the requirements and basic conditions of their local markets.

Identifying and prioritizing the topics

In 2023, Siemens conducted internal workshops to help identify our material topics by assessing their impacts, risks, and opportunities from two different perspectives:

→ **Inside-out perspective:**

Siemens took a closer look at its positive and negative impacts on the environment and society (inside-out) caused by the company's business activities.

During the inside-out assessment, we identified actual and potential positive and negative impacts for 17 sustainability topics and evaluated them according to their likelihood and their severity. Based on evaluations of the individual impacts, our material topics were derived. These topics are the foundation for determining the content of the GRI report. Including the outside-in perspective (see below) does not alter the results.

The material topics where Siemens can exert the greatest influence on society and the environment are climate action, social and ecological standards in the supply chain, and sustainable product design and lifecycle management. These topics received the highest scores in this year's analysis.

→ **Outside-in perspective:**

The outside-in perspective refers to sustainability topics that can be associated with opportunities and risks for the company's business activities or financial situation. This perspective was taken into account in the inside-out perspective in order to introduce the double materiality principle of future regulation.

The material sustainability topics with the highest degree of influence on our business activities and the generation of lasting value are climate protection and sustainable product design and lifecycle management.

Result of the materiality assessment

We identified 15 material sustainability topics of the greatest relevance to Siemens from both perspectives. "Waste and hazardous substance management" and "Employee development" were determined in fiscal 2023 to be two additional material topics. The two topics "Responsible governance" and "Innovation and business model" were merged into one combined topic, "Innovation and business model."

The alignment of our material sustainability topics with the GRI framework and the SDGs can be found here:
↗ ANNEX GRI INDEX, ↗ ANNEX SUSTAINABLE DEVELOPMENT GOALS

Siemens' material sustainability topics are clearly linked to the United Nations' Sustainability Development Goals (SDGs). They also serve as the basis for our considerations related to the DEGREE sustainability framework as well as our overall portfolio strategy and customer considerations. ↗ STRATEGY

Sustainability topics	SDGs	DEGREE
Climate action[1]	7 9 11 12 13	DECARBONIZATION
Innovation and business model	6 7 8 9 11 12 13 14 15 16 17	DECARBONIZATION RESOURCE EFFICIENCY GOVERNANCE
Cybersecurity and data management	5 8 10 16 17	ETHICS
Social and ecological standards in the supply chain	8 12 16 17	GOVERNANCE
Corporate governance and sustainability leadership	8 12 16 17	GOVERNANCE
Partner management and collaboration	7 8 9 11 12 13 16 17	GOVERNANCE DECARBONIZATION
ESG risk management	5 8 10 12 16 17	GOVERNANCE ETHICS
Compliance management	5 8 10 12 16 17	GOVERNANCE ETHICS
Sustainable product design and lifecycle management[1]	6 7 9 11 12 13 14 15	RESOURCE EFFICIENCY
Waste and hazardous substance management	3 6 12 14 15	RESOURCE EFFICIENCY
Sustainable handling of natural resources and material efficiency	6 7 9 11 12 13 14 15	RESOURCE EFFICIENCY
Diversity, equity, and inclusion	3 4 5 8 10 11	EQUITY
Future of work	3 4 5 8 10 11	EQUITY EMPLOYABILITY
Employee development	4 8	EQUITY EMPLOYABILITY
Employee health and safety	3 4 8 10	EMPLOYABILITY

1 Top 2 material sustainability topics.

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2.2

Sustainability governance and organization

- **Responsibility for sustainability at Siemens lies with the Managing Board and Chief Sustainability Officer, supported by the Siemens Sustainability Board**
- **The Sustainability Executive Committee is our guidance body for Siemens' sustainability business with a focus on portfolios, market segments, and go-to-market topics**
- **ESG criteria are included in the compensation system for members of the Managing Board and senior managers**

At Siemens, sustainability is rooted in all that we do, including our business purpose and strategy, corporate culture, processes, and guidelines. The management of sustainability matters is embedded across our Siemens businesses, Service and Governance units, and countries. Sustainability has also been an integral component of management compensation since fiscal 2020. Put simply, we strive to make sustainability everyone's responsibility at Siemens.

Foundation: Corporate governance

We believe that compliance with recognized principles of corporate governance is the cornerstone of sustainability-based corporate management. Siemens AG is governed by German corporate law, under which it has a two-tier board structure consisting of a Managing Board and a Supervisory Board.

As the top management body, the Managing Board is responsible for serving the company's best interests and for achieving sustainable growth in company value. The Managing Board members are responsible for the entire management of the company and decide on key issues of business policy and corporate strategy.

The Supervisory Board oversees and advises the Managing Board in its management of the company's business. The Supervisory Board meets regularly to discuss business development, planning, strategy, and the implementation of that strategy.

More detailed information on the structure and responsibilities of the Managing Board and Supervisory Board can be found in the SIEMENS FINANCIAL REPORT FOR FISCAL 2023, COMBINED MANAGEMENT REPORT, CORPORATE GOVERNANCE STATEMENT

Clear organizational structure and responsibilities

In 2023, we significantly strengthened our sustainability organization throughout the company by introducing the Sustainability Executive Committee (EC SUS) and Heads of Sustainability in key businesses and business units, and we increased the responsibility of the Global Head of Sustainability (Global Head of SUS) and the Siemens Sustainability department.

The Managing Board addresses sustainability-related risks and opportunities of strategic and company-wide importance and adopts appropriate measures. The Managing Board also approves any changes to the DEGREE sustainability framework.

The Siemens Sustainability Board (SSB) monitors and resolves Siemens' sustainability topics, including tracking the progress of our DEGREE ambition, providing input and guidance on sustainability reporting, and acting as a catalyst for regional sustainability initiatives with the potential to scale across Siemens. The SSB is composed of representatives from Siemens' businesses, countries, and Service and Governance units. The SSB meets four times per year or more frequently as needed. The SSB provides updates and recommendations to the Managing Board.

The Sustainability Executive Committee (EC SUS) acts as guidance body for Siemens sustainability business – the Siemens portfolio that enables positive sustainability impact

by addressing and financing (i) decarbonization and energy efficiency, (ii) resource efficiency and circularity as well as (iii) people centricity and social impact – with a focus on portfolio market segments and go-to-market topics, and it meets on an ad hoc basis to discuss relevant subjects. Chaired by Siemens' CEO, the EC SUS includes Siemens' Chief Sustainability Officer, the CEOs of key businesses, Chief Strategy Officer, General Counsel, and Global Head of SUS.

The Chief Sustainability Officer (CSO) oversees Siemens' sustainability topics. The CSO is a member of the Siemens Managing Board, chairs the Siemens Sustainability Board (SSB), and is a member of the Sustainability Executive Committee (EC SUS). The CSO is also responsible for the Siemens Sustainability department.

The Global Head of Sustainability (Global Head of SUS) leads the Siemens Sustainability department. In this capacity, the Global Head of SUS reports to the CSO on all Siemens sustainability topics excluding sustainability business and related strategy topics. For the latter topics, the Global Head of SUS reports to Siemens' CEO. The Global Head of SUS is a regular member of the SSB. The Global Head of SUS regularly informs the Supervisory Board on sustainability matters.

The Siemens Sustainability department is responsible for developing our DEGREE sustainability framework in coordination with the SSB, businesses, Service and Governance units, and countries and controlling the DEGREE target achievements. Responsibility for sustainability reporting and the Net Zero Operations Program[1] also lies with the Sustainability department. It also governs the purchase of carbon offsets and the Sustainability Risk Due Diligence Process[2]. The Sustainability department also supports sustainability initiatives with scalability across Siemens. This includes developing the processes, training, and tools needed to address overarching sustainability topics for our countries, businesses, and Service and Governance units in collaboration with other Siemens organizations. Finally, the Sustainability department is responsible for developing strategic considerations for the Siemens sustainability business in alignment with the Managing Board, EC SUS, and the CEOs.

CEOs are ultimately responsible for all sustainability topics in their area of responsibility. This includes responsibility for the sustainability business, implementation of DEGREE, sustainability reporting, the Sustainability Risk Due Diligence Process, and other related responsibilities.

The CEOs of Digital Industries, Smart Infrastructure, Siemens Mobility, and Siemens Financial Services (SFS) are supported by their respective Heads of SUS to achieve their sustainability mandates. The Heads of SUS also assist the Global Head of SUS with their responsibilities in the Sustainability department, as they pertain to their businesses. Heads of SUS have a governance reporting line to the Global Head of SUS in addition to their reporting line to their respective CEOs. The Heads of SUS are appointed by the respective CEOs, in alignment with the Global Head of SUS.

In addition, the CEOs of the business units in Digital Industries, Smart Infrastructure, Siemens Mobility, and SFS each appoint Sustainability Managers who have a governance reporting line to the Heads of SUS and to their reporting line to their respective CEOs.

Lead Country SUS Managers support their respective Lead Country CEOs and their assigned countries. They also lead Siemens' sustainability topics within the scope of responsibility of the Lead Country management.

Our Service and Governance units are responsible for the ongoing development of sustainability-related topics within their own mandate in line with the DEGREE sustainability framework and regulatory and organizational requirements.

Lastly, Sustainability Risk Due Diligence Subject Matter Experts are appointed by and support Digital Industries, Smart Infrastructure, Siemens Mobility, and SFS to responsibly conduct the Sustainability Risk Due Diligence Process.

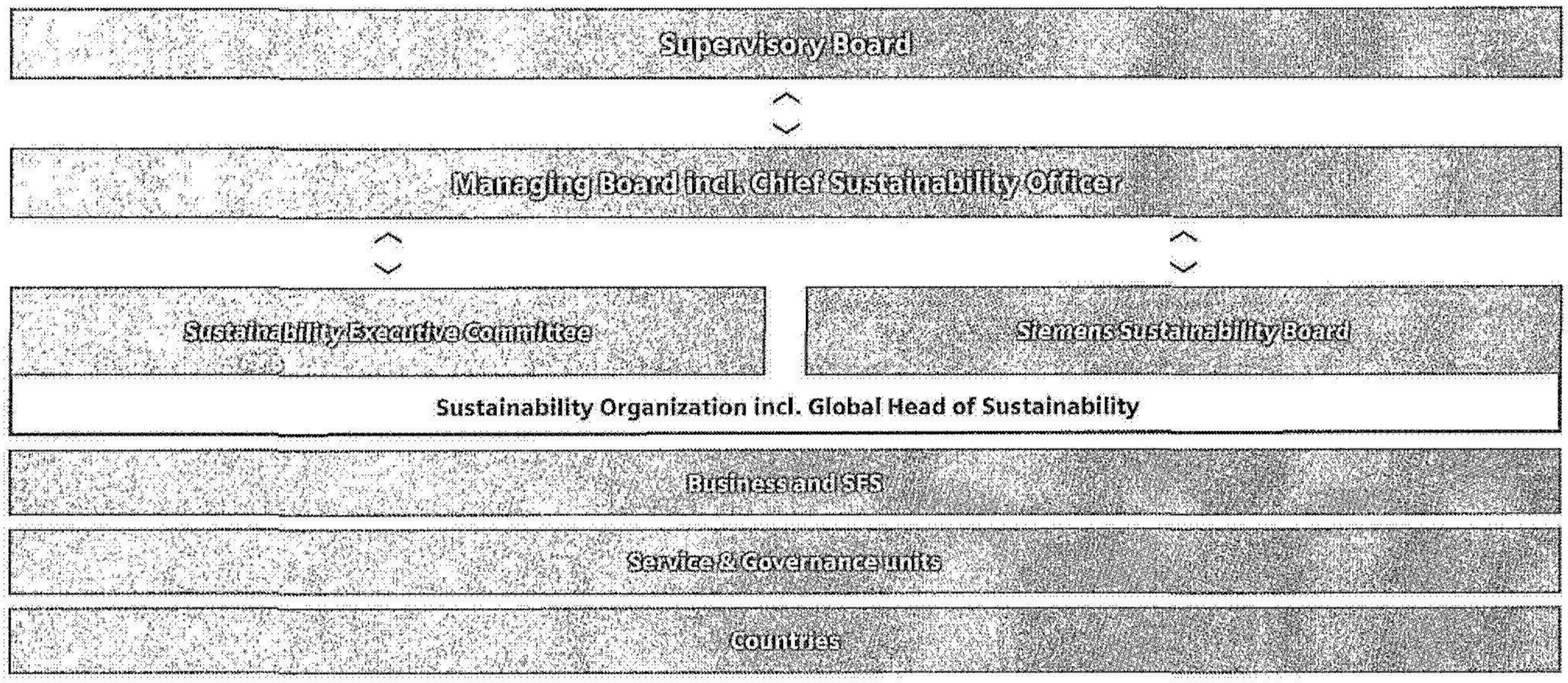
1 Siemens has established the Net Zero Operations Program, which is comprised of a series of greenhouse gas (GHG) emission reduction initiatives targeting real estate, production, our vehicle fleet, and related topics to address our commitment to GHG reduction under the DEGREE ambition "Net Zero Operations by 2030." For more details, see chapter 4.1 Climate action.

2 Siemens has established the Sustainability Risk Due Diligence Process to ensure that environmental, social, and associated human rights and reputational risks (Sustainability Risks) are appropriately assessed and mitigated. The Sustainability department, as the governance owner, has established minimum company-wide standards for the Sustainability Risk Due Diligence Process in our customer-related business that are applicable to the businesses and SFS.

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CEOs in businesses and lead countries are responsible for anchoring sustainability in their organizations

Overview of roles and responsibilities



Sustainability reflected in management compensation

The current compensation system for the members of the Managing Board of Siemens AG has been in place since fiscal 2020. It incorporates long-term performance incentives based on ESG criteria and is defined under the field of action Governance in our DEGREE sustainability framework. We assess the Managing Board's performance against Siemens' internal ESG/Sustainability index. Targets include CO_2e emissions, digital learning hours, and the Net Promoter Score (NPS) for measuring customer satisfaction. Additional sustainability matters are also defined as individual targets for short-term variable compensation (bonuses).

SIEMENS FINANCIAL REPORT FOR FISCAL 2023, COMBINED MANAGEMENT REPORT, COMPENSATION REPORT 2023

G overnance

Progress on DEGREE ambition #5: Long-term incentives based on ESG criteria

Siemens grants long-term variable compensation in the form of Stock Awards. Long-term variable compensation represents at least 30% and at most 42% of total target compensation. Since fiscal 2020, allocated Stock Awards depend on a comparison of total shareholder return (TSR) with an international sector index (the MSCI World Industrials Index) and on an internal ESG/Sustainability index, weighted at 20%, with three equally weighted indicators. The ESG indicators reflect relevant strategic and socio-political topics. For the Stock Awards Tranche 2023, which was awarded in November 2022, these indicators include CO_2e emissions, digital learning hours, and the Net Promoter Score (NPS) for measuring customer satisfaction. These criteria are applicable to Managing Board members of Siemens AG and all senior managers globally who are eligible for Stock Awards.

Progress

ESG criteria anchored

Siemens without SHS

2.3

Partnerships and collaborations for sustainability

- **Close collaborations with our stakeholders**
- **Partnerships are key to long-term sustainable business success**
- **Siemens is an active member of numerous business associations and organizations**

Siemens operates in nearly every country in the world. We work with our customers to find innovative solutions to some of the world's most pressing issues. We believe that close collaboration with our stakeholders enables us to make serious progress on complex sustainability challenges. We maintain a consistent dialog with all our stakeholders, including customers, investors, suppliers, our people, communities, policymakers, media, non-governmental organizations, business organizations, and academia. In addition, our DEGREE sustainability framework is also based on a 360-degree stakeholder approach.

In dialog with politics and society

Our Managing Board, CEOs, and governance departments in our business units oversee stakeholder engagement. The overall responsibility for Siemens' dialog with policymakers lies with our Managing Board, which has given the Government Affairs department a mandate for company-wide coordination tasks and the corresponding governance responsibilities. Within the business units, the unit's CEO is responsible for a coordinated dialog with the policymakers.

The way that regulations and legislation are shaped has in many cases impacted Siemens and our products and solutions. Therefore, we believe that maintaining an ongoing dialog with political decision-makers is crucial for our company's success and for our commitment to sustainability.

We prioritize our activities based on our business strategies and innovation fields. As a result, our advocacy activities focus on but are not limited to the following topics: cybersecurity, digitalization, climate protection, energy, R&D, non-financial reporting legislation, trade policy, and connected and automated mobility for rail and road.

Our political involvement is guided by strong principles:

→ We are politically neutral and take a zero-tolerance approach to corruption, violations of fair competition principles, and other breaches of applicable law and internal regulations.
→ Siemens does not make political donations or contributions to politicians, political parties, or political organizations.
→ Any contributions that support purely political purposes or the representation of political interests – for example, election events for political campaigns – are prohibited by our internal guidelines.

Engagement in associations and organizations

Siemens is a member of numerous business associations and other organizations, some of which advocate for their members' interests in the political arena. Selected examples of the most important memberships are:

→ The International Chamber of Commerce (ICC)
→ The German Mechanical Engineering Industry Association (VDMA)
→ The German Electrical and Electronic Manufacturers' Association (ZVEI)
→ The European Round Table for Industry (ERT)
→ The U.S. Chamber of Commerce
→ The European Chamber of Commerce in China (EUCCC)

More information on political activities at Siemens can be found on our 🖵 **GOVERNMENT AFFAIRS** website.

We have joined forces with leading companies from around the world to establish the Charter of Trust, which aims to make the digital world safer and more secure.
🖵 **WWW.CHARTEROFTRUST.COM**

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We also support the goal of achieving a carbon-neutral Europe by 2050, which was announced as part of the European Green Deal. We will achieve this through a variety of commitments, including our active memberships in the EUROPEAN ALLIANCE TO SAVE ENERGY and the EUROPEAN GREEN DIGITAL COALITION.

We work closely with the Organization for Economic Cooperation and Development (OECD), the United Nations (UN), the European Union, and the World Economic Forum (WEF). Siemens participates in a number of WEF initiatives, including the WEF CEO Climate Leaders Coalition. We also cooperate with the United Nations, for instance, as part of our commitment to the Ten Principles of the United Nations Global Compact (UNGC). On several environmental issues, we support the United Nations Framework Convention on Climate Change (UNFCCC) and the UN Climate Change Conferences, and we are actively involved in the CEO Water Mandate. We have also joined the World Bank's Carbon Pricing Leadership Coalition (CPLC), and we advocate for the global introduction of carbon pricing. We are likewise committed to the UNGC Women's Empowerment Principles and have signed the Diversity Charter, an initiative by the German government.

For over ten years we have supported One Young World (OYW), a non-profit organization that supports young business leaders around the globe to build a better world with more responsible, more effective leadership. At the 2023 OYW Summit in Belfast, we championed this event by sending more than 45 of our Siemens colleagues to participate.

Siemens collaborates with numerous partners globally across the topics of decarbonization and energy efficiency, resource efficiency and circularity, and people-centricity and societal impact. Our selected strategic sustainability partnerships are listed below.

Partnership organization	Description
Decarbonization and energy efficiency	
The Climate Group → EV100 → EP100 → RE100	The EV100 initiative expedites the shift to electric vehicles (EVs). Siemens intends for EVs to account for 100% of its fleet by 2030. We are also investing in the establishment of charging infrastructure in the same timeframe. EP100 brings together over 125 ambitious businesses committed to improving energy efficiency. Siemens is committed to owning only assets that are Net Zero carbon in operation and occupying only assets that are Net Zero carbon in operation by 2030. RE100 unites hundreds of ambitious companies committed to 100% renewable electricity. Siemens is committed to reaching this target by 2030.
United Nations → Conference of the Parties (COP) → Global Compact (UNGC) Working Group on Climate	The United Nations Conference of Parties (COP) is the world's highest decision-making body on climate issues. COP connects stakeholders from politics, society, and business for discussions about the global path to Net Zero. COP provides a unique opportunity to showcase Siemens as a multiplier of change that empowers customers and societies to drive their sustainability transformation. The 28th session of the COP was held in Dubai, UAE in 2023. The United Nations Global Compact (UNGC) is the world's largest corporate sustainability initiative. It calls for companies to align their strategies and operations with universal principles on human rights, labor, environment, and anti-corruption. Siemens is active in the UNGC's Working Group on Climate.
U.S. Department of Energy (DOE) Better Buildings initiative	Better Buildings is an initiative of the U.S. Department of Energy (DOE) that is designed to improve the lives of the American people by driving leadership in energy innovation. Siemens is an active participant in the initiative's Better Climate Challenge.
The World Bank Carbon Pricing Leadership Coalition (CPLC)	The Carbon Pricing Leadership Coalition (CPLC) brings together leaders from government, the private sector, academia, and civil society to expand the use of carbon pricing policies. Siemens is a member of the coalition and actively advocates for the global introduction of carbon pricing.
The World Economic Forum (WEF) → Alliance for Clean Air → Alliance of CEO Climate Leaders → ESG Practitioners	The World Economic Forum (WEF) is the international organization for public-private cooperation. Siemens is a founding member of the WEF Alliance for Clean Air, which brings together business leaders to measure and reduce value chain air pollutant emissions, invest in innovation, and work with policymakers and peers to champion the social, economic, and climate benefits of tackling air pollution. The WEF Alliance of CEO Climate Leaders is a CEO-led community committed to defining bold climate goals and accelerating the Net Zero transition by setting science-based targets, disclosing emissions, and catalyzing decarbonization and partnerships across global value chains. The WEF ESG Practitioners help implement the recommendations from the WEF Stakeholder Capitalism Metrics in reports.

Partnership organization	Description
Resource efficiency and circularity	
The European Union (EU) Business and Biodiversity Platform	The EU Business and Biodiversity Platform provides a unique forum for dialog and a policy interface for discussing the links between business and biodiversity at the EU level. Siemens is an active member of the Platform.
The European Union (EU) Circular Plastics Alliance Declaration	The EU Circular Plastics Alliance aims to boost the EU market for recycled plastics. The Alliance covers the full plastics value chain and includes over 330 organizations representing industry, academia, and public authorities. Siemens is an active member of the Alliance.
The Federation of German Industries (BDI) Circular Economy Initiative	The BDI Circular Economy Initiative is a network of about 60 organizations across the entire industrial spectrum. Siemens is a founding member of the Circular Economy Initiative.
Responsible Minerals Initiative (RMI)	The Responsible Minerals Initiative (RMI) is one of the most utilized and respected resources used by companies in a variety of industries for addressing responsible minerals sourcing issues in their supply chains. Siemens is an active member of RMI and is involved in advancing the topic of responsible minerals sourcing at Siemens.
People-centricity and societal impact	
The European Union (EU) Agency for Safety and Health at Work (OSHA)	EU-OSHA is the EU's information agency overseeing occupational safety and health at work. Siemens is a partner of the EU-OSHA Healthy Workplaces Campaign and is committed to championing safe and healthy work in the digital age.
Global Business Initiative (GBI) on Human Rights	The Global Business Initiative (GBI) works to shape practices, inspire commitment, and build the capability for implementing respect for human rights, in line with the UN Guiding Principles on Business and Human Rights. Siemens is an active member of the Initiative.
The International Organisation of Employers (IOE) Global Occupational and Health Network (GOSH)	The IOE GOSH is a network of more than 150 member organizations focused on improving occupational health and safety, providing forums to identify and, discuss emerging trends and international best practices. Siemens is an active member of the Network.
One Young World (OYW)	One Young World (OYW) is a non-profit organization that empowers and develops young leaders to build a fair, sustainable future for all. Siemens has been an active partner of OYW for over a decade, with over 500 Siemens delegates having participated the annual OYW Summits since they began.
United Nations Global Compact (UNGC) European Working Group on Business and Human Rights	The United Nations Global Compact (UNGC) is the world's largest corporate sustainability initiative. It calls for companies to align their strategies and operations with universal principles on human rights, labor, environment, and anti-corruption. Siemens is a member of the European Working Group on Business and Human Rights.
G7 and the International Labour Organization (ILO) Vision Zero Fund	The Vision Zero Fund is an initiative of the G7 countries aimed at preventing work-related deaths, injuries, and disease in sectors operating in or aspiring to join global supply chains. The ILO administers and implements the fund's projects. Siemens was the first private sector donor to join the fund.
The World Economic Forum (WEF) Chief Health Officer Group	The World Economic Forum (WEF) is the international organization for public-private cooperation. Siemens is an active member of the WEF Chief Health Officer Group, which works to advance the overall well-being of the workforce.
Support for non-profit organizations that promote business integrity and the fight against corruption worldwide	So far we have allocated about US$120 million to 85 projects in more than 50 countries across all funding rounds. Information is available on the INTEGRITY INITIATIVE WEBSITE and the SIEMENS INTEGRITY INITIATIVE REPORT 2022.
Cross-topic partnerships	
The Conference Board (TCB)	The Conference Board (TCB) is a non-profit corporate membership and research organization that organizes conferences and peer learning groups, conducts economic and business research, and publishes economic indicators. Siemens is active in multiple TCB Councils on topics like corporate sustainability, the environment, and well-being.
econsense	Econsense is a German economic sustainability network whose members' objective is to actively shape the transition to a more sustainable economy. Siemens is a founding member of econsense, member of the Board of Trustees and the Executive Board, and an active participant in working groups on Environment, Climate, Disclosure and Reporting, Business and Human Rights, and Human Rights in the Supply Chain.
The World Business Council for Sustainable Development (WBCSD)	The World Business Council for Sustainable Development (WBCSD) is a community of over 200 leading organizations that are working together to take action to limit the climate crisis, restore nature, and tackle inequality. Siemens has actively participated in a number of workstreams, including those focused on carbon accounting and reduction and the sustainable built environment.

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2.4

Sustainability ratings reflect our performance

- **Our engagement is recognized in a number of ratings**
- **These ratings help us continuously improve our sustainability performance**
- **They also strengthen the comparability and transparency of our sustainability performance for our customers and investors**

Our approach to ESG ratings

We are proud that our commitment to sustainability and our efforts are reflected in our public assessments and ratings. Siemens actively participates in several sustainability ratings to provide our capital markets and our customers with robust information and support the comparability and transparency of our sustainability performance. Ratings also give us important insights that assist in our continuous improvement. We focus primarily on the six ratings summarized below.

Siemens continues to achieve strong results in external sustainability ratings in fiscal 2023, confirming our leading position in the industry.

ESG ratings in fiscal 2023

MSCI

The MSCI ESG Rating scores global companies on a scale of AAA (leader) to CCC (laggard) based on exposure to industry-specific ESG risks and the ability to manage those risks relative to peers. In fiscal 2023, Siemens was given an overall MSCI ESG rating score of AA. In addition, Siemens is a member of the MSCI World ESG Index.

ISS ESG

The ISS ESG Corporate Rating evaluates companies' ESG-related risks, opportunities, and impacts along the corporate value chain. Companies are rated from D- to A+ on their sustainability performance based on an absolute best-in-class standard. For ISS ESG, Siemens again received prime status and a B rating, the best rating in our industry (Industrial Conglomerates). Prime status recognizes companies for being one of the leaders in their respective industry.

Sustainalytics

Sustainalytics' ESG Risk Ratings measure a company's exposure to industry-specific material ESG risks and how well a company is managing those risks. In 2023, we were once again rated as one of the leading companies in our industry (Industrial Conglomerates) with a risk rating of 28.4 points (Medium Risk).

S&P Global Corporate Sustainability Assessment (CSA)/ Dow Jones Sustainability Index (DJSI)

The S&P Global CSA is an annual evaluation of companies' sustainability practices. The CSA focuses on sustainability criteria that are both industry-specific and financially material. In fiscal 2023, Siemens again ranks second among our industry peers (Industrial Conglomerates) with a score of 81/100. Siemens has been listed in the Dow Jones Sustainability World Index (DJSI World) for over 20 years.

EcoVadis

EcoVadis provides supplier sustainability ratings for global supply chains. Siemens received 77 points on its scorecard in 2023, placing it among the top 1% of all companies assessed by EcoVadis in our industry. Thanks to this rating, Siemens is being awarded the EcoVadis Gold medal.

CDP

CDP is a not-for-profit charity that runs a global disclosure system that helps investors, companies, cities, states, and regions manage their environmental impacts. In the most recent CDP Climate Change Rating, Siemens' climate efforts continue to be recognized with the rating score A-, which maintains its position at the Leadership Level of the CDP rating.

Siemens' sustainability performance has received high recognition in external ratings

External sustainability ratings	MSCI	ISS ESG	SUSTAINALYTICS	S&P Global Ratings	ecovadis	CDP
Latest Siemens score	AA	B-	28.4	81/100	77	A-
Siemens industry rank	Leader	1st in our industry	Top 15%	Top 1%	Top 1%	Top in industry (industry average C-)
Progress from previous assessment	Unchanged	Unchanged	Improvement of 1.7 points	Unchanged	+7 points	Unchanged
Highlights	Leader (AAA/AA) for 7 years	Prime status	Strong "Carbon – Products and Services" risk management	Over 20 years in the World Index	Gold medal	Over 10 years at leadership level (A/A-) for Climate Change

Siemens has also satisfied the requirements to be included in several additional ESG stock market indices

Additional ESG indices	FTSE4Good	Included in the FTSE4Good Index Series
	EURONEXT Vigeo Eiris	Included in the Euronext Vigeo Euro 120 Index

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Governance
Responsible Business Practices

5 GENDER EQUALITY
8 DECENT WORK AND ECONOMIC GROWTH
10 REDUCED INEQUALITIES
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
16 PEACE, JUSTICE AND STRONG INSTITUTIONS
17 PARTNERSHIPS FOR THE GOALS

Ethics

Foster a culture of trust, adhere to ethical standards, and handle data with care

Our key ambitions[1]

→ Striving to train 100% of our people on Siemens' Business Conduct Guidelines every three years

Additional highlights:

→ Zero-tolerance approach to breaches of applicable laws and our own internal guidelines
→ A global, risk-based compliance system
→ Aiming for a leading role in cybersecurity

Governance

Apply state-of-the-art systems for effective and responsible business conduct

Our key ambitions[1]

→ ESG-secured supply chain based on supplier commitment to the Supplier Code of Conduct
→ Long-term incentives based on ESG criteria[2]

Additional highlights

→ Focus on human rights within supply chain: climate protection, occupational safety, and responsible sourcing of minerals
→ Comprehensive environmental and social due diligence in customer business (ESG Radar)

1 Siemens without SHS.
2 Assessment based on the Siemens internal ESG/sustainability index, which is based on customer satisfaction (Net Promoter Score), CO_2 reduction, and digital learning hours.

3.1

Compliance and ethics

- **Zero-tolerance approach to breaches of applicable laws and our internal guidelines**
- **A global, risk-based compliance system**
- **Ethics and integrity are the basis for sustainable business practices**

Management approach

Operating with integrity and in compliance with laws and regulation is fundamental to stakeholder trust and our company's continued success. Siemens and its roughly 320,000 employees operate in multiple countries around the world. Our customers in both the private and public sectors serve a vast array of industries. Our global business operations are governed by numerous national legal systems and take place in a variety of political, social, and cultural settings that are constantly changing. Therefore, Siemens' business and compliance environment is correspondingly complex.

The way that Siemens and our partners do business impacts the markets and societies where we operate. Unethical and unlawful conduct like corruption, cartel arrangements, and money laundering can distort competition, hinder economic development, and threaten human rights and democracy. As a global player, Siemens is responsible for setting an example in all its operations and in collaboration with all its stakeholders. By building alliances against corruption and promoting fair competition together with stakeholders from politics, business, and society, Siemens can through Collective Action help establish the conditions for fair competition and thereby promote innovation.

Under certain circumstances, Siemens can be held liable for the illegal activities of third parties: for example, business partners acting as suppliers, intermediaries, resellers, and consortium partners. Transactions conducted by business partners can be misused to gain undue advantages for the business partner or for Siemens.

Our Compliance governance and policies

The Siemens Compliance organization oversees our compliance system and is chaired by our Chief Compliance Officer, who is responsible for all legal and operational aspects of compliance. The Compliance organization is part of Siemens global Legal and Compliance department. It is led by the General Counsel, who reports directly to our President and CEO.

Siemens Chief Compliance Officer reports directly to Siemens' CEO on functional matters, in addition to reporting to the Managing Board and the Siemens AG Supervisory Board on a quarterly and ad-hoc basis.

Compliance Officers in the business ensure that our Compliance system is implemented worldwide. They work closely with employees and managers, who assume personal responsibility for compliance in their respective business units.

We believe that it is necessary for the entire management team to act on our commitment to compliance and ensure that all business decisions and transactions that fall within their area of responsibility comply with both the relevant legal requirements and our own values and company guidelines.

At Siemens, we take a zero-tolerance approach to corruption and other breaches of applicable laws and of our Business Conduct Guidelines (BCGs).

Our BCGs contain the behavioral principles and rules that guide our conduct, both within Siemens and in our stakeholder relationships. They also serve as an expression of our values and lay the foundation for detailed internal regulations. The BCGs are binding for all Siemens employees around the world.

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We also believe that acting on the basis of our Ethical Principles allows us to focus even more on responsible business practices. We aspire to support the sustainable development of Siemens and the societies where we operate by adhering to responsible business practices.

Worldwide commitment to fighting corruption

In collaboration with other international and national organizations, we are committed to fighting corruption and promoting fair competition in our markets and beyond.

This approach is also reflected in our Collective Action activities, which includes our commitment to:

- → The United Nations Global Compact (UNGC)
- → The World Economic Forum and its Partnering Against Corruption Initiative (PACI)
- → The United Nations Convention Against Corruption and the Organization for Economic Cooperation and Development (OECD)'s Anti-Bribery Convention
- → The implementation of these conventions as part of Business 20 (B20)

The Ten Principles of the UN Global Compact, the OECD Guidelines for Multinational Enterprises, and other key guidelines are embedded in our BCGs and provide a foundation and direction for all our activities. BUSINESS CONDUCT GUIDELINES

"We help our customers and partners around the world drive their digital and sustainable transformation. Without excuses or exceptions, we always act ethically, legally, and with the highest integrity."

CEO Roland Busch

The Siemens compliance system

The goal of compliance at Siemens is to ensure that our worldwide business practices follow the applicable laws and comply with the BCGs. Our Compliance organization covers the following activity fields:

- → Anti-corruption
- → Anti-money laundering
- → Anti-trust
- → Data privacy
- → Human rights
- → Export control

↗ HUMAN RIGHTS ↗ CYBERSECURITY AND DATA PRIVACY

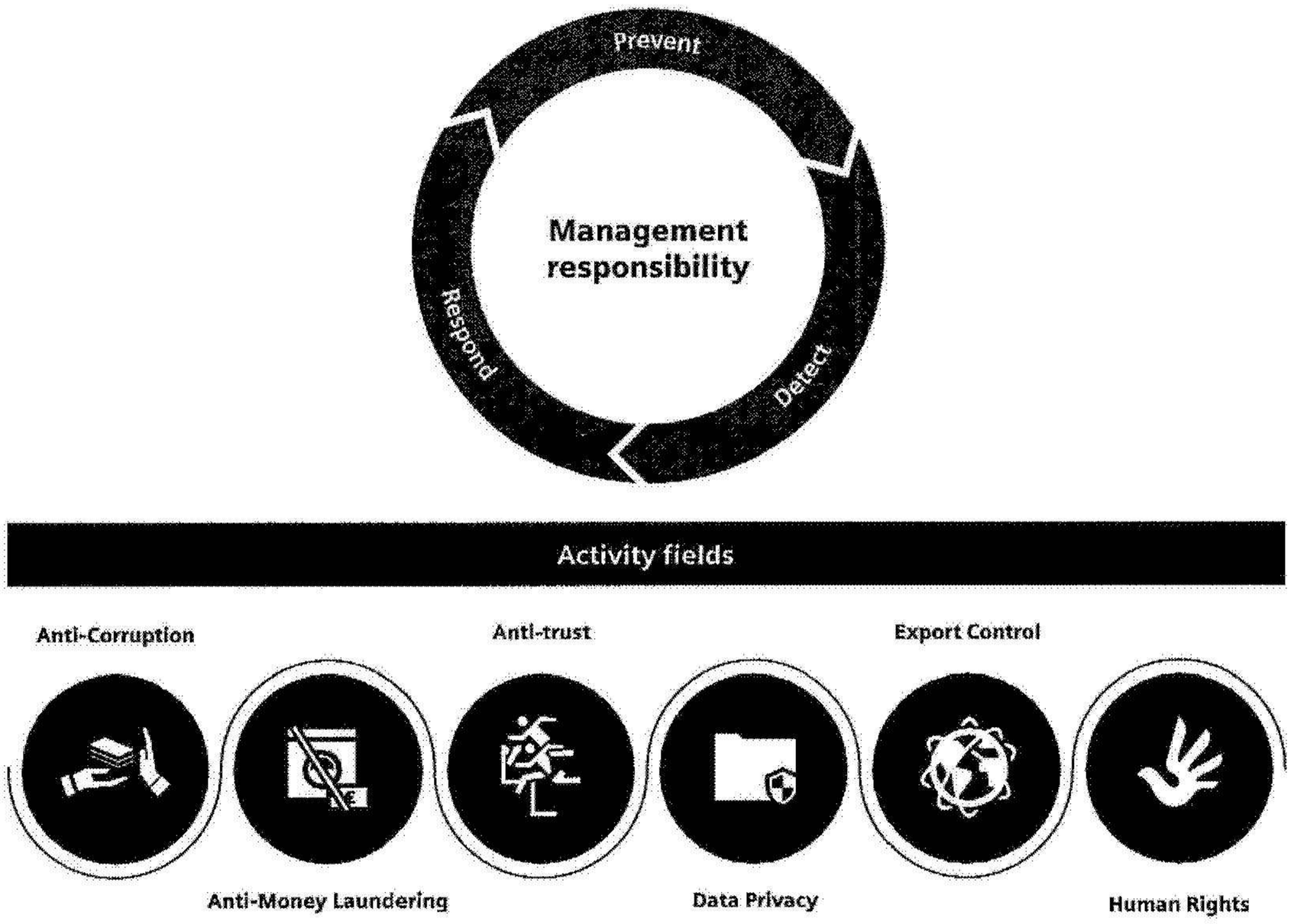
To ensure compliance throughout the company, the Siemens comprehensive compliance system is based on the three pillars of prevention, detection, and response.

Preventive measures include compliance risk management, preparing topic-specific guidelines and procedures, incorporating compliance requirements into business processes, our Collective Action activities, and providing comprehensive training and advice to our people.

In addition, protected channels for reporting compliance violations like the "Tell Us" whistle-blower system, the Ombudsperson, and professional and fair investigations are indispensable for identifying and resolving matters of individual misconduct. Our reporting channels also allow our people to submit reports anonymously.

We believe that transparent communication and clear consequences help reduce and resolve incidents of individual misconduct. Our internal audit department also continuously performs compliance controls and audits to ensure that our compliance system is put into action and meets our worldwide requirements.

The Siemens compliance system



Ethics management at Siemens

In our business activities, we are committed to going beyond laws and regulations. Our BCGs define how we interpret our responsibility, what is expected of all employees, and how we act as a company.

Our ethical principles have been integrated in the updated version of our BCGs. Responsible business conduct with all stakeholders and consistent consideration of Ethical Principles are expected in our decisions and are becoming increasingly important in view of the many changes and challenges in the world. Accordingly, we firmly anchored them in our BCGs:

→ We are honest and truthful in our dealings
→ We respect the dignity, privacy, and inherent rights of individuals
→ We protect the health, occupational safety, and personal security of our people
→ We act in line with our responsibility for the environment
→ We engage with reputable and law-abiding partners
→ We explore ethical concerns

We are committed to fulfilling these requirements in all our actions and decisions. In the complex environment of the global economy, "doing the right thing" is not always easy. Our new Siemens BCG training helps us to better assess situations in our work environment and make the right decisions. We believe that by acting responsibly beyond laws and regulations, we can continue achieving Siemens' success in collaboration with our business partners.

Ethical standards for artificial intelligence

Siemens prioritizes ethical standards and responsible business conduct in the digital world; specifically, by protecting data, mitigating biases, supporting data sovereignty, and ensuring trustworthy and responsible AI. We implement safeguards for transparency, accountability, technical robustness, security, and safety while promoting fairness and accessibility.

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Our commitment to ethical standards is demonstrated by integrating AI ethics into all our business processes, products, and solutions. This includes:

→ Applying generally accepted and trustworthy AI frameworks to AI tools in anticipation of the upcoming AI regulation in the EU.
→ Raising awareness and providing guidance to employees and stakeholders on ethical implications in AI decision-making.

Collaboration with business partners

Each Siemens department is responsible for its own business partners. They must be carefully selected by the responsible operational department and must undergo a risk-based compliance due diligence process. Business partners have to be adequately monitored for the duration of the business relationship. This means that we regularly assess the need for the continued relationship and provision of services, taking into account remuneration and other relevant circumstances.

We have established mandatory processes and the associated tools for this purpose that are continuously refined to cover any risks that may arise.

Decisions about engaging a business partner are transparent and risk-oriented. They are also based on the most recent compliance due diligence procedures. Appropriate remediation measures are initiated depending on the risk classification of the business relationship and the risks identified.

Both business partners and suppliers are required to sign a code of conduct. In addition, depending on their risk classification, audits can be conducted on the business partners' premises by the Siemens audit function or external service providers. ↗ SUSTAINABLE SUPPLY CHAIN PRACTICES

To support the compliance experts on business partner topics, Siemens established the Business Partners Network. This network operates in different workstreams, some of which are connected with specific projects and others that are related to specific questions on the subject of collaboration with business partners.

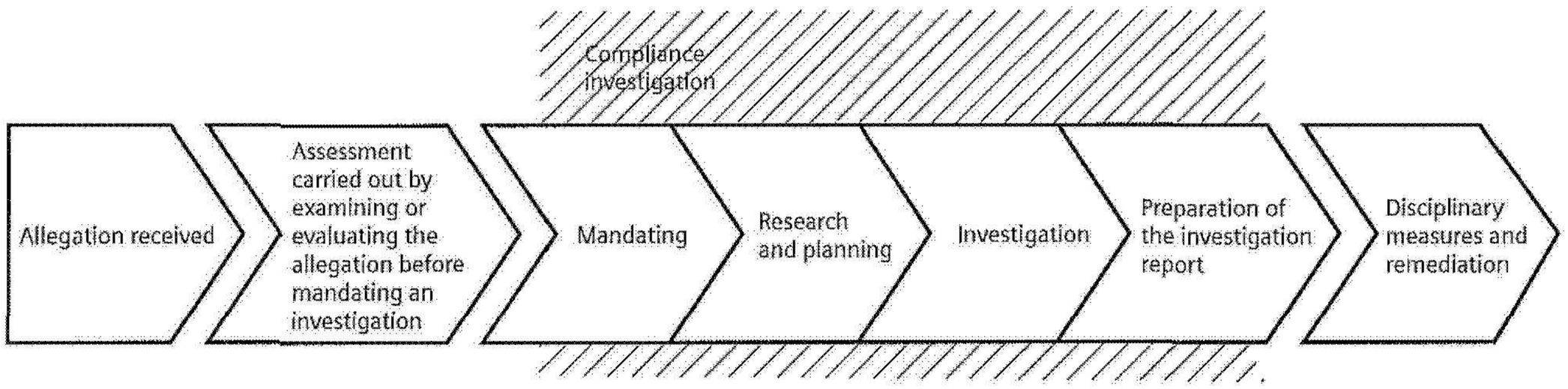
Preventing money laundering and terrorism financing

Siemens strives to only maintain business relationships with reputable customers, suppliers, partners, and companies whose business activities comply with legal requirements and whose financial resources are of legitimate origin. We use a risk-based approach to verify the identity and economic background of customers, suppliers, business partners, and other third parties and the origin of payments to ensure they come from legitimate sources. When necessary, Siemens reports suspicious activities to law enforcement authorities.

Handling of compliance cases

At Siemens, compliance cases are handled in accordance with a clearly structured process that includes key steps such as reporting channels, internal investigations, and responses to identified violations (see the diagram below).

Company-wide process for handling compliance cases (simplified presentation)



Siemens offers a range of reporting channels to enable all employees and outside third parties to flag potential compliance violations to the company. For instance, complaints can be reported by way of the protected whistle-blower system "Tell Us" or to the independent Siemens Ombudsperson. Reports received through these channels are forwarded to our Compliance organization. Complaints can also be reported directly to the Compliance Officers in our business units or to the senior management. Whistle-blowers at Siemens are protected by national laws and also by internal company regulations that prohibit the punishment or other detrimental treatment of anyone who reports a suspicious activity in good faith.

Every complaint is taken seriously. If the allegations prove to be sufficiently plausible, the Compliance organization determines whether there is sufficient information to justify an internal investigation. Indications about other matters are forwarded to the affected Siemens department or business unit for further action.

Internal investigations are conducted based on binding, clearly defined standards to ensure the fair and respectful treatment of employees. These standards prohibit unlawful or disproportionate actions. However, if an internal investigation leads to the finding that an employee has demonstrably violated any laws or internal regulations, they can expect appropriate disciplinary consequences.

All circumstances within a compliance case, including the locally applicable legal environment and any participation rights of the competent employee representative bodies, are duly considered during the proceedings.

Affected Siemens entities are obligated to implement the additional recommendations of the investigation reports, including measures to effectively remedy the situation.

Compliance risk management

To be effective, the Siemens compliance system needs to be continuously adjusted in order to meet business-specific risks and multiple local legal requirements. The findings from compliance risk assessments, along with compliance controls and audits, help us identify opportunities to further develop the compliance system.

The goal of compliance risk management is to detect compliance risks early and take appropriate steps to prevent or mitigate risks. Risk assessments and tool solutions that support risk evaluations are also integrated into individual business processes to support our employees in taking appropriate risk mitigation steps.

Compliance risk management is an integral part of the company-wide Siemens Enterprise Risk Management (ERM) program SIEMENS FINANCIAL REPORT FOR FISCAL 2023, COMBINED MANAGEMENT REPORT, 8.3.1 STRATEGIC RISKS, which provides a holistic view of all identified risks throughout the Group. Every entity and region assesses their business risks in relation to compliance risks. Current developments are also systematically evaluated.

As a core part of our risk management process, we collaborate closely with relevant business units to identify and assess compliance risks within new digital business models. Continuous Compliance Risk Management implements a bottom-up evaluation of the local risk environment in each of Siemens' entities on a worldwide basis in all activity fields defined by Compliance. CEOs, business leaders, Compliance Officers, and experts from every entity meet during the fiscal year to identify and assess compliance risks.[1] The risks identified are then aggregated and presented during annual Compliance Risk and Performance Reviews to the Compliance Management Council. The risks are documented in the Compliance Risk Tracking tool.

Additional information from internal data sources is included to provide a holistic overview of compliance risks. Cross-functional knowledge exchanges take place at regular meetings, and an annual Corporate Compliance Risk Workshop helps us identify and monitor emerging or changing risks. The results of the risk assessments are a key starting point for the ongoing development of our compliance system.

1 At SHS, formal Compliance Risk Assessments are conducted every three years, with the last being performed in fiscal 2023.

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Targets

Our ethics approach is also embedded in our DEGREE sustainability framework within the field of action Ethics.

E Ethics

Progress on DEGREE ambition #3: Striving to train 100% of our people on the Siemens Business Conduct Guidelines every three years

As part of the DEGREE sustainability framework, Siemens has set itself the ambition of training all employees on BCGs in a three-year cycle. The current cycle started in fiscal 2023. By end of this fiscal year the new BCG training "Doing the right thing!" has been rolled out to 71% of all active employees worldwide with a current KPI result of 69% newly trained employees in this cycle. Therefore, the DEGREE ambition for Ethics is on track.

Progress



Actions and results

Progress in fiscal 2023

In fiscal 2023, we continued to make progress with our Siemens compliance system, including:

→ Enhancing our integrated risk management approach with updated technology to better continuously monitor and update risks. This enables us to rapidly adapt to factors like emerging risks, business transformation, and changing regulatory and geopolitical conditions.

→ We are transforming and modernizing the technology that supports our compliance management system in order to keep pace with the digital transformation of our company. This includes our new cloud-based solutions, which we have leveraged to further streamline and automate our risk-based compliance processes and support data-driven holistic risk management and continuous control activities. With these cloud-based solutions, we aim to improve assurance and efficiency of compliance activities at Siemens.

Compliance training

To ensure that compliance and integrity are embedded throughout the organization, Siemens employees and the Compliance organization receive targeted, group-oriented, risk-based training on compliance topics.

Our employees learn through mandatory web-based trainings and non-mandatory learning products about compliance topics and on the content of our BCGs. We train all our employees (full-time and part-time) worldwide. Employers of external employees are contractually obligated to comply with the Supplier Code of Conduct and must ensure compliance by external employees as part of the onboarding process

We strive to train every employee worldwide on the BCGs in a recurring three-year cycle, according to the Ethics DEGREE target. The new three-year cycle started in fiscal 2023. In July 2023, the rollout of an update to our BCG web-based training began, which now includes our Ethical Principles. Our learning management system SABA tracks the mandatory training courses. The completion of training requirements is visible in our SABA dashboard, and detail reporting is available for the management on demand.

In addition, materials are regularly offered through the Integrity Dialog initiative. With this initiative, managers have an opportunity to discuss and raise awareness of current compliance topics with their teams.

Non-mandatory learning products in diverse formats are also presented in the form of learning paths in our global learning platform My Learning World.

The BCG training was rolled out to 190,000 employees worldwide, and 129,000 of them (approximately 68%) had successfully completed the training by the end of fiscal 2023.

129,000

employees were trained on the content of our BCGs in fiscal 2023

Siemens employees around the world also completed about 461,000 training programs for specific target groups in fiscal 2023.[2]

"Ethical corporate governance and compliance are non-negotiable. Our approach goes beyond strict compliance with laws and regulations by placing integrity at the center of our corporate culture and business processes."

CEO Roland Busch

Compliance indicators and whistle-blowers

Our employees use our reporting channels regularly. A total of 416 compliance cases that required an inquiry or investigation were reported in fiscal 2023. We believe that the increase in compliance cases from the previous year falls within the range of normal fluctuation. The total number of disciplinary measures imposed for compliance violations was 166 in fiscal 2023.

The number of disciplinary measures in a fiscal year does not necessarily reflect the number of compliance cases reported in the same period. This is because disciplinary action may not be taken in the same year as the case was reported or when the investigation was completed. Furthermore, one compliance case may result in multiple disciplinary actions or none at all.

Compliance indicators[1]

	Fiscal year 2023	2022
Compliance cases reported	**416**	363
Disciplinary sanctions	**166**	212
therein warnings	**87**	90
therein dismissals	**43**	74
therein other[2]	**36**	48

1 Continuing and discontinued operations.
2 Includes loss of variable and voluntary compensation components, transfer, and suspension.

We believe that the evidence demonstrates that our compliance system is well-designed and effectively implemented. Due to the nature of our business operations, the environments where we work, and our company's geographic distribution, we do not regard the number of incidents as unusual.

More information on significant ongoing and future charges of corruption, antitrust violations, and other violations of the law can be found in SIEMENS REPORT FOR FISCAL 2023, COMBINED MANAGEMENT REPORT, CHAPTER 8.3.4 COMPLIANCE RISKS, AND NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, NOTE 22 LEGAL PROCEEDINGS

Stakeholder involvement in our compliance approach

Compliance-related questions are included in the annual Siemens Global Employee Survey in order to evaluate the effectiveness of the compliance system within the company. We also use the survey to acquire a better understanding of the degree to which ethical conduct is embedded in our corporate culture. The results of last year's survey show an increase in the already high approval rates[3] relative to the perception and awareness of integrity, ethics, and responsible business conduct throughout the organization.

2 This figure includes Siemens Healthineers employees.
3 At the same time, the overall response rates decreased from 167,900 in fiscal 2022 to 161,550 in fiscal 2023.

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Collective Action and the Siemens Integrity Initiative

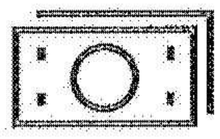
We believe that in order for substantial progress to be made in combating corruption and fostering fair competition, large numbers of stakeholders must act collectively.

The Siemens global Integrity Initiative earmarks more than US$100 million to support organizations and projects that combat corruption and fraud through Collective Action, education, and training.

The Siemens Integrity Initiative focuses on supporting projects that have a clear impact on the business environment, can demonstrate objective and measurable results, and have the potential to be scaled up and replicated.

So far, we have allocated approximately US$120 million for 85 projects in more than 50 countries across all funding rounds. Detailed information on this subject is provided in the Siemens Integrity Initiative's annual reports.

WWW.SIEMENS.COM/INTEGRITY-INITIATIVE



US$120 million in support for 85 projects in 50 countries

The Siemens Integrity Initiative constitutes one element of a 2009 settlement between Siemens and the World Bank and another 2013 settlement between Siemens and the European Investment Bank (EIB).

3.2

Human rights

- **Commitment to respect human rights in accordance with international standards**
- **Continuous assessment of actual and potential adverse impacts on people and environment throughout our value chain**
- **Regular dialogs with human rights-focused external business coalitions**

Management approach

As a global company, we are well aware of our responsibility to society. We are unreservedly committed to safeguarding and respecting human rights in every stage of the value chain. We understand this to be a key element of acting with integrity and responsible business conduct.

The way we function in our own operations, in our supply chain, and in our downstream value chain may affect the economic development and advancement of society. Siemens takes a holistic approach to respecting human rights. We strive to continuously assess actual and potential adverse impacts on people and the environment and integrate our findings in our company's policies, procedures, and due diligence practices. Therefore, our commitment to respecting human rights is an integral part of our management systems and is embedded across company functions and business operations globally.

Management and responsibilities

The Siemens Managing Board and the Siemens Sustainability Board (SSB) monitor Siemens' actions in relation to human rights and our commitment to implementing the United Nations Guiding Principles on Business and Human Rights. These bodies review our progress and our challenges and identify opportunities for improvement.

The Chief Compliance Officer, also appointed to serve as the Siemens Human Rights Officer by the Managing Board of Siemens AG, reports to the Supervisory Board and Managing Board on a regular and ad hoc basis on issues concerning human rights: for example, the German Supply Chain Due Diligence Act (LkSG), for which Legal Compliance is the overarching coordination body.

The SSB has assigned overall responsibility for human rights to the Siemens Sustainability and Compliance departments. Their primary task is to proactively and systematically ensure that respect for human rights is deeply embedded in our company-wide processes and decision-making. To achieve this, both departments regularly assess opportunities for improvement in accordance with international standards. The Supply Chain, People and Organization, Environment, Health and Safety, Corporate Security, and Siemens Real Estate departments are responsible for embedding and maintaining human rights-related due diligence requirements within their processes. This responsibility also includes the conceptualization and delivery of training and continuous learning formats.

Commitment to human rights and international standards

The principle of respect for human rights is firmly grounded in the United Nations 2030 Agenda for Sustainable Development. Siemens believes that the 17 Sustainability Development Goals (SDGs) can only be fully achieved if potentially negative impacts within the value chains are examined in detail and effective action is taken to counter them. In these efforts, we are guided by international standards that help companies define their approaches to human rights and continuously optimize them. These standards include the United Nations Guiding Principles on Business and Human Rights and the Guidelines for Multinational Enterprises published by the Organization for Economic Cooperation and Development (OECD). They highlight the importance of due diligence systems that proactively identify, assess, and mitigate potential adverse human rights impacts.

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The Business Conduct Guidelines

Our commitment to respecting human rights is anchored in our Siemens Business Conduct Guidelines (BCGs) ↗ COMPLIANCE AND ETHICS. They set out the fundamental principles and rules that apply to our actions relating to human rights in our company and with our customers, external partners, and the public. The BCGs are binding for all employees worldwide. In addition, the Siemens Group Code of Conduct for Suppliers and Third-Party Intermediaries (Supplier Code of Conduct), which is mainly focused on rules of conduct relating to human rights, applies to the company's suppliers, third-party intermediaries, and business partners.

Beyond that, Siemens has reaffirmed its commitment to workers' fundamental labor rights in an International Framework Agreement signed with trade unions and employee representatives in 2012. This specifically includes the right to collective bargaining and freedom of association.

Targets

Our DEGREE sustainability framework consists of a number of fields of actions that address the multifaceted issue of human rights in the areas of G (Governance), E (Ethics), E (Employability), and E (Equity).[1]

Regarding our approach to respecting human rights, we have established measures that encompass our own operations, our supply chain, and customer-related business activities.

Continuous improvement measures

We view fulfilling our responsibility to human rights as a continuous improvement journey. In fiscal 2023, Siemens modified its policies, processes, and methods to align with regulatory requirements like the LkSG. We have established a cross-functional Committee with the aim of ensuring governance oversight and decision-making on future measures related to the LkSG.

In consideration of future regulatory developments and increased stakeholder expectations, we strive to continuously modify the company's risk management programs and procedures across our value chain.

We aim to systematically identify and assess the risk of human rights violations at an early stage and to mitigate them responsibly to the extent that they can be influenced by the company.

Actions and results

Human rights in our own workforce

The BCGs are an integral element of all employment contracts. BUSINESS CONDUCT GUIDELINES. Siemens does not tolerate discrimination, sexual harassment, or any other form of personal attack on individuals or groups. In addition, the principles of equal opportunity and equal treatment apply without restriction. We foster diversity, equal opportunity, and inclusion in the interest of creating an open and welcoming work environment. ↗ DIVERSITY, EQUITY & INCLUSION

Human rights in the supply chain

One of our guiding principles is to maintain sustainable supply chains. Siemens' suppliers commit to upholding the Supplier Code of Conduct, which affirms the fundamental human rights of our suppliers' employees. In fiscal 2023, we modified the Supplier Code of Conduct to include additional requirements from new regulations and prepared its rollout readiness for fiscal 2024.

The Code encompasses but is not limited to the following human rights topics:

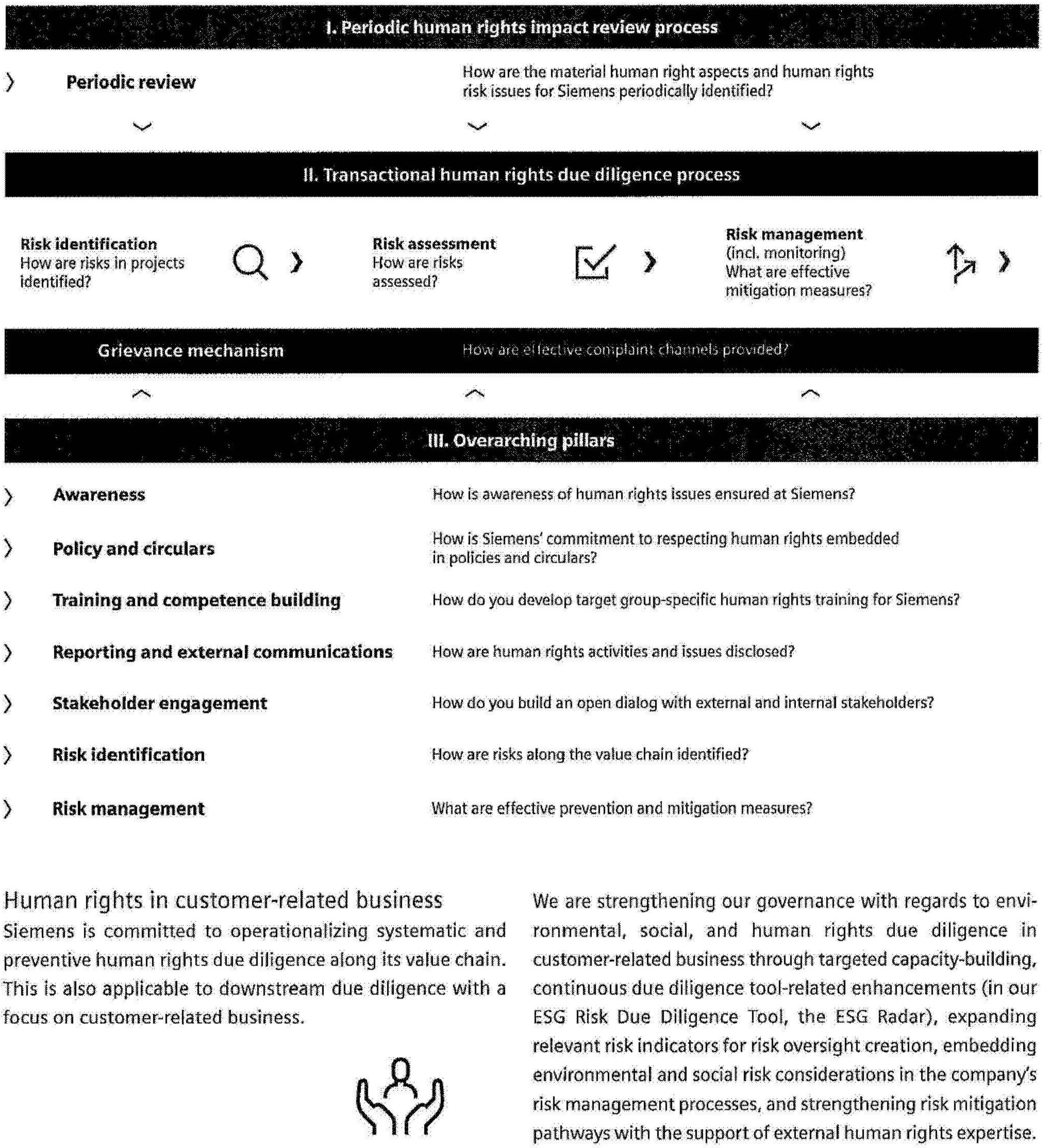
→ Fair work conditions (pay, work hours, vacations)
→ Right to freedom of association
→ Responsibility for health and safety standards
→ Prohibition of discrimination
→ Prohibition of forced labor and child labor
→ Provision of anonymous grievance mechanisms

Siemens takes a risk-based approach to identifying potential risks in its supply chain. This includes Corporate Responsibility Self-Assessments (CRSAs) by suppliers and external sustainability audits. When deviations from the Supplier Code of Conduct and violations of the human rights principles are identified, we work with suppliers to clarify how lasting corrective actions can be taken within a reasonable timeframe. ↗ SUSTAINABLE SUPPLY CHAIN PRACTICES

In the case of severe violations, we reserve the right to terminate the supplier relationship. ↗ MATERIAL HUMAN RIGHTS RISK ISSUES IN OUR VALUE CHAIN

1 Siemens without SHS.

Siemens' human rights framework



Human rights in customer-related business

Siemens is committed to operationalizing systematic and preventive human rights due diligence along its value chain. This is also applicable to downstream due diligence with a focus on customer-related business.

The early detection of environmental and social risks plays a key role in human rights due diligence.

We are strengthening our governance with regards to environmental, social, and human rights due diligence in customer-related business through targeted capacity-building, continuous due diligence tool-related enhancements (in our ESG Risk Due Diligence Tool, the ESG Radar), expanding relevant risk indicators for risk oversight creation, embedding environmental and social risk considerations in the company's risk management processes, and strengthening risk mitigation pathways with the support of external human rights expertise. We are also enhancing our control mechanisms with a primary focus on our business sales department and continuously reassessing material areas of adverse impacts – for example, those resulting from certain business fields – so that they can be embedded in our due diligence systems.

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These initiatives have been incorporated into our internal guidelines and policies. They have also led to the creation of customized roles and responsibilities within our key functions, our businesses, and our regions. As part of our commitment to responsible business conduct, we have piloted the process of environmental, social, and human rights deep-dive due diligence that will be conducted annually for established key business partners and strategic partners. This process has been piloted in fiscal 2023 and will become mandatory beginning in fiscal 2024.

Material human rights risks that we have identified in our value chain are summarized in the table below.

Material human rights risk issues in our value chain

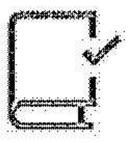
Human rights risk issues in the supply chain
- Fair working conditions
- Freedom of assembly
- Discrimination
- Forced labor
- Child labor
- Health and safety



Human rights risk issues in own workforce
- Fair working conditions
- Freedom of association and collective bargaining
- Discrimination
- Forced labor
- Child labor
- Health and safety



Human rights risk issues in the case of business decisions by customers
- Business-specific environmental and social risks[1]
- Country-specific risks
- Impacts on local communities (e.g., Indigenous population, ethnic or religious minorities)
- Fair working conditions
- Modern slavery
- Discrimination
- Occupied territories



1 Including in the areas of coal, oil, and gas and mining, for example.

Training and skill building

Our continuous skill building activities are geared toward specific target groups. Siemens provides interactive training formats for employees, suppliers, and global and regional salespeople and for specific functions like Sustainability, Compliance, and Environment, Health, and Safety (EHS). In fiscal 2023, we revised the mandatory BCG training for our people and included specifics on fundamental rights at work.

External and internal expert dialogs and regular knowledge-sharing are also conducted in the area of environmental and social risks: for example, on responsible business due diligence in conflict regions.

Grievance mechanism and channels

Siemens offers protected channels for reporting violations of external and internal rules to all our people and external third parties. The reports generated by these channels are forwarded to our Compliance organization and followed up. The same channels can also be used to report human rights violations to the company. ↗ COMPLIANCE AND ETHICS

Networks and coalitions

We maintain a regular dialog with our peers, and we aim to establish mutual trust and drive a more in-depth discussion on human rights. This kind of dialog focuses on discussing challenges and solutions, addressing areas of improvement with regard to responsible business conduct practices, and identifying potential areas to join forces. We firmly believe that we can achieve faster, more impactful progress through collective action compared to acting alone.

Siemens is a member of the Global Business Initiative on Human Rights (GBI). This initiative is one of the leading international network initiatives in the field of human rights. Siemens is also represented in the UN Global Compact Network's European Business and Human Rights Peer Learning Group. In Germany, Siemens is involved in econsense[2] working groups in the areas of business and human rights and human rights in the supply chain.

In addition to regular dialogs with peers and think tanks, we engage with external human rights advisors to derive responsible risk mitigation pathways, training and capacity-building methods, and ways to strengthen due diligence practices. In addition, we engage with investors, shareholders, customers, journalists, rating agencies, and NGOs.

2 econsense is a forum for the sustainable development of German business.

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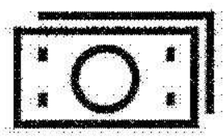
Sustainable supply chain practices

- **Based on a holistic "Prevent – Detect – Respond" approach**
- **Evaluation of suppliers based on self-assessments and on-site audits**
- **Focus on human rights: climate protection and responsible sourcing of minerals**

Management approach

Siemens procures materials and services from all over the world. We work with approximately 67,700 suppliers in around 140 countries. In fiscal 2023, Siemens purchased goods and services valued at just under €37 billion, the equivalent of about half of our total revenue. Due to the varying conditions in these countries, ensuring strict compliance with our globally applicable sustainability requirements poses a significant challenge for our daily procurement practices.

Our purchasing activities have impacts on our suppliers, local communities, and the environment in our procurement markets. As such, we monitor and engage with our suppliers to drive and support their efforts to enhance sustainability practices. Our supplier relationships provide us with the opportunity to make contributions to securing jobs and promoting adherence to both international work and environmental standards. Using our holistic sustainable supply chain management approach, we work to prevent situations where suppliers may be tempted to compromise the well-being of their workforce or violate environmental regulations.



Siemens purchased goods and services worth €37 billion from about 140 countries

Our governance and policies for strategic procurement

The core objectives of the strategic procurement processes are to sustain the company's success by making a consistently high contribution to our earnings from purchases of materials and services, to assert high quality standards along the entire supply chain, to identify and exploit opportunities to create value through procurement competence, and to ensure compliance and sustainability. Sustainability is our guiding principle. The sustainability initiatives we take are an essential aspect of the successful implementation of our programs. Our understanding of sustainability in the supply chain is based on our company values to be responsible, excellent and innovative. As a Support Function in the Service and Governance units, Siemens Supply Chain Management has the process and regulation responsibilities for procurement principles.

Our mandated purchasing units take general responsibility for implementing and complying with Siemens' procurement principles. Therefore, only mandated purchasing units are authorized to conclude contracts with suppliers.

We have developed policies that describe our standards for suppliers in terms of their social, environmental, and ethical performance. They lay the foundation for guiding supplier selection, evaluation, and ongoing engagement.

The Siemens Code of Conduct for Suppliers and Third-Party Intermediaries (Supplier Code of Conduct) is designed to cover our sustainability requirements. Among other principles, it is based on the principles outlined in the United Nations Global Compact (UNGC) and our Business Conduct Guidelines (BCGs), which sets out the basic principles of sustainability for our suppliers.

The Supplier Code of Conduct requires suppliers to adhere to standards on:

→ Fundamental rights of employees, including a protected grievance mechanism for employees
→ Health, safety, and environmental protection

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- → Zero-tolerance strategy to prevent corruption and bribery
- → Preventing purchases of conflict minerals produced in certain countries that yield profits for armed groups, in particular
- → Preventing money-laundering and terrorist financing
- → Export control and customs
- → Data protection
- → Compelling their suppliers to comply with the principles of our Supplier Code of Conduct

Sustainable business practices are an integral part of our Procurement Principles at Siemens. For instance, it requires the Supplier Code of Conduct to be incorporated into all new and extended procurement contracts. Procurement is responsible for ensuring that suppliers accept the Supplier Code of Conduct and do not depart from it.

Targets

We expect all suppliers to commit to and follow our Supplier Code of Conduct. This is also reflected in our DEGREE sustainability framework as a part of the Governance field of action.[1]

G Governance

Progress on DEGREE ambition #4: ESG-secured supply chain based on supplier commitment to our Supplier Code of Conduct

We expect our suppliers not only to contribute to the economic success of our company but also to ensure strict compliance with our sustainability requirements, which are summarized in the Siemens Supplier Code of Conduct. The obligation of suppliers to observe our Code of Conduct is an essential foundation for fulfilling our governance ambitions bundled under "G" in our DEGREE sustainability framework.

Progress

Suppliers committed

Siemens without SHS

The Decarbonization field of action commits us to reducing upstream emissions in our supply chain. As part of this effort, Siemens has set a target to reduce CO_2e emissions generated in our supply chain by 20% by 2030 compared to 2020. We also aim to achieve Net Zero emissions in our supply chain by 2050.[1]

D Decarbonization

Progress on DEGREE ambition #2: Net Zero supply chain by 2050, 20% emissions reduction by 2030

In fiscal 2023, supply chain emissions decreased by 1% compared to the baseline year 2020, reaching 8,029 kt CO_2e, with the carbon reduction measures implemented by our suppliers being reflected in this number. If the increase in purchasing volume of around 33% is included, CO_2e emissions were however reduced even further in relation to the purchasing volume.

Progress

FY 20: **8,098 kt CO_2e** **–1%** **–20%** by 2030 **–100%** by 2050

Siemens without SHS

Actions and results

Supplier management follows clear criteria

At Siemens, supply chain sustainability is supported by a holistic Prevent – Detect – Respond approach with the aim of effectively mitigating risks.

Our aim is to raise supplier awareness of the importance of integrating our values and meeting sustainability requirements. Siemens also provides web-based training on sustainability and human rights in the supply chain for all our suppliers.

1 Siemens without SHS.

The supplier management process at Siemens incorporates strict criteria for supplier selection and qualification. When engaging with new suppliers, we categorize and if necessary proactively address potential sustainability risks based on these criteria. This may apply to suppliers exhibiting the following risk characteristics:

→ Locations in high-risk countries
→ Products subject to the requirements for the responsible sourcing of minerals
→ Products and services with large carbon footprints

To identify these risk characteristics, we categorize our suppliers as follows:

→ Purchased material and service fields: We classify suppliers based on the specific types of materials and services they provide. This allows us to tailor our measures to individual suppliers: for example, incorporating specific contract clauses, requesting proof of compliance, or flagging them for on-site audits.
→ Country risk levels: Suppliers are assigned to risk levels based on country-specific sustainability indicators in areas like legal compliance, corruption and bribery, human rights in the workplace, and child labor.

We centralize sustainability-related data about our suppliers on the SCM Sustainability Platform, which enables us to gather information from diverse internal and external sources. This includes data on carbon reduction initiatives, corporate responsibility self-assessments (CRSA), on-site audit results, and risks associated with conflict minerals. All employees in Siemens' purchasing departments can access this integrated tool.

Information is evaluated in the platform using a point system and is presented visually. This uniform assessment approach enables sustainability to serve as a consistent evaluation factor throughout Siemens. It supports and complements local purchasing decisions with globally available supplier sustainability information.

Self-assessments and site audits as control mechanisms

Based on the risk categories, we conduct appropriate evaluations of suppliers in accordance with our risk assessment. These reviews range from supplier self-assessments of their own sustainability practices to on-site sustainability audits conducted by external auditors.

Corporate Responsibility Self-Assessments

CRSAs are an integral part of our supplier qualification process. They are subject to regular review and updates to align them with evolving standards and regulations. As part of this process, potential suppliers undergo a mandatory qualification procedure, while existing suppliers are re-assessed every three years.

The number of completed CRSAs increased by about 4% from 4,912 in fiscal 2022 to 5,096 in fiscal 2023. The number of agreed-upon improvement measures increased in fiscal 2023 to 5,493, as compared to the 3,109 reported in fiscal 2022.

Corporate Responsibility Self-Assessments (CRSA)[1]

	Fiscal year	
(Number)	**2023**	2022
Europe, Middle East, Africa, C.I.S.[2]	**1,122**	1,147
Americas	**767**	654
Asia, Australia	**3,207**	3,111
Total	**5,096**	4,912

Agreed upon improvement[3]	**2023**	2022
Legal Compliance/prohibition of corruption and bribery	**1,698**	915
Respect for the basic human rights of employees	**1,194**	564
Prohibition of child labor	**168**	80
Health and safety of employees	**1,103**	879
Environmental protection	**1,116**	546
Supply chain	**214**	125
Total	**5,493**	3,109

1 Self-assessments completed mainly by suppliers from non-OECD countries with a purchasing volume of > €50,000 per year. Questionnaires that were initiated, completed, and concluded in the reporting period.
2 Commonwealth of Independent States.
3 Improvement measures agreed on with suppliers relate either to actual deviations from the Supplier Code of Conduct, structural improvements in management systems, or a lack of specific processes and guidelines implemented by the supplier.

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External sustainability audits

From our perspective, external sustainability audits are the most effective means of evaluating our suppliers' sustainability performance. These audits are conducted by our external audit service provider and serve as a control mechanism for suppliers identified as high-risk.

External sustainability audits (ESA)

	Fiscal year	
(Number)	**2023**	2022
Europe, Middle East, Africa, C.I.S.[1]	**97**	113
Americas	**51**	50
Asia, Australia	**333**	263
Total[2]	**481**	426

	Fiscal year	
Agreed upon improvement[3]	**2023**	2022
Legal Compliance/prohibition of corruption and bribery	**1,308**	1,101
Respect for the basic human rights of employees	**3,977**	2,717
Prohibition of child labor	**106**	82
Health and safety of employees	**3,511**	2,802
Environmental protection	**285**	271
Supply chain	**334**	302
Total[2]	**9,521**	7,275

1 Commonwealth of Independent States.
2 Includes audits conducted virtually as well as audits carried out by third parties at our suppliers based on the same standards, which are accepted by Siemens.
3 Improvement measures agreed on with suppliers are based on actual deviations from the Supplier Code of Conduct, structural improvements in management systems, or a lack of specific processes and guidelines implemented by the supplier.

We slightly increased the number of external sustainability audits compared to fiscal 2022. In fiscal 2023, the figure rose by about 13% to 481 audits. This figure includes 13 audits that we conducted virtually, where the auditor inspected the suppliers' facilities by remote video. Also included are four audits verified by our audit service provider that were conducted on behalf of third parties at companies that also have supplier relationships with Siemens. These audit reports fully comply with Siemens' requirements and were provided to us with the approval of the audited companies.

We also may repeat audits or conduct follow-up audits through our external audit service provider. Our responsible purchasing departments at Siemens can also agree on a series of improvement measures with suppliers. In fiscal 2023, improvement measures were agreed on to address a variety of potential social impacts. These impacts include human rights and the health and safety of employees as well as environmental impacts like a lack of certification and failure to reduce CO_2e emissions.

During this process, we remain committed to our supplier partnerships, and we work to help them improve. However, if problems persist, or the supplier demonstrates a lack of willingness to take the necessary corrective actions, we remove them from our supplier list.

Suppliers can also be blocked in local systems around the world via our IT-based Global Master Data Management process for suppliers.

Sustainability topics with a specific need for action

Two focus topics play an important role in our sustainable supply chain practices, given their strong connection to other sustainability initiatives at Siemens. These include the responsible sourcing of minerals and reducing CO_2e emissions in our supply chain.

Responsible sourcing of minerals

Siemens is working hard to prevent the use of minerals from areas of conflict, and high-risk areas in the supply chain that are covered by the risk definition set out in Annex 2 of the OECD's Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. To support the responsible sourcing of minerals, we developed the Responsible Minerals Sourcing Policy, which is integrated into our purchasing process. This policy sets a uniform standard for supply chain management across the company. Our approach aligns with the risk-based requirements of the OECD's Due Diligence Guidance.

To determine the use, sources, and origins of these minerals in our supply chains, we investigate the smelting plants involved. Siemens is a member of the Responsible Minerals Initiative (RMI), an organization of more than 400 industrial companies that provide auditing programs for smelting. We use the Conflict Minerals Reporting Template (CMRT) published by the RMI to survey our more than 2,300 relevant suppliers and elicit the information we need about smelters in our

supply chain that are associated with the production of tin, tantalum, tungsten, and gold (3TG). We share our findings on identified smelters with our RMI partners. The initiative then reviews the smelters' certification. In this process, Siemens supports the smelters as they move toward the final audit and certification stage. Individual results are communicated on the RMI website WWW.RESPONSIBLE-MINERALSINITIATIVE.ORG.

Siemens extends its risk assessment system to evaluate minerals beyond the 3TG grouping using the risk definitions provided by the European Commission for "armed conflict," "areas witnessing weak or non-existent governance and security," and "[areas with] widespread and systematic violations of international law, including human rights abuses." Cobalt and mica are two minerals that have been included in Siemens' due diligence process. This inclusion follows the RMI's development of an auditing standard and reporting specifications – the Extended Minerals Reporting Template (EMRT), designed specifically for cobalt and mica – in addition to the existing specifications for 3TG minerals. Siemens conducts supplier audits for cobalt and mica, with a particular focus on battery manufacturers.

More information and the text of our Responsible Minerals Sourcing Policy can be found at WWW.SIEMENS.COM/RESPONSIBLEMINERALS.

Our Carbon Reduction@Suppliers program

In our Carbon Reduction@Suppliers program, we collaborate with an external partner to analyze the economic data and model the carbon footprint of each of our suppliers. To facilitate this process, we utilize a web-based tool called supplier+s that highlights the main sources of suppliers' CO_2e emissions and provides guidance on how to reduce them. Once suppliers have completed the learning phase, they provide us with their primary data through the tool.

Supplier+s is based on the following methodology:

→ Suppliers are categorized into product or service categories and country of origin and are then assigned an industry average for CO_2e emissions based on the calculation model developed by our external partner.

→ We ask our suppliers to provide information via supplier+s about their implemented CO_2e reduction measures and their overall CO_2e management. Based on their responses, we calculate the resulting emissions reduction and the remaining carbon footprint of the supplier.

Positive feedback on our Carbon Reduction@Suppliers program encouraged us to open the formerly internal tool (CWA Carbon Web Assessment) to external use by other companies in the form of the supplier+s tool. Detailed information on supplier+s is provided at WWW.SIEMENS.COM/CARBON-SUPPLIERS.

4,324 suppliers – who stand for 43% of our Scope 3 upstream (tier 1) footprint – have provided us with primary data by taking part in our Carbon Reduction@Suppliers program. 2,038 of them have shared their decarbonization plans with us by joining the supplier+s platform, which was launched in fiscal 2023. Based on the responses we received and calculated, there was an average reduction of 9% in the previously calculated emissions for these suppliers, equivalent to a decrease of 464,000 metric tons of CO_2e. This indicates that our suppliers have been more supportive in reducing our carbon footprint in the supply chain compared to the previous year's reduction of 359,000 metric tons of CO_2e. This effort helped reduce our Siemens Scope 3 upstream footprint against our baseline year 2020 by 0.9% and against the previous year 2022 by 3.3%.[1]

1 Siemens without SHS

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3.4

Cybersecurity and data privacy

– Leading role in cybersecurity
– Global expertise and governance structures

We believe that data protection is an integral part of responsible business conduct. Cybersecurity and data privacy are key success factors for Siemens, and for digitalization in general. While data privacy practices cover personal data from a legal perspective, cybersecurity focuses on protecting products, solutions, and services, information technology (IT), and operational technology (OT). Our primary objective is to maintain strong data protection and a high level of cybersecurity for the company and all our stakeholders.

Cybersecurity

Management approach

Cybersecurity is rapidly growing in importance

Digital systems have become indispensable in many sectors of the economy: for instance, in hospitals, factories, smart buildings, e-mobility, and connected mobility. Wherever sensitive data are stored, potential security threats are never far away. As a result, cybersecurity is one of today's most relevant issues, not just for companies but for society as a whole. Its relevance is only expected to increase, with cybersecurity becoming crucial for helping businesses safeguard critical infrastructures, protect sensitive information, and ensure business continuity.

As one of Siemens' strategic goals, the digital transformation will only succeed if Siemens can be certain that connected systems and the data contained within them will remain secure. That is why Siemens places the highest priority on cybersecurity.

Siemens' products, solutions, and services contain a significant amount of software and IT-related components and are often used in the context of critical infrastructures – which means that they can be more exposed to cyberthreats. Regulatory- and customer-specific security requirements are increasing, and Siemens needs to address them.

Siemens takes a holistic approach to addressing cybersecurity in the best interest of our customers. It is essential to the comprehensive protection of both industry and society from internal and external cyberattacks.

Our cybersecurity governance and policies

The Cybersecurity Board (CSB), chaired by the Global Chief Cybersecurity Officer, is responsible for the implementation and coordination of cybersecurity throughout Siemens. The member of the Siemens AG Managing Board responsible for cybersecurity is part of the CSB, as are the Chief Cybersecurity Officers of each of Siemens' businesses.

Given the importance of cybersecurity for the senior management, the Global Chief Cybersecurity Officer reports directly to the responsible member of the Managing Board, quarterly to the entire Managing Board, and annually to the Supervisory Board.

The CSB provides a collaborative platform for advancing strategic initiatives that address security issues and establish cybersecurity requirements and recommendations throughout Siemens and its affiliated companies. In addition, a collaboration agreement enables the Chief Cybersecurity Officer at Siemens Healthineers to participate in the CSB.

Having recognized early on that cybersecurity is an integral part of the digital revolution, Siemens built a cybersecurity organization both at the corporate level and in the businesses and countries. All information security rules and regulations at Siemens are documented and detailed in the Cybersecurity Policy Framework. The framework outlines the roles and responsibilities and the rules and practices that offer a guide for how Siemens and its business units protect information and business processes.

The Information Security Policies define the mandatory high-level requirements and general rules for information security. The policies serve as blueprints for establishing and managing information security at Siemens. The requirements are based on the domains defined in Annex A of the international standard ISO/IEC 27001. Siemens' cybersecurity governance has been ISO 27001-certified since November 2017.

Our commitment to cybersecurity is further reinforced by Siemens' participation in founding the "Charter of Trust"[1] initiative to protect data and promote cybersecurity in a trustworthy digital world.

Targets

Our DEGREE sustainability framework addresses the topic of cybersecurity under "E" for Ethics. We are proactively working toward safeguarding and promoting cybersecurity at Siemens. To achieve this, Siemens employees need to complete a web-based training on cybersecurity on an annual basis.

Actions and results

The Corporate Cybersecurity department and the cybersecurity departments in our businesses manage the following issues and activities:

- → Developing and implementing proactive cybersecurity strategies adapted to the business
- → Proactive and reactive measures for product and solution security and to safeguard information technology and operational technology
- → Risk management framework as a part of the Enterprise Risk Management system with clearly defined roles
- → Monitoring and reporting on the status and progress of cybersecurity measures and checks
- → Cybersecurity-readiness and second-line-of-defense[2]
- → Developing mandatory global cybersecurity awareness measures, annual IT cybersecurity global awareness trainings, and specific cybersecurity expertise

Siemens is one of the industry leaders in cybersecurity. Our cybersecurity performance is highly regarded, as evidenced by our sustainability ratings and rankings. For example, the Dow Jones Sustainability Index (DJSI) has ranked Siemens as a leading company in cybersecurity relative to our peers.

Siemens products, solutions, and services

Siemens is implementing a company-wide Product and Solution Security (PSS) initiative. The objectives of the initiative are to formulate PSS recommendations and binding requirements and to apply and continuously improve them in all the businesses.

The PSS initiative is managed by the PSS Maturity model, a proprietary, standards-based model. It shows the extent to which the established business and design processes are being expanded and constantly improved in terms of their security activities and requirements. Evaluations are performed annually at the organizational level, the results are discussed with each unit's management team, and corresponding improvement programs are initiated.

To further strengthen Siemens' cybersecurity business, our businesses offer selected high-maturity security services to external customers in collaboration with the Corporate Cybersecurity department.

Continuing education and young talent development

In fiscal 2023, 95% of our employees completed the mandatory cybersecurity awareness training. The training cycle began in January 2023 and ran until the end of September 2023.

In addition, we offer the training "Driver's License" to a target group of approximately 8,000 employees who are trained to apply all of Siemens' IT/OT security guidelines. All of our employees also have access to continually updated training courses and learning opportunities on product and solution security through My Learning World, the Siemens global learning platform.

1 https://www.charteroftrust.com/.
2 https://www.siemens.com/global/en/company/digital-transformation/cybersecurity/governance.html#SecondLineofDefense.

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Due to the growing demand for cybersecurity experts, we launched the CyberMinds Academy in 2022. This is a worldwide one-year program that combines learning modules with professional experience designed to develop young talents into cybersecurity specialists.

Cybersecurity insurance and risk analysis

To protect the company and reduce the potential financial impact of cyber incidents, we have explored risk transfer options in detail. Following an international call for insurance bids, the currently insurable cyber risks were transferred to a group of insurers in fiscal 2021. The coverage emphasizes losses caused by incidents such like as breaches of information security and data privacy within Siemens or by third parties. The scope and limits of the risk transfer to the insurance market are reviewed annually.

Siemens' Cybersecurity department has also acted to mitigate risk even more. For example:

→ As industrial environments become increasingly digitalized, the share of software grows significantly, as does the number of associated vulnerabilities. To mitigate these risks, Siemens is automating the collection and distribution of information about vulnerabilities with the goal of offering end-to-end security for our customers. These efforts include our collaboration with the Common Security Advisory Framework (CSAF) 2.0 from the OASIS Consortium

→ Since 2022, Siemens has been working intensively to encrypt the most important data in the post-quantum era. As part of this work, the previous crypto algorithms have had be completely replaced with new methods. Because it is our expectation that crypto algorithms will need to be updated much more frequently in the future, the project also addresses the encryption lifecycle in the form of an expiration date for the classification of documents.

→ Our Zero Trust initiative, whose motto is "Never trust, always verify," has been extended to fiscal 2024. The objective is to check every internal and external connection between IT/OT devices and products in real time and only permit trustworthy communications.

Proactive approach to handling threats and vulnerabilities, reactive approach to incidents

Siemens CERT[3] and Siemens ProductCERT are dedicated teams of experienced security experts who can provide an immediate response to potential security threats and incidents affecting Siemens' products, solutions, services, or infrastructure.

Siemens CERT secures our internal infrastructure, continuously monitors cyberthreats, and evaluates their potential impact on the company. When security incidents occur, our experts analyze the causes and initiate countermeasures to minimize harmful impacts, and the appropriate stakeholder groups (and the authorities, if required) are informed.

Under the Special Vulnerability Handling program, CERT also takes proactive steps to support a consistently high level of protection by addressing potential vulnerabilities before any damage occurs.

The ProductCERT team addresses security issues that affect Siemens products and solutions. It is the central point of contact for reports of security gaps in Siemens products. As a key partner of the Siemens business units, the ProductCERT team supports the entire process – from identification to resolution of vulnerabilities – and provides crucial information to customers. Updated Siemens Security Advisories are published on a monthly basis to ensure our level of transparency. With the CSAF format, we are among the leading industrial manufacturers for the automated distribution of vulnerability information.

In addition, our Vilocify Vulnerability Services[4] continually search for information about vulnerabilities in software and hardware components used in Siemens' products and infrastructures. As a final step, product security must be guaranteed by means of verification tests. To this end, we have developed the Siemens Extensible Security Testing Application (SiESTA[5]), which enables the dedicated identification of vulnerabilities in infrastructures, products, and solutions.

3 Computer Emergency Response Team.
4 https://www.siemens.com/global/en/products/services/digital-enterprise-services/industrial-security-services/vilocify-vulnerability-services.html.
5 https://new.siemens.com/global/en/products/services/cybersecurity/siesta.html.

Artificial intelligence in cybersecurity

Artificial intelligence (AI) serves a crucial function in Siemens' cybersecurity endeavors. The Siemens AI-based implementation dynamically identifies security threats by detecting anomalies in our network and systems. This action taken against security breaches helps mitigate potential harm.

AI also boosts the effectiveness of our cybersecurity procedures by automating day-to-day tasks. This automation enables our security teams to concentrate on more intricate and pressing issues.

Despite the advantages, it is important to note that AI can also be used as a tool of cyber attackers by enhancing the complexity of their malicious actions. The attackers might harness AI to automate their attacks, evade conventional security systems, or even simulate human behavior to escape detection.

To be well-prepared for these scenarios, we've established stringent security protocols aimed at ensuring a safe and responsible application of AI. Our approach helps maintain the integrity of our systems and shields us from potential risks.

Through meticulous implementation and ongoing surveillance, we intend to minimize these risks and amplify the benefits of AI.

Data privacy

Management approach

Protection of personal data in the era of digitalization

Siemens believes that protecting the personal data of our stakeholders is our ethical responsibility. As digitalization and new technologies like artificial intelligence advance, data protection becomes increasingly important for our stakeholders and for Siemens' success. That is why processing personal data in compliance with applicable data protection laws, including the General Data Protection Regulation (GDPR), is of utmost importance to Siemens.

Our data privacy governance and policies

Siemens has established a global Data Privacy organization that follows Siemens' business structure with data privacy responsibility residing with each business unit and country. Overall responsibility lies with the Chief Data Privacy Officer who reports directly to the CEO of Siemens AG, on an annual and ad hoc basis. The Chief Data Privacy Officer also issues the internal Siemens Data Privacy Policies. Our Corporate data privacy team manages and oversees regulations, policies, and standards for data privacy in conjunction with Data Privacy Managers in the business units and countries.

Our internal Compliance Policy requires every Siemens employee to collect and process personal data confidentially, only for legitimate and predetermined purposes, and in a transparent manner. This requirement is also reflected in our BCGs, which contain a section on data privacy requiring every employee to comply with the data protection requirements of the laws and regulations within the legal systems where they are operating, as well as with Siemens' policies. In addition, the Siemens Compliance Handbook contains requirements for processing personal data, for documentation, and for reporting incidents.

Transfers of personal data within the Group are covered by binding internal data protection regulations: the Siemens Binding Corporate Rules on Data Protection (BCR). With the BCR, Siemens Group companies around the world have an obligation to process personal data from data subjects in the European Union in accordance with European data protection standards, even when the recipient of the personal data is located outside the European Economic Area (EEA).

Targets

Our DEGREE sustainability framework prioritizes the careful handling of data under "E" for Ethics. Our overarching goal is a zero-tolerance approach to breaches of applicable laws and our own internal guidelines. We are proactively working toward achieving this goal by implementing our data privacy management system.

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Actions and results

Siemens' data privacy management system

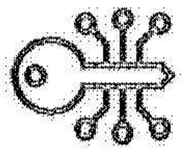
To put our data privacy measures into action throughout the Group, Siemens has made them an integral part of our compliance system. Our data privacy management system was established to ensure that all our business activities comply with data privacy requirements and the applicable laws. The system specifies policies, procedures, and controls required by the GDPR, including data subject rights, a privacy incident process, mandatory trainings, audits, and keeping a record of processing activities.

Transparency and rights of data subjects

Our websites, digital products, and solutions include data privacy policy statements that inform users about processing steps and data subject rights. When we process personal data on behalf of customers, we do so under contractual regulations that govern how the data is handled, including the transfer of customer data to third parties.

We want our people to be committed to data protection and regular training

Siemens' employees receive regular training on how to handle personal data that is tailored to specific functions and target groups. For this purpose, we developed a web-based data protection training program consisting of an "Essentials" level that is mandatory for all employees who process personal data as part of their job and specialized "Nuggets" designed for specific fields and target groups.



Data privacy management system to ensure compliance with data protection requirements in all business processes

Data protection in our products and solutions (privacy by design)

Siemens wants to ensure that its products and solutions can be used in compliance with all relevant data protection rules. At Siemens, privacy by design means that compliance with the law, transparency, informational self-determination, data minimization, and data security are already applied when products and services are developed. Therefore, privacy by design is integrated into our product development processes.

Assessing and fostering our privacy by design processes was a key focus area in fiscal 2023. Privacy by design at Siemens is supported by our Privacy by Design Toolkit, a software solution that helps process owners incorporate data privacy in all the stages of product development. One of the Toolkit modules includes data privacy questions that must be answered before the launch of a planned product or service. The toolkit is intended to integrate data privacy from the very beginning of a product's development. We also rolled out a new privacy by design awareness training program for product developers in a virtual classroom, learn about and discuss data privacy challenges drawn from real business examples. As part of our global audit plan, selected Siemens products were also included in our data privacy audits.

Data protection at our suppliers and partners

Data protection requirements are consistently observed and implemented within the Group and by our external suppliers and partners. Suppliers and partners undergo a preliminary data protection audit and are required by contract to adhere to data protection standards.

Documentation

Siemens documents the purpose, risk, and security standards applied to all the Group's processing activities in a central database: the Register of Processing Activities. This register allows us to evaluate whether data protection law permits a given processing activity and to document compliance with the applicable laws.

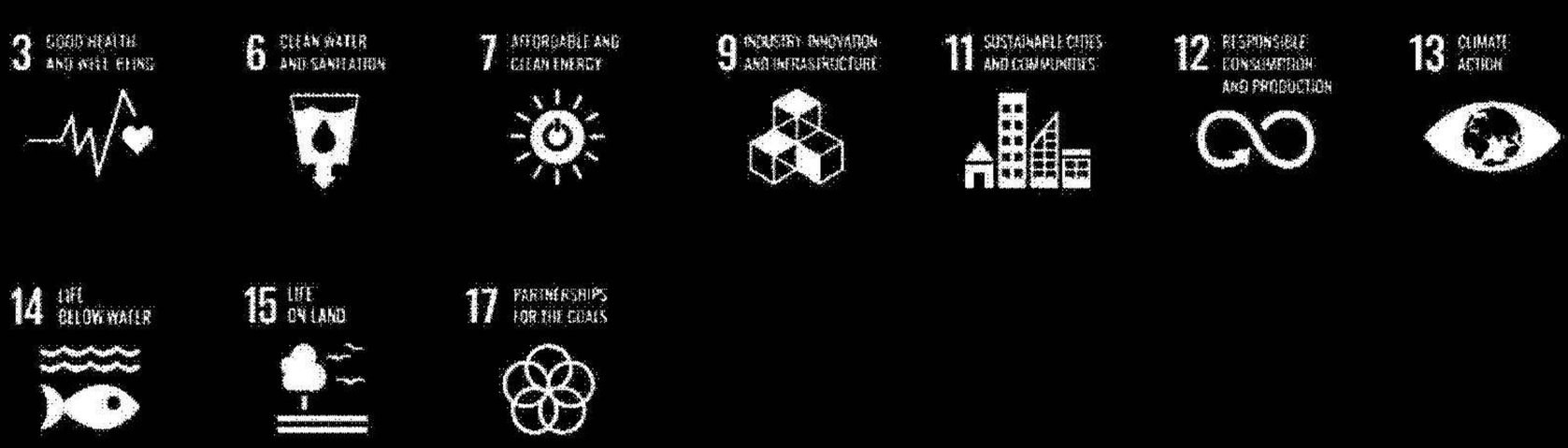
Controls

All data protection requirements and measures at Siemens are subject to regular controls. Siemens conducts risk-based data protection audits of its processing activities, products, and services.

Treatment of data protection violations

In the event of a potential data protection violation, a rapid response is essential to ensuring that the violation is swiftly stopped and corrected. To facilitate this, Siemens has established a global Data Privacy Incident Process that uses central reporting channels and aims to immediately inform all internal and external stakeholders (including the data subjects and regulatory authorities).

Environment
Conservation of nature and resources



support the 1.5 C target to fight global warming

- → Net Zero operations by 2030, with 55% reduction by 2025 and 90% by 2030
- → Net Zero supply chain by 2050, 20% emissions reduction by 2030

Additional highlights

- → Part of the EP100, EV100, and RE100 initiative[2]
- → Portfolio to support customers in climate protection
- → Disclosure of Taxonomy-eligible and Taxonomy-aligned revenues, capital expenditures, and operating expenditures

achieve circularity and dematerialization

- → Robust Eco Design approach to be implemented for 100% of relevant Siemens product families by 2030
- → Natural resource decoupling through increased purchase of secondary materials for metals and resins
- → Circularity through waste-to-landfill reduction of 50% by 2025 and toward zero landfill waste by 2030

Additional highlights

- → Assessment of our biodiversity footprint as foundation for further improvements
- → Improvements to energy efficiency as part of our Eco Efficiency @ Siemens target
- → Implementation of water strategy almost completed

1 [illegible]

2 [illegible] electric vehicles (EV), and [illegible] renewable energy (RE)

Holistic environmental protection

Management approach

Siemens is a global company with locations all over the world and activities across a wide range of markets. With our global reach, we aim to minimize our negative impacts and maximize our positive impacts on the environment: from the production of raw materials for our products and in our supply chain and our own production operations to the use, recycling, and disposal of those products.

The significance of environmental protection is continuously increasing. In a rapidly growing global economy characterized by ongoing urbanization and rising population numbers, Siemens supports a number of global green transformation initiatives. These initiatives include the European Green Deal, which aims to transition to a circular economy, restore biodiversity, reduce pollutant emissions into the environment, reduce net greenhouse gas emissions by at least 55% below 1990 levels by 2030, and achieve climate neutrality by 2050.

As part of the New Circular Economy Action Plan, the European Commission proposed the Ecodesign for Sustainable Products Regulation (ESPR) in March 2022. This regulation aims to address products' most harmful environmental impacts and to transition society from a linear approach to a circular approach to conducting business.

Our governance and policies on environmental protection

The Siemens' Chief People and Sustainability Officer, a member of the Managing Board, works to ensure that we operate in compliance with our environmental guidelines. Our EHS Principles serve as internal binding guidelines for this purpose.

Our internal sustainability network includes environmental officers at our sites and specialists in product-related environmental protection. The Environmental Protection department is developing programs to support Siemens' businesses in their efforts to reduce greenhouse gas (GHG) emissions in our operations and promote resource efficiency. The Sustainability department is responsible for the consolidated Siemens GHG reporting and our Net Zero Operations Program.

With the support of our EHS experts and sustainability officers, the operational managers in our global units oversee the implementation of environmental guidelines and programs.

Siemens has also founded expert panels to ensure that environmental considerations are integral to our decision-making. The Global Board EHS is comprised of subject-matter experts who develop environmental protection measures and programs and provide advice to the Chief People and Sustainability Officer in consultation with the Siemens Sustainability Board.

Siemens' Environmental Council assesses Siemens' environmental risks, opportunities, and trends based on uniform criteria and reports them to the Siemens Enterprise Risk Management. The council is composed of environmental experts from our business units and countries as well as experts in corporate governance, environmental protection, supply chain, sustainability, finance, technology, real estate, and insurance.

Siemens governs all relevant ecological considerations through our Environmental Protection Standards. These policies enable us to oversee and improve environmental management at our sites and to involve our suppliers, service providers, and contracting partners through the Siemens Group Code of Conduct for Suppliers and Third-Party Intermediaries. With these policies and activities, we extend environmental protection beyond our own business operations. Our environmental policies also include a commitment to increasingly mitigate the environmental impact of our products, systems, solutions, and services.

WEBSITE ON ENVIRONMENTAL PROTECTION

Evaluating sustainability aspects is integral to our due diligence guidance. This means considering environmental protection in decisions about corporate mergers and acquisitions.

Our environmental policies require our sites to avoid activities that have negative impacts on local biodiversity, conduct water risk analyses, and implement water protection measures. These factors are particularly important in vulnerable areas. The policies also include mandatory regulations for handling and reducing CO_2e emissions and waste, especially landfill waste.

Lastly, we drive environmental awareness with our Business Conduct Guidelines and Supplier Code of Conduct, which include environmental protection requirements.

↗ SUSTAINABLE SUPPLY CHAIN PRACTICES ↗ COMPLIANCE AND ETHICS

Targets

We strive to go beyond legal requirements by managing the environmental impact of our business activities throughout the value chain. We are also aiming to increase our alignment with economic, ecological, and social requirements. This helps us to increase our customers' competitiveness, while simultaneously supporting the environmental compatibility of our business. In collaboration with our business partners, we plan to steadily reduce the environmental impact of our products, systems, solutions, and services. We do this by creating options for repair, reuse, recycling, and refurbishment and by minimizing our own use or consumption of energy, materials, and supplies – while also minimizing emissions.

Siemens' environmental objectives and ambitions are embedded in our Eco Efficiency @ Siemens environmental program, the DEGREE sustainability framework, and other environmental initiatives. The respective targets are detailed in the Environmental chapters that follow.

Actions and results

Environmental management standards and systems

Our environmental management is based on the ISO 14001 and 50001 standards for energy-intensive business units and on the IEC 62430 norm for the environmentally compatible design of products, systems, solutions, and services.

Our own mandatory standard aims to ensure the implementation of these norms, stating that all Siemens' sites are required to have an environmental management system in accordance with ISO 14001. Sites must also operate in compliance with existing local environmental regulations and our internal environmental guidelines. Internal environmental audits are conducted at least once per year to assess and monitor environmental protection at our sites.

As a result, all of our sites have an environmental management system in place. At least 182 of them, of which 180 have been audited by external auditors, have environmental management systems that are certified according to the ISO 14001 standard. This certification requires, among other things, that all employees whose work has an impact on the environment at these sites be trained in personnel- and location-specific environmental protection topics.

Training on environmental protection

We are continuously working to increase and improve the knowledge and awareness of our employees of environmental protection. To this end, Siemens has implemented mandatory awareness trainings on environmental topics for all employees as it is covered in the Siemens Business Conduct Guidelines.

Our information campaigns on World Environment Day and Earth Overshoot Day aim to raise awareness of environmental protection in a global context. As part of the "Thank You" campaign, we recognize employees who have made exceptional contributions to environmental conservation, and we share their portraits and success stories on our Siemens World internal information platform.

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Our Eco Efficiency @ Siemens program

Our Eco Efficiency @ Siemens program addresses environmental factors specific to our products, systems, solutions, and services and our production. It also defines objectives for improving our environmental management: for example, by encouraging a circular economy and generally dematerializing our business processes.

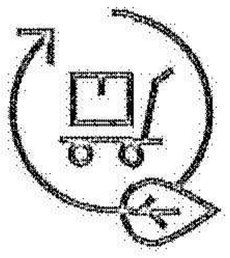
The program has three components. At the center of the Responsible Product Development program component is our Robust Eco Design approach. The program intends to introduce methods and rules for dematerialization along the entire value chain. The second component of the program, a Clean Supply Chain, aims to increase the percentage of secondary materials we use and to reduce regulated substances by 2030. The third component, Efficient Own Operations, aims to reduce environmental impacts at our own sites.

DEGREE, Eco Efficiency @ Siemens, and our environmental initiatives give Siemens a broad range of instruments to guide our objectives in environmental protection

Green Deal

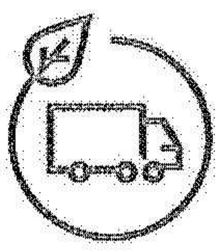
We continue to pursue the Green Deals @ Siemens project with the goal of evaluating the European Union's Green Deal policy and similar developments around the world and implementing the associated requirements. Specialized project groups are working to ensure that the legal requirements are implemented efficiently.

Eco Efficiency @ Siemens



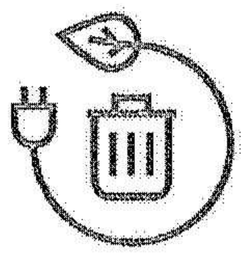
Responsible Product Development

Products and solutions are at the core of our business. Evaluating our portfolio and applying an Ecodesign approach to relevant product families supports us in selling eco-efficient products and solutions.



Clean Supply Chain

A clean supply chain is central to the journey of decoupling natural resource use. That is why we will increasingly source secondary materials and take action to replace regulated substances according to IEC 62474.



Efficient Own Operations

At the heart of our environmental approach is our ability to efficiently manage our production sites and offices – especially by enhancing waste management practices and using clean energy.

4.1

Climate action

- **Our pledge: We are making a contribution to limiting global warming to 1.5°C**
- **Our targets: To reduce emissions from business operations at Siemens without SHS by 55% by 2025 and by 90% by 2030**
- **Net Zero operations by 2030 and in our supply chain by 2050**
- **Our path: Continuous reduction of emissions from business operations, collaboration with suppliers, and a portfolio that helps our customers protect the environment**

Management approach

At Siemens, we recognize the urgency of climate protection. It is our top priority to contribute to the objectives set out in the Paris Agreement, which includes the goal of limiting global warming to 1.5°C above preindustrial levels. As a global technology company, we acknowledge that our activities along the value chain – including procurement, product design, production, and the use of our products and services – generate greenhouse gas (GHG) emissions (hereafter CO_2e emissions). This is contributing to a global temperature increase and other irreversible changes to our planet and ecosystems.

The Siemens portfolio is simultaneously supporting the transition to a low-carbon economy. We are doing this by focusing on automation and digitalization, smart infrastructure for buildings with decentralized energy systems and charging solutions, and intelligent transportation solutions. For instance, our energy-efficient products and solutions can support the transition from fossil fuels to renewable energy sources, and our electrification solutions enable renewable grid integration and the electrification of heat and hydrogen. This also creates more business opportunities for Siemens.

With global temperatures rising, we are committed to help mitigate climate change. At the same time, Siemens is assessing climate-related risks and opportunities and potential measures for adapting to climate change in order to ensure business continuity and functioning supply chains.

Our climate-protection governance and policies

Climate-related issues are managed as part of our environmental protection management. ↗ HOLISTIC ENVIRONMENTAL PROTECTION

For climate protection, the Environmental Protection department supports our businesses in their efforts to reduce CO_2e emissions in their operations. The Supply Chain Management department helps our business units promote decarbonization in the supply chain at our suppliers and through our material purchases. Our business units are responsible for reducing their respective emissions. The Sustainability department is responsible for the consolidated Siemens GHG reporting and our Net Zero Operations Program and defines the necessary management and GHG reporting approaches.

For our approach to and governance for managing climate-related risks and opportunities, please see our reporting on ↗ TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD).

We have pledged to aim to make an important contribution to the decarbonization of the global economy. We aim to reach this goal with the assistance of an appropriate governance structure, including strategy and risk management, and by acting in accordance with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD). Our commitment to the initiatives RE100 (COMPLETE CONVERSION TO RENEWABLE ELECTRICITY), EV100 (CONVERSION OF THE VEHICLE FLEET TO ELECTRIC VEHICLES), and EP100 (NET ZERO EMISSION BUILDINGS) further supports us in our efforts to achieve our decarbonization targets.

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Targets

Our commitment to climate protection is also reflected in the field of action Decarbonization in our DEGREE sustainability framework.

Our 1.5°C Science-Based Target

By joining the Science-Based Targets initiative (SBTi), Siemens has pledged to reduce emissions from its own operations (Scope 1 and 2) by 50% and its value chain (Scope 3) by 15% by 2030 compared to 2019. Our commitment to the SBTi is aimed at aligning our business activities with the 1.5°C decarbonization pathway under the terms of recognized climate models to ensure that our greenhouse gas emissions will be consistent with the Paris Climate Agreement's 1.5°C target.

Decarbonization targets for our own operations

Our Net Zero 2030 pledge

We have expanded our ambitions beyond the scope of our validated Science-Based Target and shortened our timeline for decarbonization: As part of our DEGREE sustainability framework (without Siemens Healthineers), we set a goal for all Siemens production facilities and buildings worldwide and our vehicle fleet to achieve a Net Zero[1] carbon footprint by 2030. In effect, this means reducing CO_2e Scope 1 and 2 emissions in Siemens' business operations for Siemens without Siemens Healthineers (SHS) by 90% by 2030, compared to 2019. To achieve this target, Siemens has pledged to invest an additional €650 million in its own decarbonization efforts by 2030. Any residual emissions will then be balanced with high-quality carbon offsets that meet established standards.

To drive additional transparency on our journey to 2030, we set an ambitious interim reduction target for our business operations at Siemens without SHS of 55% by 2025 compared to 2019.

By joining the RE100 initiative in 2021, we reinforced our commitment to a transition to 100% renewable energy by 2030 at the latest. As part of our commitment to EV100, we are striving to completely convert our motor vehicle fleet to electric vehicles by 2030. Our EP100 pledge strengthens our commitment to only own or lease buildings that have no net CO_2e emissions by 2030.

1 Siemens defines Net Zero as reducing CO_2e emissions by 90% and compensating any residual emissions in the Net Zero target year and any CO_2e emissions thereafter with high-quality carbon offsets.

D Decarbonization

Progress on DEGREE ambition #1: Net Zero operations by 2030, with 55% emissions reduction by 2025 and 90% by 2030

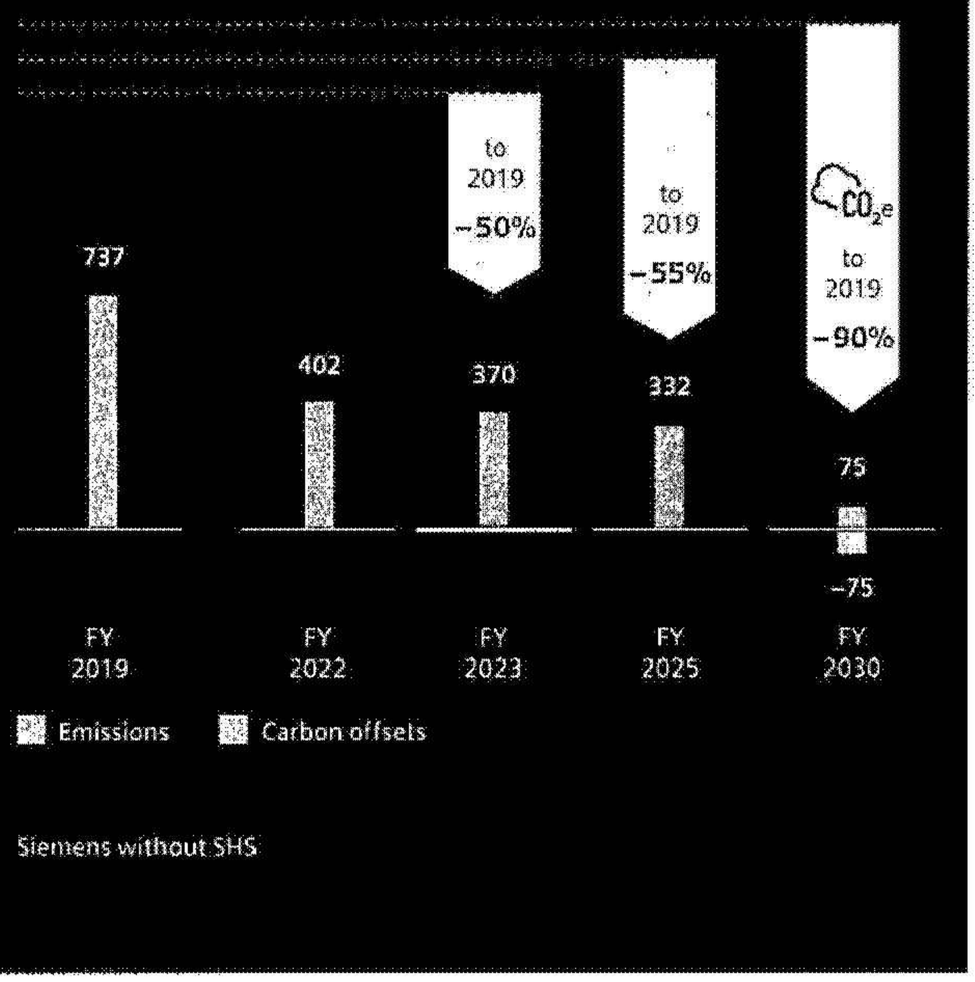
Compared to fiscal 2022, we reduced our Scope 1 and Scope 2 emissions in 2023 by 32 thousand metric tons of CO_2e or 8%. We reduced our Scope 1 and Scope 2 emissions by a total of 50% since fiscal 2019. This reduction is primarily due to the rigorous implementation of a number of measures and initiatives, which are briefly described below.

RE100: 80% renewable electricity for Siemens
EV100: 11% electric vehicles at Siemens
EP100: There are currently 33 Siemens sites with no net CO_2e emissions during regular operations

Progress

FY 19: **737 kt CO_2e** **–50%** –55% by 2025 –90% by 2030

Emissions reduction as part of the Net Zero 2030 program
(in 1,000 metric tons of CO_2e for Siemens without SHS)



Siemens without SHS

Decarbonization targets for our upstream and downstream value chain

Regarding Scope 3 emissions, we are focused in particular on reducing emissions in our supply chain and in the use phase of our products.

Therefore, we set the target for Siemens without SHS to *reduce the CO_2e emissions generated in our supply chain* by 20% by 2030 compared to 2020, and over the long term to achieve Net Zero emissions in the supply chain by 2050. This ambition is also part of our DEGREE sustainability framework. More details on our decarbonization targets for the supply chain and DEGREE KPI can be found in ↗ SUSTAINABLE SUPPLY CHAIN PRACTICES.

As part of our Science-Based Targets, we pledged to reduce our entire Scope 3 emissions, upstream and downstream, by 15% by 2030 compared to 2019. This target also includes the use phase of our products (Scope 3.11 Use of sold products).

Decarbonization targets in management compensation

As a key element of our management approach, the reduction of CO_2e emissions in our operations is embedded in the *Long-term Incentive (LTI) compensation component for the* Siemens senior management (without SHS). Management compensation incorporates long-term performance incentives based on ESG criteria and is defined under Governance in our DEGREE sustainability framework. The assessment is based on the internal ESG/Sustainability index, which includes, among other goals, the reduction of CO_2e emissions.[2] ↗ SUSTAINABILITY GOVERNANCE AND ORGANIZATION

Actions and results

Transparency on greenhouse gas emissions

We report our greenhouse gas emissions based on the Greenhouse Gas (GHG) Protocol corporate standard. Direct greenhouse gas emissions from our own operations (Scope 1) and indirect emissions from purchased electricity and district heating (Scope 2) are calculated for all sites. We also report *our emissions in our upstream and downstream value chain* (Scope 3), including emissions originating in our supply chains and the use of our products.

2 Assessment based on the Siemens internal ESG/sustainability index, which is based on customer satisfaction (Net Promoter Score), CO_2 reduction, and digital learning hours.

Greenhouse gas emissions[1]

	Fiscal year	
(In 1,000 metric tons of CO_2 equivalents)	**2023**	2022
Scope 1	**387**	393
Scope 2[2]	**163**	189
Sum Scopes 1 and 2	**550**	582
Scope 3		
Purchases goods & services	**9,276**	9,557
Capital goods	**416**	458
Fuel and energy-related activities	**111**	137
Waste in operations	**29**	25
Transportation upstream	**884**	1,118
Business travel	**227**	122
Employee commuting[3]	**105**	98
Sum of Scope 3 upstream	**11,048**	11,515
Use of sold products	**469,180**	442,175
Investments	**2,960**	3,915
Sum of Scope 3 downstream	**472,140**	446,090
Total Scope 3	**483,188**	457,606

1 Siemens including SHS.
2 We calculate our emissions from electricity consumption on the basis of the CO_2 emission factors of local sites according to the market-based approach.
3 Not part of supply chain emissions reduction.

The actions we take within our business processes along with focused actions in our supply chain and expanded value chain are key to achieving our targets.

Using renewable energy

Even before Siemens joined the RE100 initiative, we worked continuously to increase the share of electricity we obtain from renewable sources. Our goal is to use 100% renewable electricity by 2030. In fiscal 2023, more than 79% of the electricity we purchased consisted of electricity from renewable sources. As a result, we reduced emissions by a total of 454 thousand metric tons of CO_2e per year compared to the average electricity mix. A complete conversion to renewable electricity is not possible yet due to regulatory restrictions in some countries. Through our membership in RE100, we are working toward the amendment of these regulations to make complete conversion a reality. In purchasing renewable

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electricity, we follow the purchasing guidelines of the WWF's Next Generation Green Electricity initiative.

Siemens has also entered power purchasing agreements (PPA) to support our supply with renewable electricity. For instance, in Kalwa, India, we joined a joint venture that produces renewable electricity using photovoltaic systems. Another PPA with Enovos Energie Deutschland in Germany's South Eifel region will consist of a total of 11 photovoltaic systems (currently under construction) with a total capacity of about 200 GWh a year. Südeifel GmbH & Co KG is responsible for the planning, construction, and operation of the systems and for marketing the renewable electricity. Siemens will purchase 39.1 GWh of electricity per year beginning in January of 2024.

The use of biogas is another component of our decarbonization strategy. This has reduced our annual emissions by 13 thousand metric tons of CO_2e compared to the use of conventional natural gas.

In the U.S. we've conducted pilot purchases of over 3.6 million liters of sustainable aviation fuel.

Reducing motor fleet emissions

We are working to reduce the emissions from our motor vehicle fleet, which comprises around 44,000 vehicles, and are striving to electrify it completely by 2030 as part of our EV100 commitment. In fiscal 2023, these emissions totaled about 210 thousand metric tons of CO_2e.

We increased the number of electric vehicles to around 4,100 and charging points to around 2,750 in fiscal 2023.

In the UK, we have already made a lot of progress in creating an exclusively electric vehicle fleet. As a result, 23% of the company fleet is now all-electric, and electric vehicles accounted for 44% of all new car orders at the end of fiscal 2023.

In Germany, our commitment to electrification has seen progress. Of our fleet, over 1,700 vehicles are battery electric vehicles (BEVs). In fiscal 2023, BEVs comprised 37% of all our vehicle orders – a significant increase from the past averages. Initiatives to accelerate electrification, combined with the rollout of special-edition electric models, have led to an additional boost, with BEVs comprising 69% of all new orders from May to the end of September of 2023.

Reducing building emissions

Regarding building emissions, we are committed to only owning and occupying assets that are net zero carbon in operation by the year 2030 as part of our EP100 pledge. We plan to achieve this goal through various measures, including building new CO_2-neutral buildings, modernizing existing buildings, and leasing office space that produces the lowest possible emissions. Once we have exhausted all possible measures, we plan to purchase high-quality carbon offsets to compensate for the remaining emissions. Today 37 of our locations have no net CO_2e emissions during regular operation.

We issued a guideline that defines the criteria for the CO_2-neutral operation of new buildings and sets maximum permissible emissions in the supply chain and in construction activities. In fiscal 2023, we launched our new SRE[3] Green Lease Guideline to improve the ESG performance of all new leases. Following the guideline, the renovation and expansion of our Texas facility is planned to reduce 90% of emissions. In California, a relocation led to using 58% less space and reducing CO_2e emissions by 68 metric tons.

With our New-Normal Working Model, emissions from the use of our buildings and commuting will be reduced, while emissions from working from home increase. In total, we calculated emissions from category 3.7, Employee Commuting, at 105 thousand metric tons of CO_2e, while emissions created by working from home amounted to 24 thousand metric tons of CO_2e, largely due to using IT equipment. For more details, see ↗ WORKING AT SIEMENS.

Using an internal CO_2e price

In the UK and Brazil, we are currently using an internal CO_2e price to manage our decarbonization activities. In the UK, we raised the price per ton of CO_2e in fiscal 2023 to GBP50 from GBP40 to create a clear pathway to increasing CO_2e costs. A major portion of the proceeds is being used to expand the charging infrastructure for electric vehicles at our new office location in Farnborough, UK. In Brazil, a so-called shadow price of US$240 per ton of CO_2e was established to support energy efficiency in buildings and factories and, for example, to support electrification of the motor vehicle fleet.

3 Siemens Real Estate.

Upstream emissions

Our upstream emissions total roughly 11 million metric tons of CO_2e and are therefore considerably higher than the emissions from our own business operations. This is because our supply chain operations are typically more energy-intensive than our own operations – primarily because our supply chain processes raw materials.

A detailed description of our efforts to reduce CO_2e emissions in our supply chain is available in ↗ **SUSTAINABLE SUPPLY CHAIN PRACTICES.**

CO_2e emissions in the use phase of our products

During the use phase of our products, the main source of CO_2e emissions is electricity consumption. This means that the key strategies for reducing emissions during the product use phase aim at increasing energy efficiency and promoting automation and digitalization.

Our strategic focus on energy efficiency, automation, and digitalization in industry, electrification, buildings, and transportation allows us to offer our customers products that are highly efficient, high-quality, and long-lasting. Our efficient electric motors are also an important factor in use-phase emissions.

Emissions produced in the use phase of our products will continuously decrease over time due to new product generations and to the ongoing transition to renewable energies in our users' markets.

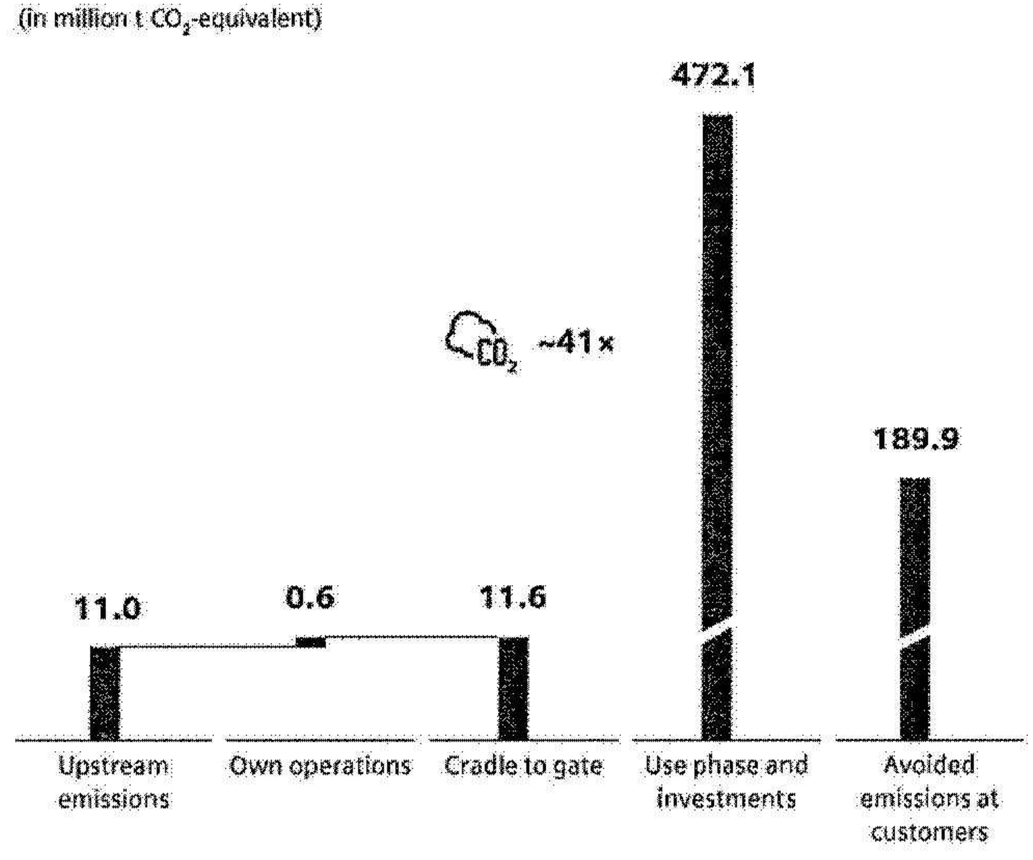
The use of our products sold in fiscal 2023 will generate 469 million metric tons of CO_2e over the entire expected product use phase (Scope 3.11 Use of sold products). We are using a constant emission factor over the anticipated product use phase. Our scope 3 emissions increased due to an expansion of the reported portfolio as well as increased sales volumes. We use the final product calculation method. If we applied the intermediate approach instead, emissions from the use of our products sold in fiscal 2023 would be considerably lower. These emissions are primarily created by the electricity used and the product's lifespan.

Our Blue GIS portfolio is a prime example of our efforts to reduce emissions. The portfolio combines the advantages of gas-insulated switchgear with climate-friendly technologies. Using a fluorine-gas-free, non-toxic insulating gas reduces the CO_2e emissions of medium-voltage switchgear throughout their entire lifespan.

Our contribution to climate protection for our customers (customer avoided emissions)

To make our portfolio's contribution to decarbonization more transparent, we report the amount of CO_2e emissions that our products and solutions avoid compared to reference solutions. Customer avoided emissions represent the difference between the CO_2e emissions of a Siemens offering and the CO_2e emissions of a baseline or reference scenario.

Emissions from the value chain and avoided CO_2e emissions at customers
(in million t CO_2-equivalent)



Customer avoided CO_2e emissions are widely reported in the market; however, there is currently no universally accepted standard for their calculation. Therefore, approaches and results are often not comparable due to different definitions and product portfolios. Siemens is actively involved in a number of working groups and associations that are working to support the standardization of calculations and reporting of customer-related CO_2e emissions; for example, we are involved with the WBCSD and the EU Green Digital Coalition.

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At Siemens we have developed our own method that meets our standards for high-quality and transparent metrics. We calculate the avoided emissions for all products and services sold and investments made by Siemens in each fiscal year over the course of their entire use phase at our customers. This approach aligns with the accounting principles defined for calculating Scope 3 emissions (Scope 3.11 Use of sold products) in the GHG Protocol. For a detailed description of our methodology for calculating customer avoided emissions, please see ↗ REPORTING PRINCIPLES FOR CUSTOMER AVOIDED EMISSIONS.

In fiscal 2023, we helped our customers avoid 190 million metric tons of CO_2e emissions. The Siemens technologies that make the largest contribution to the avoidance of CO_2e emissions at our customers are frequency converters, rail-bound passenger and freight transportation, and building systems.

Avoided emissions at our customers

	Fiscal Year	
(in million t CO_2-equivalent)	**2023**	2022
Siemens	**190**	153

When applied alone, this metric does not reflect all of our portfolio's positive impacts on our partners and customers. Software, electrification, and automation technology and other "enabling technologies" play a crucial role in achieving global environmental goals by providing systems that support the transition to a low-carbon economy. For example, solutions from Smart Infrastructure can facilitate the transformation to an electrification of the global energy system. Even though they do not show a direct decarbonization impact on the product level, the electrification and automation products sold by Smart Infrastructure in fiscal 2023 contributed to the decarbonization of power generation systems by avoiding 4.6 million metric tons of CO_2e emissions. The description of our methodology for calculating these "enabling" customer avoided emissions can be found in our ↗ REPORTING PRINCIPLES FOR CUSTOMER AVOIDED EMISSIONS. However, because there is no recognized market standard for a calculation methodology to quantify these enabling or indirect decarbonization impacts, we refrain from including the avoided emissions from enabling technologies in our overall customer avoided emissions total of 190 million metric tons of CO_2e emissions.

Investment-related emissions

The financing solutions provided by Siemens Financial Services (SFS) fund infrastructure projects and technologies that make a contribution to decarbonization. Specifically, SFS provides equity and debt financing solutions to support projects with a total installed capacity of 27,500 MW of wind energy, 14,900 MW of solar energy, and 2,400 MW of other renewable energy production technologies (including battery storage) worldwide. In fiscal 2023, SFS Equity Finance also invested in carbon removal companies to support innovative solutions and technologies that actively remove CO_2e from the atmosphere.

Where SFS agreed to finance fossil power generation projects in fiscal 2023, its financial contributions corresponded to about 3 million metric tons of CO_2e over the expected duration of the financing of these projects (Scope 3.15 investments).

Carbon offsets

Our internal offsetting policy has established binding guidelines for procuring carbon offsets. This policy aims to ensure consistency and quality in offset programs. The carbon offsets derived from projects for removing or avoiding CO_2e emissions must meet minimum quality criteria, including external certification, selection based on the Oxford Offsetting Principles, and internal quality controls. Despite our high standard for all offsetting, physically reducing emissions remains Siemens' top priority. We also do not deduct carbon offsets from our CO_2e footprint in order to maintain transparency regarding our emissions.

Shaping the climate debate and policy

Siemens is part of a number of platforms and initiatives that allow us to participate in the debate on climate-related issues. For example, as part of the UN Global Compact Peer-Learning Group, we are sharing knowledge and lessons learned on various climate-related topics with other companies.

Beyond our various measures and activities, Siemens also participates in committees and associations where it advocates for more changes in climate policy frameworks in order to support the following activities:

- → Accelerating decarbonization in all sectors through efficient energy use and electrification and by increasing the share of energy from renewable sources
- → Redesigning energy markets to ensure that adequate investments are made in sustainable, secure, and efficient energy systems
- → Driving the development of local energy production from renewable sources, local energy markets, and sector coupling
- → Accelerating the digitalization of the energy system to enable the integration of renewable energies, continuous grid optimization, and the integration of prosumers, while guaranteeing grid stability
- → Implementing a CO_2e price that enables actual emissions-related costs to be integrated into business decision-making. The price should be high enough to trigger a shift to low-carbon technologies in line with the pledges made in the Paris Agreement (COP 21).

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4.2

Conserving resources

- **Assessment of our biodiversity footprint as foundation for further improvements**
- **Accomplished energy reduction as part of our energy efficiency ambition**
- **Implementation of water strategy almost completed**

Management approach

As a company producing a diverse array of products, systems, solutions, and services, and with office locations around the world, we strive to reduce the environmental impacts of our sites through the limited use of resources.

Energy is an important resource in production, and its usage reduction is a key strategy for decarbonization. While we aim to obtain all our electricity from renewable sources, we recognize that even the generation of renewable electricity, for example, through wind turbines or photovoltaics, can have negative impacts on the environment because these systems must be manufactured, they change the local landscape when in operation, and they must be disposed of at the end of their lifecycle.

The emission of air pollutants like volatile organic compounds (VOCs) and ozone-depleting substances (ODSs) can lead to ground-level ozone and have adverse health effects, and some are potent greenhouse gases.

While many types of waste can be recycled or reprocessed in a functioning circular economy, the production of landfill waste contributes to land use and greenhouse gas emissions, and it influences local biodiversity and can cause health problems for people and ecosystems. By fostering recycling, Siemens can also reduce potential impacts in the downstream value chain like marine plastics pollution and in the upstream value chain from sourcing primary raw materials.

Water use in water-stressed areas can exacerbate water scarcity, degrade water quality, and harm aquatic habitats and biodiversity.

Lastly, biodiversity loss is comparable to the threat of climate change, because it can disrupt the functioning of ecosystems, creating far-reaching impacts on people's health and livelihoods.

Our governance and policies for conserving resources

To mitigate these impacts, we made the responsible use of limited resources an integral part of environmental protection at Siemens. Information on our holistic environmental protection governance and policies can be found in ↗ HOLISTIC ENVIRONMENTAL PROTECTION.

Targets

Our commitment to conserving resources is also reflected in the field of action Resource efficiency in our DEGREE sustainability framework.

The component Efficient Own Operations of our Eco Efficiency @ Siemens program aims to reduce the environmental impact of our sites through dematerialization and circular economy principles. We focus on improving our energy efficiency and reducing the environmental impact of the waste we generate. When it comes to environmentally responsible energy use, we focus on reducing emissions from power generation in addition to minimizing energy consumption itself. As part of our commitment, we aim to improve our overall energy efficiency by 10% by 2030 compared to 2021.[1]

Building on the success of previous reduction initiatives, our target is to achieve a 50% reduction in landfill waste by 2025 compared to fiscal 2021 as we progress toward zero landfill waste by 2030. Additionally, we want to continuously increase our material recycling rate by 2030.[1]

1 Siemens without SHS.

In addition to our Eco Efficiency @ Siemens program, we actively pursue resource conservation through other initiatives. We have implemented initiatives to manage our environmental impact in areas like water, air pollutants, and biodiversity. Currently, we have specific targets for water and air pollutants at some of our sites.

The global goals of the Eco Efficiency @ Siemens program are converted into local targets and measures implemented by our sites' environmental and energy management systems.

Resource efficiency

Landfill waste is the type of waste with the greatest environmental impact. That's why we want to reduce both our hazardous and our non-hazardous landfill waste by 50% by fiscal 2025 compared to fiscal 2021 and have included these ambitions in our DEGREE sustainability framework as well as the Eco Efficiency @ Siemens program. With the aid of worldwide workshops, we have developed and implemented measures to improve our waste management. Compared to the base year 2021, we reduced our landfill waste by 15%.

Progress

FY 21: by 2025
by 2030

Actions and results

Energy management and energy efficiency

For energy-intensive units, we adhere to the ISO 50001 standard, which aims to ensure the effective management of energy consumption in our operations. Currently, 45 Siemens sites have implemented energy management systems compliant with ISO 50001. This also requires our sites to conduct regular internal and external energy and carbon audits.

To calculate energy efficiency, we analyze our energy consumption in relation to sales development. Due to reduced energy usage by 9.1% and a growth in sales, we increased our energy efficiency by 39%[1] in fiscal 2023 compared to fiscal 2021.

39%[1]

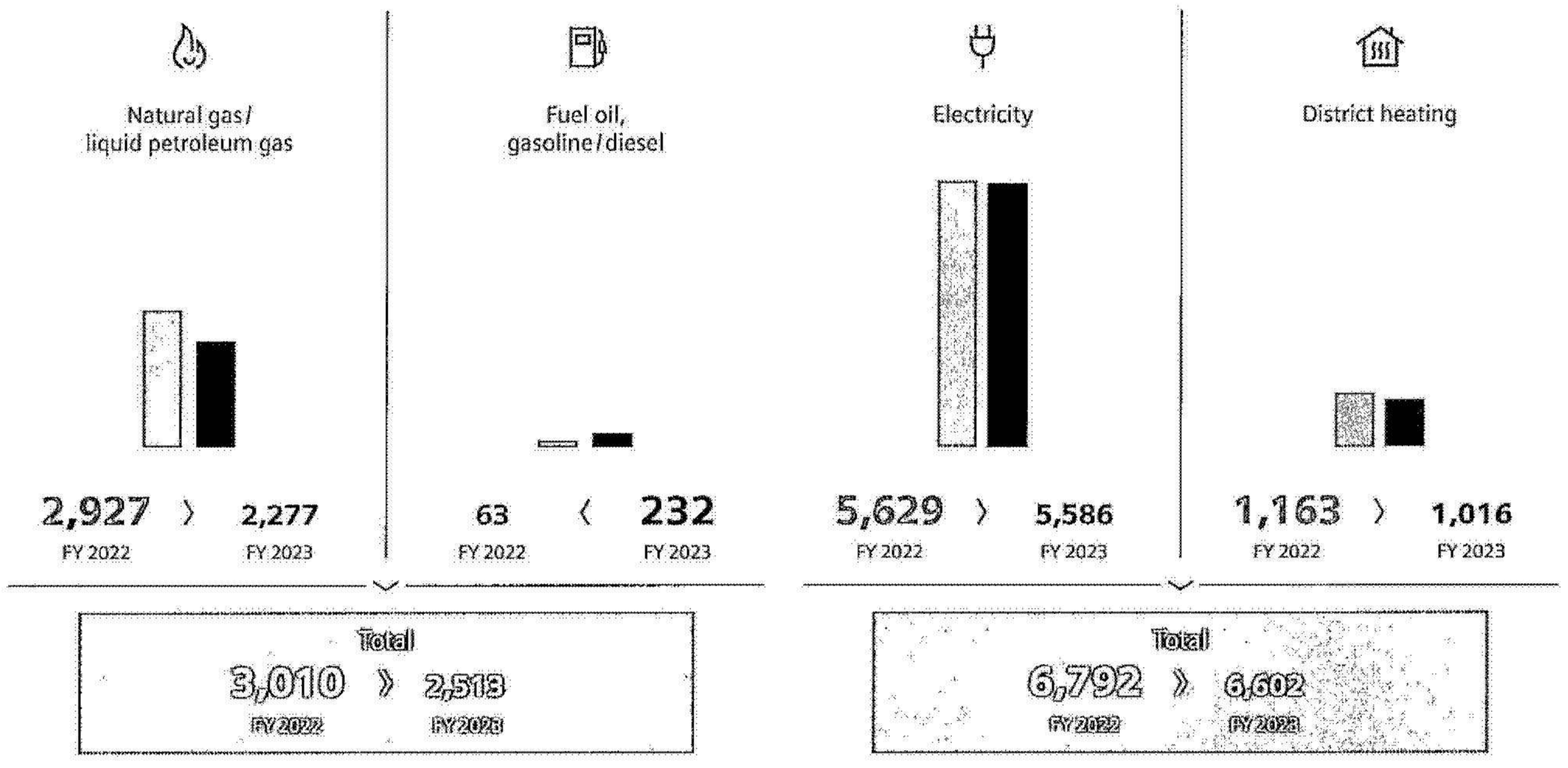
improvement of efficiency in primary & secondary energy use compared to 2021

When looking at Siemens' total energy consumption, we differentiate between primary and secondary energy. Our primary energy consumption declined 16.5% in fiscal 2023. Our consumption of natural gas and liquid petroleum gas declined 22.2% compared to the previous fiscal year. With continuing gas shortages, this was a special focus for Siemens in fiscal 2023. To determine energy consumption by our company vehicles, we calculated the consumption of all cars used by employees and for services and our trucks. In fiscal 2023, the company fleet consumed about 2,894 thousand gigajoules of fuel, which is a 1% decrease from the previous fiscal year.

Secondary energy consumption means the purchase of electricity and district heating at our sites worldwide. Overall, the consumption of secondary energy decreased by 2.8% compared to the previous year. Our electricity consumption now stands at 5,586 thousand gigajoules.

1 Siemens without SHS.

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Emission of air pollutants

We take a comprehensive approach to air pollution by analyzing local emissions at our various office and production facilities around the world. We also pay close attention to emissions from volatile organic compounds (VOC), pollutants from combustion processes, and where they are still present, ozone-depleting substances (ODS) at our environmentally relevant sites. Based on our internal environmental standards, these principles and procedures are implemented on a mandatory basis.

The mandatory environmental management system for our sites includes the requirement to establish targets and measures for reducing air pollutants, and where applicable, to address and mitigate their impact.

Our Environmental Protection Standards include a commitment to phase out ODSs. In fiscal 2023, we held VOC and ODS training workshops to increase awareness of the harmful effects of air pollutants, improve the data quality at sites, and provide recommendations for the reduction and phase-out of VOCs and ODSs.

Atmospheric pollutant emissions

	Fiscal year	
(in metric tons)	**2023**	2022
Volatile organic compounds	**250**	274
Ozone-depleting substances of R11 equivalent[1]	**0.044**	0.036

1 The R11 equivalent is a measure of ozone depletion potential

We reduced our VOC emissions by another 9% from the previous year to 250 metric tons in fiscal 2023. Total ODS emissions increased slightly, amounting to 0.044 metric tons in fiscal 2023.

We determined the quantity of nitrogen oxides in our relevant thermal processes with the aid of computational procedures, assuming typical combustion conditions. For fiscal 2023, this yielded a figure of 53 metric tons for our environmentally relevant sites compared to 58 metric tons the year before. This figure includes nitrogen oxides that are released by burning the fuels listed under primary energy.

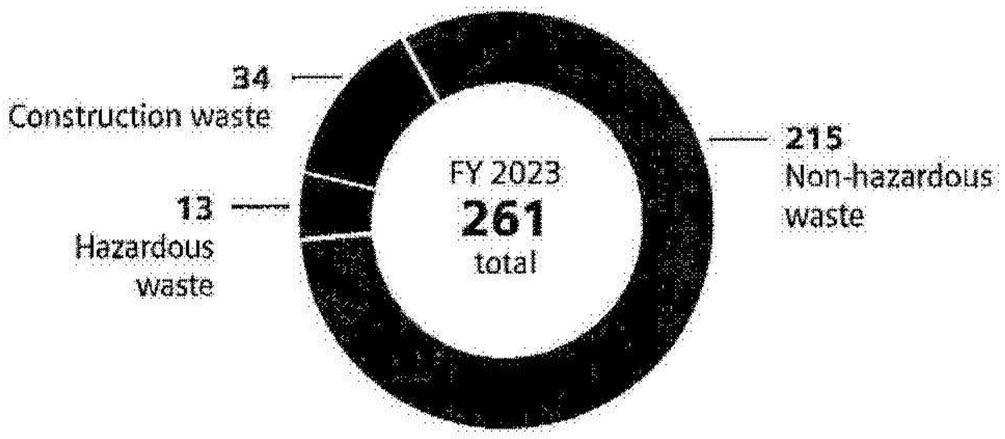
Efficient waste management

The environmental relevance of waste depends on the type of waste and the method used for its disposal. To reduce hazardous waste, we work on increasing our material recycling rate and reducing our landfill waste. To enhance material efficiency in our production processes, we implement practices like regrinding sprue parts at plastic molding sites.

To support resource efficiency in production, our sites track waste data using a standard process that undergoes regular audits that aim to ensure accuracy and compliance. In addition, we distinguish between hazardous and non-hazardous waste. The treatment of hazardous and non-hazardous waste is further subdivided into material recycling, thermal recovery, thermal disposal, and landfill. Waste flows from construction or demolition work are reported separately, because these waste categories are created independent of production. We then go beyond the monitoring of our own activities to analyze the waste generated throughout our upstream supply chain.

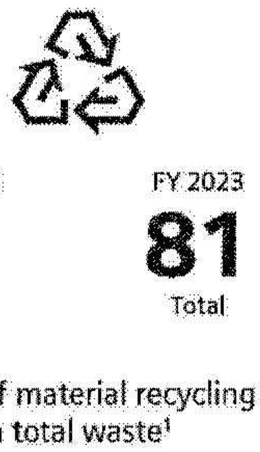
The volume of non-hazardous waste generated by Siemens' own operations declined by 4% compared to the previous fiscal year, whereas the volume of hazardous waste decreased in the same period by 8%. Construction waste increased by 88% in fiscal 2023, mainly driven by the construction site at our Campus in Erlangen. Compared to fiscal 2022, the total waste volume increased by 2% in fiscal 2023.

Waste
(in 1,000 metric tons)



In fiscal 2023, the share of material recycling in our total waste stream (excluding construction waste) remained at 81%.

Material Recycling
(in %)



1 Excluding construction waste.

Water use and risk analysis

Water is one of humanity's most important resources. For this reason, Siemens has been analyzing water scarcity, water pollution, local fire risks, climate change, and flooding and precipitation patterns at our sites for several years. We consider these analyses in our business decisions: for example, when we select the location for a new site or implement precautionary measures.

We establish water targets at multiple sites to account for the specific local environment and to drive effective mitigation measures. At the corporate level, we have implemented a defined water strategy, and have conducted risk assessments to shape local water targets.

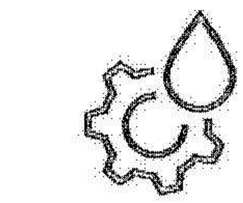
Our individual sites then implement their own water initiatives in alignment with these targets. For instance, by greening the roofs of our Siemens Campus in Erlangen, we return rainwater back into the natural water cycle through evaporation, rather than disposing of it in the sewer system.

The aim of our water strategy is to minimize the adverse local effects of our water consumption and use. In fiscal 2022, we expanded the analysis of our water-related risks to include our supply chain. Based on this analysis, we derived further measures for sustainable water use. Siemens India as an example achieved sustainable water management by driving various measures, including utilizing water-efficient

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appliances, installing rainwater harvesting systems at four major factory locations, and building water reclamation facilities (zero liquid discharge facilities). These measures enable us to reduce fresh water consumption by, among other things, utilizing treated water for landscaping and toilet flushing.

Our water risk analysis begins with an assessment of our environmentally relevant sites using the Aqueduct Water Risk Atlas from the World Resources Institute (WRI). With the aid of an internal analytical tool, Siemens assesses local-level risks resulting from our sites' activities, and then assesses them in relation to regional water risks. Sites with a high-risk assessment need to define targets to reduce the level of risk. In fiscal 2023, 96% of our sites implemented this water strategy.



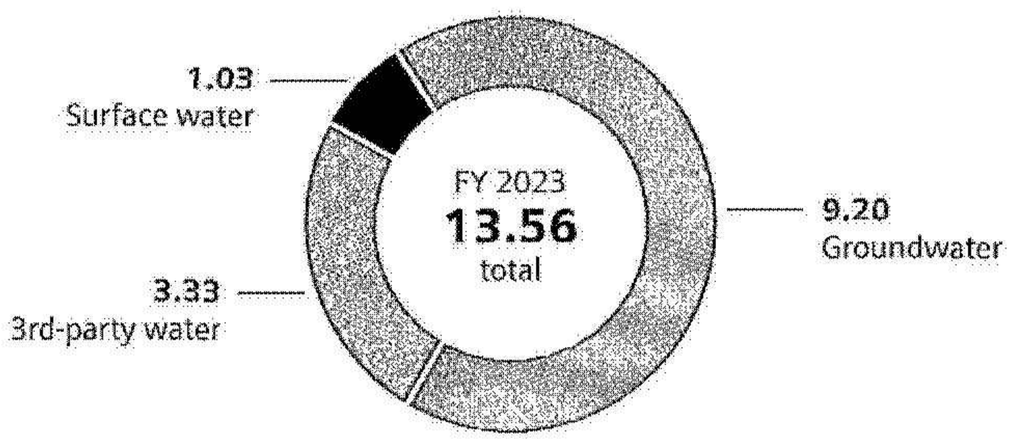
96%
of our sites have implemented a water strategy

Our water strategy provides foundational support to our compliance with the Do No Significant Harm (DNSH) criteria for sustainable use and protection of water and marine resources in the EU Taxonomy.

In fiscal 2023, our total water withdrawal was 14.26 million m³. The largest share of our water use is for cooling processes. These processes leave the water's chemical quality largely unchanged, so that the water can be returned directly to the receiving water body or groundwater. In fiscal 2023, our water discharge was 13.56 million m³.

Water consumption is a water substream with a major environmental impact, because the water is no longer available for the ecosystem's use. Siemens' water consumption is mostly linked to evaporation and is comparably small, with just 0.51 million m³ of total water consumption. Of this amount, 0.07 million m³ are accounted for by water consumption in water stress areas.

Water discharge
(in million m³)



Initiatives for greater biodiversity

The aim of Siemens' environmental management system is to work to preserve a diverse natural environment. Biodiversity and conservation are defined in our environmental policies as environmental aspects at the company level that need to be assessed locally. The objective is to ensure that the business activities at our factories and offices do not reduce species diversity beyond an unavoidable minimum. This approach is part of our location planning, which also includes initiatives to foster biodiversity by creating habitats that provide both shelter and food. Examples range from planting native vegetation, creating homes for insects, birds, mammals, reptiles, and amphibians to taking inventories of the local biodiversity at our sites. Two locations in Germany are using sheep as "lawn-mowers" to reduce our impact on flora and fauna by maintaining green spaces. Siemens employees are actively engaged in protecting and increasing biodiversity at their locations: for example, by volunteering for tree-planting campaigns and participating in cleanup events.

For our Siemens Campus in Erlangen, we have developed a comprehensive biodiversity concept that enables us to preserve existing trees, plant native fruit trees, and create suitable nesting habitats for many species, among other initiatives.

To further develop our approach to biodiversity, we have entered a strategic partnership with The Biodiversity Consultancy to help Siemens scientifically assess our biodiversity footprint. This assessment was conducted in fiscal 2023 and covered the biodiversity impacts of our own operations and those of our upstream value chain: for instance, impacts of the raw materials we purchase. The assessment and the transparency we acquired on our biodiversity footprint are an important step toward developing our biodiversity strategy.

Incidents relevant to the environment and fines

Siemens uses a worldwide reporting system to document environmental incidents. In fiscal 2023, we recorded no significant incidents resulting in fines over US$10,000. We recorded 14 minor environmental spills or gas losses with low impacts. They involved spills of chemicals, diesel, hydraulic oils, or resins and losses of coolant gases.

Stakeholder involvement in conserving resources

Stakeholder engagement is a crucial aspect of our environmental protection efforts, and we utilize various channels to engage in regular stakeholder dialogs, including with local communities. One of the communications channels used is our internal Environmental Protection Newsletter, where we share updates, achievements, and upcoming initiatives related to environmental protection. We also promote the use of best practices and knowledge transfers within Siemens through global workshops in order to facilitate our efforts in this regard.

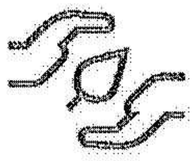
For more information about the methods used, environmental reporting, and environmental data collection, see ↗ REPORTING METHODOLOGY.

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4.3

Product stewardship

- **Increase relevant product families for Robust Eco Design**
- **Increase coverage rate of Robust Eco Design approach across relevant product families.**
- **Significant increase of lifecycle assessment (LCAs)**



We focus on resource efficiency over a product's entire lifecycle

Management approach

At Siemens, we are aware that product design has far-reaching effects on nature and our environment. As a market leader and technology pioneer in many fields, we take a keen interest in the long-term impacts of our portfolio. Ensuring the environmental compatibility of our products, systems, solutions, and services is a key priority.

Extracting and processing finite resources contribute to as much as 90% of global biodiversity loss and approximately 50% of global CO_2e emissions[1]. Both of these consequences can impact the composition, resilience, productivity, and carrying capacity of natural and managed ecosystems as well as people's livelihoods. In 2023, the global economy was only 7.2% circular, meaning that just 7.2% of all material inputs into the economy were secondary materials.[2]

As such, we aim to reduce the environmental impact of our products, systems, solutions, and services as early as the design phase and minimize the need for raw material extraction. Our Ecodesign approach considers relevant ecological factors during product planning and design, because this phase determines up to 80% of a product's lifecycle environmental impact.[3] We also address these challenges through various initiatives: for instance, our Tech for Sustainability Bootcamp 2023, Ecodesign learning programs, and our Sustainability Business portfolio.

Our governance and policies for product stewardship

The Environmental Protection department is responsible for planning, preparing, organizing, and implementing rules and regulations for product stewardship. It aims to ensure consistency, transparency, implementation, and compliance with regulatory frameworks within its areas of responsibility and reviews their effectiveness.

With our Ecodesign approach, we aim to contribute to climate protection at our customer sites and increase dematerialization through our circularity approach and our digital portfolio elements. ↗ CLIMATE ACTION ↗ COMPANY PROFILE

Fundamental Ecodesign approaches at Siemens include increased resource efficiency and decarbonization during production, higher productivity and efficiency during use, and product designs that support circularity. In accordance with the international standards IEC 62430 Environmentally Conscious Design for Electrical and Electronic Products, ISO 14006, and ISO 14009, Siemens applies the Robust Eco Design (RED) approach. The Ecodesign Appendix, which is a mandatory component of Siemens' Environmental Protection Standard, provides a framework for assessing and determining a product's environmental impact throughout all phases of its lifecycle. It also provides a framework for the environmentally compatible design of products, systems, solutions, and

1 IRP (2019). Global Resources Outlook 2019: Natural Resources for the Future We Want. (Global Resources Outlook | Resource Panel).
2 https://www.circularity-gap.world/2023.
3 Ecodesign your future: How Ecodesign can help the environment by making products smarter. Publications Office of the European Union (https://op.europa.eu/en/publication-detail/-/publication/4d42d597-4f92-4498-8e1d-857cc157e6db).

services. The implementation of this standard is the responsibility of the heads of Siemens' operating units and is an integral part of the company's annual environmental review according to ISO 14001.

Targets

Our Ecodesign approach is also embedded in the field of action Resource efficiency in our DEGREE sustainability framework. The main objective is to introduce methods and rules for circularity and dematerialization along the entire value chain.

Resource efficiency

The quota of Robust Eco Design implementation for the relevant portfolio elements currently stands at 51% compared to 35% in the year 2022. Only when the rate of implementation reaches 100% can it be assumed that all relevant product families have completed each individual phase for Robust Eco Design.

Progress

FY 21: by 2030

Applying RED in all relevant product families

Our aim has been to intensify the use of lifecycle assessments (LCAs) and environmental product declarations (EPDs), which will allow us to identify environmentally compatible design alternatives that take circularity into account and can be integrated into product specifications. Our ambition is to apply the RED approach to all relevant[4] products, systems, solutions, and services by 2030. In fiscal 2023, 65% of our third-party revenue was defined as relevant for our RED approach, compared to 57% in fiscal 2022. In addition, our goal is to increase the number of LCAs and EPDs available. As a result, we are continuously expanding our database for monitoring and communicating the environmental performance of our products, systems, solutions, and services.

Resource efficiency

We want to increase the procurement of secondary materials for metals and resins and implement a circular economy. In fiscal 2023, we purchased 35% of the metals – primarily iron, copper and aluminum used in the manufacture of our products – from recycled sources. This percentage is the weighted average of the secondary material proportions of the three metals based on average regional or global values from literature values and supplier information. Last year this share was 34%. Moreover, in fiscal 2023 we sourced < 1% of the resins used to make our products from recycled sources. We continue to work with the recycling chains for technical plastics currently being established, and on further developing product specifications as well as material standards in this context.

Progress

4 Relevant: All products, systems, solutions, and services whose sales are not negligible, that will not be discontinued in the foreseeable future, or are not part of a confirmed spin-off.

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Expanding our use of secondary materials

We want to proportionately increase our procurement of secondary metal and resins by 2030. To achieve this, we are concentrating on suppliers of raw materials and semifinished products that can be directly influenced by our purchasing specifications.

Limiting declarable substances

At the same time, we want to continuously reduce declarable substances in all our products. Measurements and more details can be found in the section "Actions and results."

Actions and results

Our program Eco Efficiency @ Siemens has defined special environmental protection priorities in the categories Robust Eco Design and Clean Supply Chain.

Robust Eco Design for future-fit product families

RED focuses on the systematic application of Ecodesign to all lifecycle phases. The aim is to identify strategies that make a product's life as environmentally compatible as possible and that allow all materials to be recycled. At the same time, material and energy flows and losses will be reduced to the necessary minimum.

RED measures

The RED approach is designed to identify potential measures for improving the environmental impacts of our products, systems, solutions, and services, for example, to:

→ Improve product resource efficiency by reducing material inputs or replacing physical components and functions with digital solutions, otherwise known as dematerialization
→ Optimize product energy efficiency by minimizing energy consumption during use and designing environmentally sound operation modes
→ Enhance product durability and reliability by selecting materials that help extend a product's lifespan and maintain its functionality
→ Extend the lifespan of our products, systems, solutions, and services through proper maintenance, repairability, and upgradability
→ Maximize the value and benefit from our products, systems, solutions, and service by implementing efficient return logistics systems, promoting take-back initiatives, and adopting As-a-Service business models.

RED phases

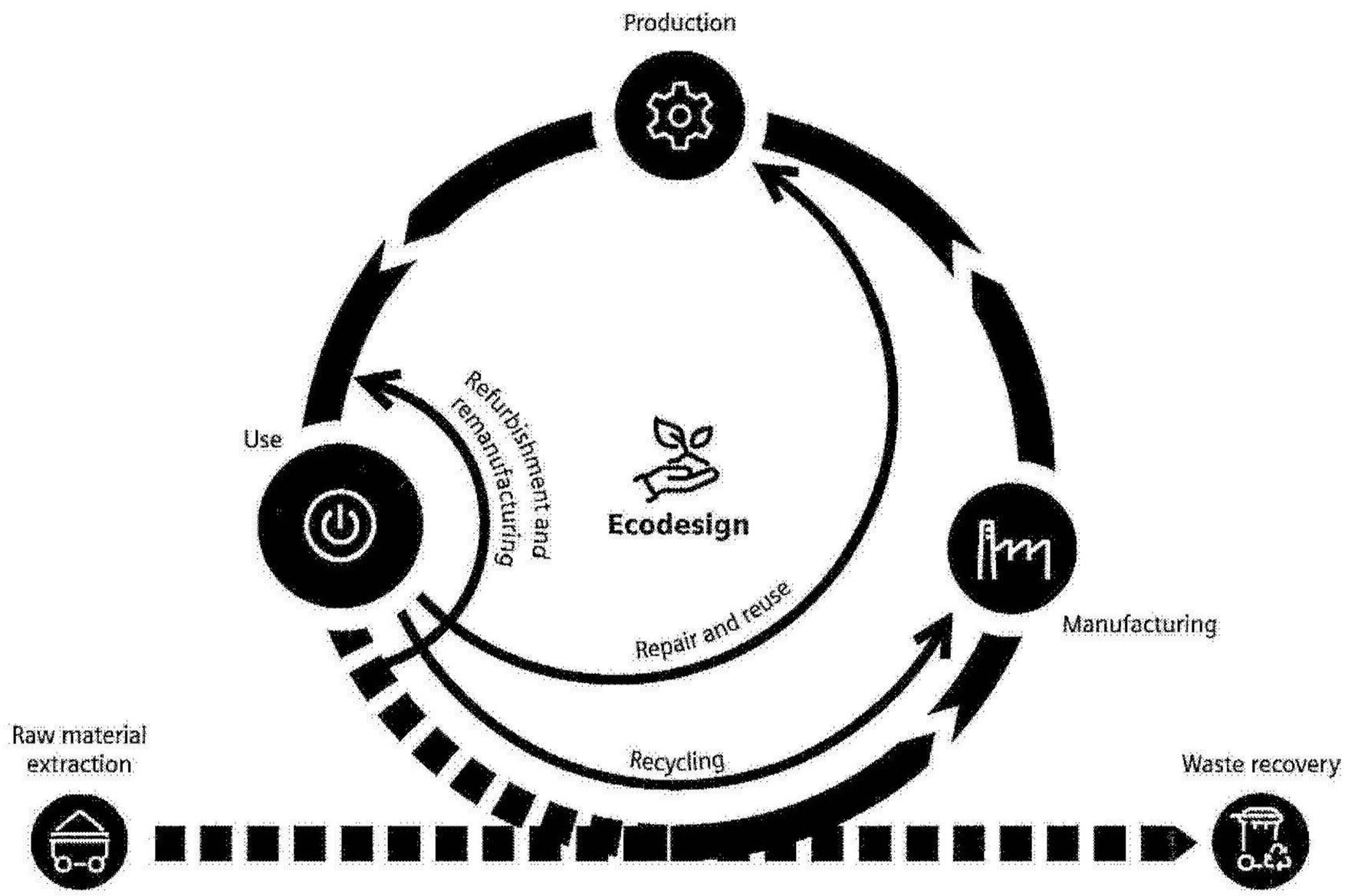
The RED approach involves three phases:

→ Phase 1 – Application perspective
The goal and scope of requirements for relevant product families are defined, and relevant product families are analyzed in terms of the environmental parameters required by markets and customers. They are then categorized based on their underlying technology and design specifications so they will meet the needs and demands of stakeholders.

→ Phase 2 – Solid foundation
The environmental impacts of product families are quantified using LCAs based on ISO standards. EPDs are used to communicate a product's environmental impact and other environmental indicators that measure circularity. This phase provides the basis for the determination of environmental footprint improvement measures. For details, see our LCA EPD BROCHURE

→ Phase 3 – Dematerialization
The preceding assessments are conducted to identify environmental design alternatives, the results are interpreted, and where feasible they are incorporated into environmentally optimized design specifications. Typical Ecodesign strategies applied in this phase include increasing the use of secondary materials (recyclates), product repairability, upgradeability, or suitability for refurbishment, remanufacturing, and recycling, and the evaluation of new business models that enable take-backs after a product's use.

Siemens' vision of an almost completely closed lifecycle when applying our RED approach



Implementation rate of our RED approach

In line with our DEGREE ambition, we consistently monitor our progress with implementing the Siemens RED approach across the relevant product families in our business units, excluding Siemens Healthineers (SHS), and supporting businesses such as Real Estate.

To do this, we classify products, systems, solutions, and services into groups that share similar technical characteristics, and we evaluate them based on RED criteria. The rate of implementation of the individual RED phases is then assessed in each of the relevant product families. If a criterion in a RED phase has been met, all the revenue generated by the product is considered RED-conformant. If a criterion is only partially met, 25% of the revenue is considered RED-conformant. If a criterion is not met, the corresponding revenue is disregarded.

The RED implementation rate for each product family is then determined by averaging the fulfillment levels of the individual RED criteria. We calculate the revenue share of our RED-conformant portfolio by multiplying the RED implementation rate with the revenues of the given product families. Lastly, the implementation rate KPI for RED is calculated as the ratio of the total RED-conformant revenue share to the total revenues of the relevant product families.

The RED approach allows us to use good practice results to identify practical Ecodesign measures in a product family that can then be used in other product families. Scheduled community meetings of product-related environmental protection practitioners facilitate this good practice knowledge-sharing across our business units. We also host Ecodesign case studies on an internal wiki to facilitate knowledge-sharing between our business units.

Focus in fiscal 2023

As a critical precondition for implementing our RED approach, we worked on developing automated solutions to calculate LCAs and generate EPDs in fiscal 2023. This aims to facilitate Ecodesign comparisons and the systematic use of LCAs and EPDs at Siemens. We also published an **INTERNAL ON ECODESIGN** to ensure alignment, increase transparency, and accelerate knowledge generation on Ecodesign.

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Clean Supply Chain: Using secondary materials to decouple natural resource use

Building on the RED phase dematerialization, the Clean Supply Chain category in the Eco Efficiency @ Siemens program maps our path to decoupling natural resource use from our economic growth.

In fiscal 2023, we emphasized making a continuous material change from plastics made from fossil fuels to sustainable and secondary thermoplastics. For example, we introduced a sustainable polyamide 6 composite with a recycling content of 25% to 75% that engineers can apply in their designs. This can lead to a reduction of the product carbon footprint of 10% to 35%, depending on the application. We also developed an internal standard for sustainable plastics and using of biobased resins made from waste.

Risk-aware handling of declarable substances

Another essential aspect of product stewardship is the responsible handling of substances that are potentially hazardous for the environment or health, like those regulated by the EU REACH regulation. We modify internal IT procedures and material compliance processes with the aim of making the use of these substances safer. We are also working proactively to substitute and reduce them wherever we can. We work to continuously increase the utilization of the digital industrial substance database BOMcheck by our suppliers. We comply fully with the declaration requirements of international legislation and IEC 62474, and we are constantly optimizing our interfaces and automated workflows.

Currently, up to 50% of our revenue (Siemens without SHS) comes from products, systems, solutions, and services that contain substances or groups of substances regulated by IEC 62474. We are continuously seeking ways to replace these substances whenever technically possible and reasonable.

By systematically applying our approaches to environmentally compatible product, system, solution, and service design and closely collaborating with our business partners, we intend to comprehensively support the replacement of declarable substances and decouple economic development from resource consumption.

Training and stakeholder involvement in product stewardship

We actively involve our customers in our Ecodesign approaches. Our business units reach out to customers to discover their specific requirements for Ecodesign measures and to get feedback on measures already implemented. Regular workshops with selected customers like wholesalers are conducted to poll their opinions on required or performed Ecodesign measures.

Since fiscal 2022, the two-part Circular Design learning program has been available online to all Siemens employees. In addition, we developed the Leading in Sustainability as part of the Top Management Leadership Program, a learning program for our leaders with also a focus on the circular economy. We maintain internal stakeholder engagement and raise awareness with measures like environmental protection newsletters and environmental information campaigns.

4.4

EU Taxonomy

The information for Siemens' EU Taxonomy reporting according to article 8 of the EU regulation (EU) 2020/852 and associated delegated acts is disclosed in its Combined Management Report – the following chapter provides further information.

The EU Taxonomy regulation was introduced to propose a framework to facilitate sustainable investment as part of EU's efforts to implement the European Green Deal. It is a key element of the European Commission's action plan to achieve the EU's ambitious goal of carbon neutrality by 2050 by redirecting capital flows towards sustainable activities and help navigate transition to a low carbon economy.

The Taxonomy is a classification system which aims to identify if a company's activities are considered as environmentally sustainable.

Siemens supports the EU agenda's general objectives of carbon neutrality by 2050 and the direction of capital flows towards sustainable activities. Siemens also supports the EU Taxonomy by improving transparency helping scale up sustainable investment and achieving the Union's decarbonization and environmental objectives.

EU Taxonomy at a glance

The EU Taxonomy's classification system defines economic activities as environmentally sustainable based on their relevance to one of the following six environmental objectives and their fulfilment of predetermined criteria:

I. Climate change mitigation
II. Climate change adaptation
III. Sustainable use and protection of water and marine resources
IV. Transition to a circular economy
V. Pollution prevention and control
VI. Protection and restoration of biodiversity and ecosystems

For each environmental objective, a catalog of relevant economic activities has been defined. When a business activity meets the definition of an economic activity, it is referred to as Taxonomy-eligible. EU Taxonomy alignment then requires the fulfillment of both the criteria for Substantial Contribution (SC) and the criteria for Do No Significant Harm (DNSH), together called Technical Screening Criteria (TSC). Moreover, the company involved must observe Minimum Safeguards (MS), e.g., compliance with human rights principles.

The EU Taxonomy's catalog of economic activities includes business activities with the most potential for contributing to the six defined environmental objectives. If a business activity does not fall within the scope of the EU Taxonomy, it does not give an indication that such businesses could not be sustainable. For the reporting year 2023, EU Taxonomy reporting is limited to the first two environmental objectives (climate change mitigation and climate change adaptation).

With expansion of the criteria on all six environmental objectives for fiscal 2024, we expect an increased EU Taxonomy coverage for our portfolio in the next year.

EU Taxonomy in the context of our Industrial Business

Siemens' Industrial Business, which includes Digital Industries, Smart Infrastructure, Siemens Mobility, and Siemens Healthineers, is developing a wide range of solutions for a path to a sustainable future.

Digital Industries (DI) offers a comprehensive portfolio of products, services and solutions for automation and software for the discrete and process industries. It enables customers to optimize their entire value chain from product design, development, and production facility modeling to production operation and after-sales service. The Digital Industry portfolio enhances efficiency, conserves resources, and reduces greenhouse gas emissions.

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The EU Taxonomy's current eligibility rules for reporting on climate change mitigation and adaption cover the Digital Industries portfolio to a limited extent only. With the application of the four new environmental objectives for fiscal 2024 and amendments to existing objectives, an increased coverage of business activities is expected.

The Smart Infrastructure (SI) portfolio includes a wide range of products, services, solutions, and software for all aspects of grid management, electrical products, building automation, fire protection and security, e-mobility charging infrastructure, and energy efficiency. It offers smart connections for energy systems, buildings, and industries.

An important portion of this portfolio is devoted to integrating renewable energy into the power grid, increasing electromobility, enhancing energy efficiency in buildings, and making the measurement of infrastructure more transparent using digital tools and data management solutions. Smart Infrastructure contributes to electrification with a broad portfolio of low- and medium-voltage power distribution and electrical installation equipment. The Smart Infrastructure portfolio supports driving decarbonization, resource efficiency, and the people-centricity of energy systems, buildings, and industries by connecting the real and digital worlds.

A material portion of the Smart Infrastructure portfolio is eligible for climate objective-related EU Taxonomy reporting, especially energy-efficient equipment for buildings and services for energy performance of buildings. With the addition of more activities for climate change mitigation and for the other environmental objectives, we expect an increased coverage of our business activities for fiscal 2024.

Siemens Mobility (SMO) combines all Siemens businesses in the area of rail passenger and freight transportation. The portfolio includes products and solutions related to rolling stock (like trains and locomotives), rail infrastructure (including rail automation and electrification), and the service business, e.g., maintenance and digital services. Its offerings comprise software solutions, like train planning systems, Mobility-as-a-Service (Maas), reservation management and ticketing, and a turnkey business that bundles consulting, planning, financing, constructing, servicing, and operating of complete mobility systems.

Siemens Mobility enables transportation operators around the world to make their trains and infrastructure smart and electrified, and contributes to efficient, low-carbon transportation. Leveraging the advantages of digitalization, it helps increase sustainable value creation throughout the entire lifecycle, improve passenger comfort, deliver 100% system availability, and maximize network capacity.

The Siemens Mobility portfolio is almost fully eligible, contributing to climate change mitigation through manufacturing of low-carbon technologies for transportation, and providing infrastructure for rail transportation and infrastructure enabling public transport.

Siemens Healthineers (SHS) is a global provider of healthcare products, solutions, and services with holistic system competence. The portfolio serves clinical decision-making and treatment pathways definition – from in vitro and in vivo diagnostics to image-guided therapy and innovative cancer treatment. The comprehensive portfolio supports customers along the entire care continuum, from prevention and early detection through to diagnosis, treatment, and follow-up care.

Siemens Healthineers concluded in its analysis of contributing activities, that the current climate-related objectives are not applicable to manufacturing of medical products, which is Siemens Healthineers' primary activity. Taxonomy-relevant capital expenditures are for the most part reported under selected economic activities referring to construction and real estate. With the release of the four new environmental objectives, Siemens Healthineers expects an increased coverage of its economic activities.

Eligibility assessment at Siemens

The purpose of the eligibility assessment is to determine if Siemens' business activities fit the description of one of the economic activities specified by the EU Taxonomy. If a Siemens business activity matches, it is then classified as "eligible". A business activity that is "non-eligible" is not within the scope of the EU Taxonomy reporting. The eligibility assessments were conducted decentrally in the businesses in an interdisciplinary manner involving experts, for instance from technical, strategy, or sustainability departments.

For fiscal 2023, Siemens' Industrial Business reported its Taxonomy-eligible revenue shares under the following EU Taxonomy activities of climate change mitigation:

Economic Activity		Industrial Business
3.1	Manufacture of renewable energy technologies	SI
3.3	Manufacture of low carbon technologies for transport	SMO
3.5	Manufacture of energy efficiency equipment for buildings	SI
3.6	Manufacture of other low-carbon technologies	DI, SI
4.9	Transmission and distribution of electricity	SI
6.14	Infrastructure for rail transport	SMO
6.15	Infrastructure enabling low-carbon road transport and public transport	SMO, SI
6.16	Infrastructure enabling low-carbon water transport	SI
7.3	Installation, maintenance and repair of energy efficiency equipment	SI
7.4	Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	SI
7.5	Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	SI
7.6	Installation, maintenance and repair of renewable energy technologies	SI
8.2	Data-driven solutions for GHG emissions reductions	DI, SI
9.3	Professional services related to energy performance of buildings	SI

Alignment assessment at Siemens

In the next step, Siemens' Taxonomy-eligible activities were evaluated against the technical screening criteria for Substantial Contribution (SC) and Do No Significant Harm (DNSH) according to the Delegated Acts. Siemens also needed to prove its compliance with Minimum Safeguards: namely, on human rights and good business conduct rules.

Substantial Contribution (SC): Following the eligibility assessment, the alignment of all eligible business activities with the SC criteria outlined in the respective Delegated Acts was assessed. This was conducted and documented at the highest appropriate reporting hierarchy level, such as business segment, product family or project level – depending on the relevant SC criteria and the respective business activity.

Do No Significant Harm (DNSH): Once a business activity demonstrated a SC, its compliance with the DNSH criteria was assessed. Based on the specific regulatory requirements outlined in the Delegated Acts, the assessment was conducted by technical experts on the product, site, project and/or supplier levels.

Minimum Safeguards (MS): An additional requirement for EU Taxonomy alignment is compliance with MS as outlined in Article 18 of the EU Taxonomy Regulation. The MS criteria require business activities to be compliant with the following regulations:

→ OECD Guidelines for Multinational Enterprises;
→ UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight core conventions identified in the International Labor Organization's (ILO) Declaration on Fundamental Rights and Principles at Work,
→ The International Bill of Human Rights.

Based on its implemented group-wide structures on risk analysis, corporate guidelines and due diligence processes and mechanisms, Siemens is fulfilling the MS requirements.

For fiscal 2023, Siemens' Industrial Business reported Taxonomy-aligned revenue shares under the following EU Taxonomy activities of Climate change mitigation:

Economic Activity		Industrial Business
3.1	Manufacture of renewable energy technologies	SI
3.3	Manufacture of low-carbon technologies for transport	SMO
3.5	Manufacture of energy efficiency equipment for buildings	SI
3.6	Manufacture of other low-carbon technologies	DI
4.9	Transmission and distribution of electricity	SI
6.14	Infrastructure for rail transport	SMO
6.15	Infrastructure enabling low-carbon road transport and public transport	SMO, SI
6.16	Infrastructure enabling low carbon water transport	SI
7.3	Installation, maintenance and repair of energy efficiency equipment	SI
7.5	Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	SI
7.6	Installation, maintenance and repair of renewable energy technologies	SI
8.2	Data-driven solutions for GHG emissions reductions	DI, SI
9.3	Professional services related to energy performance of buildings	SI

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KPI results for the reporting year

The key performance indicators in this section were determined based on Commission Delegated Regulation (EU) 2021/2178 in conjunction with the International Financial Reporting Standards applicable to the Consolidated Financial Statements. Based on the eligibility and alignment assessments described above, the baseline values for revenue, capital expenditures (CapEx), and operating expenditures (OpEx) were analyzed and, if applicable, mapped to the respective EU Taxonomy activities. Allocations were also applied based on eligible and/or aligned revenue in order to link capital expenditures and operating expenditures to the respective activities. Siemens implemented a supporting IT tool for the EU Taxonomy technical eligibility and alignment assessments and associated documentation. To avoid double counting, the mapping was consistently made to only one economic activity.

Revenue KPI

The revenue KPI shows the ratio of revenue from Taxonomy-eligible and/or aligned economic activities to the total revenue in the Consolidated Statements of Income for the reporting year. Based on an assessment of the Siemens business portfolio, Taxonomy-eligible revenue accounted for 20.3% and Taxonomy-aligned revenue for 16.5% of total revenue. This translates into €15.7 billion in Taxonomy-eligible revenue and €12.8 billion in aligned revenue.

Taxonomy-eligible and aligned economic activities were primarily driven by the (i) Manufacture of low-carbon technologies for transport (Climate Change Mitigation, CCM 3.3), (ii) rail transportation infrastructure (CCM 6.14), (iii) Infrastructure enabling low-carbon road transport and public transport (CCM 6.15), all associated with Mobility businesses, as well as (iv) energy-efficient building technologies (CCM 3.5) and (v) services for energy-efficient building technologies (CCM 7.5), both related to Smart Infrastructure businesses.

The difference between Taxonomy-eligible revenue and Taxonomy-aligned revenue is mainly due to DNSH criteria related to pollution prevention as part of Appendix C, which go beyond existing national regulation. This is mainly because additionally required documentation is not completely available yet.

Capital expenditures KPI

The CapEx KPI shows the ratio of CapEx from Taxonomy-eligible and/or aligned economic activities to the total CapEx, reflecting additions (including additions from business combinations) to other intangible assets and property, plant and equipment in accordance with Note 13 to the Consolidated Financial Statements. In the reporting year, 34.5% (€1.3 billion) of Siemens' CapEx were eligible, and 12.2% (€0.5 billion) were aligned. The aligned CapEx is composed as follows: a majority of €0.4 billion is related to additions to property, plant and equipment, the remainder pertains to internally generated intangible assets and capitalized right-of-use assets.

This aligned CapEx includes €116 million related to a CapEx plan, associated with building projects to be finalized by fiscal 2028, summing up to a planned total volume of €1.4 billion (capitalizable and non-capitalizable costs). The buildings are designed to minimize energy use and carbon emissions (CCM 7.7).

Acquisition and ownership of buildings (CCM 7.7) related to Siemens' real estate portfolio represents the largest portion in overall CapEx eligibility. The difference between Taxonomy-eligible CapEx and Taxonomy-aligned CapEx is impacted by (i) only partial availability of information on energy performance certificates for our global portfolio and (ii) energy certificates below the required threshold defined in the Substantial Contribution criteria for the energy efficiency of buildings.

Operating expenditures KPI

The OpEx KPI shows the ratio of OpEx from Taxonomy-eligible and/or aligned economic activities to total OpEx. The total OpEx comprises direct non-capitalized costs related to research and development, building renovation measures, short-term leases, maintenance and repairs, and any other direct expenditures relating to the day-to-day servicing of assets of property, plant, and equipment per Annex I of the Commission Delegated Regulation (EU) 2021/2178. 12.4% (€0.9 billion) of Siemens' OpEx were eligible and 8.2% (€0.6 billion) were aligned.

The majority of eligible and/or aligned expenditures relate to processes and assets associated with the economic activities described for the revenue KPI: (i) Manufacture of low-carbon technologies for transport (CCM 3.3) and (ii) rail transportation infrastructure (CCM 6.14). These two activities account for half of eligible OpEx and the majority of aligned OpEx.

This aligned OpEx includes €3 million related to a CapEx plan, associated with building projects to be finalized by fiscal 2028, summing up to a planned total volume of €1.4 billion (capitalizable and non-capitalizable costs). The buildings are designed to minimize energy use and carbon emissions (CCM 7.7).

Corresponding to revenue, the difference between Taxonomy-eligible OpEx and Taxonomy-aligned OpEx relates mainly to the documentation of DNSH criteria for pollution prevention (Appendix C).

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Social

Contribution to people and society

3 GOOD HEALTH AND WELL-BEING
4 QUALITY EDUCATION
5 GENDER EQUALITY
8 DECENT WORK AND ECONOMIC GROWTH
10 REDUCED INEQUALITIES
11 SUSTAINABLE CITIES AND COMMUNITIES
17 PARTNERSHIPS FOR THE GOALS

Equity

Foster diversity, inclusion, and community development to create a sense of belonging

Our key ambitions[1]

→ 30% female share in top management by 2025
→ Access to employee share plans: maintain high level and expand globally to up to 100% by 2025[2]
→ Global commitment to the New Normal Working Model[3]

Additional highlights

→ WIN talents, GROW, and BOND our people
→ Greater equity of opportunities continues through our global Gender Equity Program[1]
→ Social engagement with three strategic priorities

Employability

Enable our people to stay resilient and relevant in a permanently changing environment

Our key ambitions[1]

→ Increase digital learning hours to "25 by 25"[4]
→ Access to Employee Assistance Program: maintain high level and expand globally to 100% by 2025
→ 30% improvement in Siemens' globally aggregated LTIFR[5] by 2025

Additional highlights

→ "MyGrowth" program to foster individual growth and performance at scale
→ Broad portfolio for vocational education and training (VET) and lifelong learning
→ Continued rollout of the Healthy and Safe @ Siemens program

1 Siemens without SHS.
2 Where legally possible and reasonable.
3 For employees with job profiles that make this possible and reasonable.
4 Digital learning hours per headcount.
5 LTIFR: Lost Time Injury Frequency Rate (of Siemens employees and temporary workers) baseline FY 20.

5.1

Working at Siemens

- **WIN talents, GROW, and BOND our people**
- **320,000[1] employees worldwide**
- **Global values and global corporate culture**

Management approach

Structural factors such as demographic change, which continue to widen the talent gap in key talent markets (including digital talents), management of unstable geopolitical conditions, and the decreasing half-life of knowledge are the principal challenges that we are addressing at Siemens. All of them are driving significant workforce transformations across our people and organizations.

As the COVID-19 pandemic recedes, the past year has seen new global challenges that few had anticipated. In this ever-changing environment, our people and organization need to strengthen their resilience in order to stay relevant. More than ever, people are a determining factor for our growth.

Empowering people and fostering a growth mindset

Our aim is to establish an integrating, empowering culture of growth and transformation that ensures both sustainable business success and our people's employability. An ambition that we are also pursuing with our four strategic priorities, ↗ STRATEGY two of which are especially relevant to People & Organization (P&O): Empowered People and a Growth Mindset are reflected in our people strategy with a further focus on WIN, GROW, and BOND so we can attract and retain the right talents.[2]

Talent markets continue to be highly dynamic and competitive. It is becoming harder to win and bond the highly sought-after talents that are key to driving the Siemens transformation. Candidates are clear about their expectations of an attractive employer:

(a) empowerment and personal choice
(b) skill development
(c) a sense of belonging and contributing to a larger purpose.

Growing our people is a vital answer in tight talent markets. Gaining the trust of our people and bonding with them builds a competitive advantage that is regularly measured and reflected in our Siemens Global Engagement Survey (SGES)[2].

Our People & Organization governance and policies

The People & Organization (P&O) unit, headed by our **Chief People and Sustainability Officer (CPSO),** is responsible for regulations and standards for our people that establish an integrating, empowering culture of growth and transformation, that aims to support both a sustainable business success and our people's employability. All Governance units are working with our country and local business P&O functions to align them with local labor laws, support them to drive transformation and digitalization, and attract and retain talents.

→ Our global and local P&O Governance are responsible for (global) policies, standards, and top strategic initiatives in P&O-related areas.
→ Our global and local P&O Business Partners (BPs) are working with our managers to focus on strategic P&O topics and implementation that will support the business and functional needs.
→ Our Siemens internal Global Shared Service centers manage people operations.

1 All employee figures in this chapter refer to headcount and our own workforce.
2 Siemens without SHS.

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Establishing a culture of trust

Siemens' values and ethical standards for doing business are anchored in our Business Conduct Guidelines (BCGs). The BCGs define the basic principles and rules for our conduct both inside and outside the company. The BCGs are binding for our employees, managers, and top management globally. The principles of human rights, non-discrimination and non-intimidation, free choice of employment, prohibition of child labor, prohibition of forced labor and all forms of slavery, fair employment (including adequate compensation and appropriate working hours), freedom of association and collective bargaining, health, occupational safety, personal security, and protection and privacy of personal data are embedded in Siemens' BCGs, International Framework Agreement (IFA), Human Rights policy, and Compliance system. ↗ COMPLIANCE AND ETHICS

We place fair treatment and respect at the heart of our value system. Our aim is to respect the personal dignity, privacy, and rights of each individual. We believe that diversity enriches our workplace. We work together without regard to ethnic origin, culture, religion, age, disability, skin color, gender, sexual identity and orientation, or worldview. We do not tolerate discrimination, sexual or any other form of harassment, or inappropriate behavior towards individuals or groups. ↗ HUMAN RIGHTS

Targets

We have adopted ambitious, specific goals in our DEGREE sustainability framework. The three fields of action – Ethics, Equity, and Employability – are key priority areas for the P&O unit at Siemens.[2] ↗ OUR DEGREE SUSTAINABILITY FRAMEWORK

→ Ethics: We foster a culture of trust, adherence to ethical standards, and handling data with care. Our values and ethical principles are embedded in our BCGs, on which all our people are trained regularly. ↗ COMPLIANCE AND ETHICS

→ Equity: Equal treatment and respect are at the core of our corporate values. We aim to be the employer of choice and to foster diversity, inclusion, and community. In addition to fostering a culture of trust and empowerment, we want to create a sense of belonging and a safe environment where our people can give their best. ↗ DIVERSITY, EQUITY & INCLUSION

→ Employability: We continually invest in all levels of training for our people. We support their resilience as people and relevance as skilled workers. We strive to enable our people to manage change effectively and to surpass their previous performance levels. We focus on digital learning, employee assistance programs, and occupational health and safety measures for them. ↗ PROFESSIONAL EDUCATION AND LIFELONG LEARNING, ↗ OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT

In addition, the P&O unit supports the DEGREE Governance ambition by integrating ESG criteria into the long-term variable compensation programs[3] for the Managing Board and senior management. ↗ SUSTAINABILITY GOVERNANCE AND ORGANIZATION

2 Siemens without SHS.
3 Assessment based on the Siemens internal ESG/sustainability index, which is based on customer satisfaction (Net Promoter Score), CO_2 reduction, and digital learning hours.

Equity

Siemens employee share program strengthens identification with the company

Employee share ownership is an integral part of the Siemens DEGREE sustainability framework: We aim to maintain access to our employee share program at the 98% level and expand it globally to up to 100% by 2025. Owning a stake in the company is intended to motivate our people to take personal responsibility for their own actions. This has a long tradition at Siemens: Our first profit-sharing program was introduced back in 1858. Today the global Siemens share program, which has been offered annually since 2008, is one of the largest employee share programs in the world. More than 102,000 employees invested in their company in fiscal 2023, which means that almost 44% of all eligible employees participated. In addition, Siemens AG distributed around 573,000 free bonus shares to employees in the past fiscal year as part of the global share program. ↗ OUR DEGREE SUSTAINABILITY FRAMEWORK

Siemens Healthineers has its own share program that it offers to its employees.

Progress

FY 21: [illegible] by 2025

1 [illegible]
2 [illegible]

Siemens without SHS.

Actions and results

Launch of our Siemens Employer Branding campaign to attract and retain talents[2]

In 2023 we launched our new employer branding campaign Create a better #TomorrowWithUs to win and retain talents for Siemens as the inclusive employer of choice. Siemens is currently undergoing the most significant transformation in the company's history: transitioning from a mechanical engineering company to a technology company that drives sustainability. Our goal is to position Siemens as the inclusive employer of choice in all our relevant talent markets. This has also received external recognition, as Siemens has been listed among the "World's Most Attractive Employers 2023" by Forbes and Universum, as well as in national rankings like LinkedIn "Top Company 2023" in Germany.

Fair and equitable talent process

We are committed to transparent and equitable access to career opportunities and equal pay for equal work for our people. With access to our open and transparent Job Market and by leveraging new technologies to improve our skill-based recruiting, we foster cross-organizational development. Our Siemens MyGrowth development program and talent programs are designed to help develop our people's full potential. ↗ PROFESSIONAL EDUCATION AND LIFELONG LEARNING

Right to collective bargaining and freedom of association

The principles of fair pay, the right to collective bargaining, and freedom of association are embedded in Siemens' BCGs and International Framework Agreement (IFA) ↗ COMPLIANCE AND ETHICS. Siemens AG reaffirmed its commitment to workers' fundamental rights in an International Framework Agreement (IFA) signed with trade unions and our employee representatives in 2012. ↗ HUMAN RIGHTS

2 Siemens without SHS.

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According to the collective bargaining agreements in Germany, the pay system at Siemens is determined by collective bargaining negotiations between the trade union "IG Metall" and employers' associations. 79% of our employees in Germany are covered by collective bargaining agreements, an additional 19% of our employees in Germany are covered by collective agreements subject to codetermination by the Works Council, and our senior managers (2% of employees in Germany) are represented by the "Executive staff committee."

Social dialog and relationship management

Enabling a safe dialog between Siemens and our employee representatives is important for building trust with our people. The following employee representative bodies are established at Siemens:

- → The Siemens Group Works Council, Central Works Council, local Works Councils, and other employee representative bodies represent all employees at Siemens in Germany – also disabled people and young workers.
- → Our Siemens Europe Committee (SEC) comprises 37 representatives from 23 countries. The SEC represents all our people in the EU countries and the UK, Switzerland, and Norway. In addition to three regional meetings, the annual SEC meeting with all SEC members, representatives of the company, and our CPSO took place in fiscal 2023.
- → In fiscal 2023, Siemens also held meetings with employee representatives and unions in non-EU countries.

Commitment to fair pay

We want to guarantee fair pay (coverage of basic needs) that at least conforms to the national statutory minimum wage. Subject to national regulations, Siemens adheres to the principle of "equal pay for equal work": for instance, equity in wages for women and men with the same job profile or role.

We also review pay parity at regular intervals in order to eliminate unjustified differences (given the same job profile, role, competencies, experience, performance, etc.) as further testimony of our unwavering commitment to fair pay for our people. In fiscal 2023 we reviewed our 19 largest companies in different countries (selected by revenue)[2] on the basis of our defined, market-based pay parity methodology. We are working with these companies to establish a long-term cultural change that supports our pay parity ambitions.

Employee benefits and opportunities for today and tomorrow

In an ever-changing world, we continuously review and modernize employee benefits. We offer flexible benefits programs that support our people's physical, mental, financial, career, and social well-being throughout their work-life journey. With equity and inclusion in mind, the Siemens benefits programs[2] aim to empower our people to realize their full potential and strengthen their resilience through a variety of benefits programs, insurance policies, retirement arrangements, and elective coverage. With an eye on sustainability as well as the diverse and evolving needs of our global team and their families, the external market is closely monitored for the latest industry trends and innovations.

SIEMENS FINANCIAL REPORT FOR FISCAL 2023, COMBINED MANAGEMENT REPORT, PENSIONS

Eligibility for Siemens sponsored benefits such as share plans, company pension scheme, the employee benefits programs, and parental/family leave regulations varies by country. Country-specific plans generally follow local regulations and market practices.

Work-life balance

To provide our people with even more flexibility and individual solutions, we offer flexible working models. These models are structured according to local requirements and in ways that are compatible with the employees' roles. For instance, Siemens offers mobile working, part-time hours, sabbaticals, time-outs, parental/family leave, and partial early retirement. Parental leave for first and second care enables our people to manage their unique work-life needs.

2 Siemens without SHS.

Mobile working has been established as a core element of the "New Normal" in order to promote a sustainable work culture and environment.

Equity

At Siemens, mobile working and flexibility of work location in the established hybrid (2–3 days of mobile work per week as a standard offering for our people worldwide) also strengthen our ability to attract and retain the best talent. Our DEGREE ambition of a global commitment to the New Normal Working Model supports this aim worldwide. ↗ OUR DEGREE SUSTAINABILITY FRAMEWORK

Progress

[redacted]

1 [redacted]

We also encourage our people to achieve a balance between work and caring for relatives. As this topic continues to grow in importance, we will support our people in Germany who provide care for close family members. We offer a variety of support options through the Elder Care program. This program is based on four pillars: time off work and flexible working, communication, counseling, and training on health matters.

Childcare at Siemens

In fiscal 2023, as part of its family-friendly corporate policy, Siemens AG supported its people in Germany with a general tax-free childcare allowance of up to €100 per calendar month per child for the care of preschool-age children at a day-care center or similar facility. Siemens AG also grants its part-time employees in Germany a tax-free childcare allowance during parental leave for children up to 14 months of age. There are other options that our people in Germany can benefit from; for example, approximately 1,300[2] childcare places, a summer vacation childcare program, and parent-child health retreats.

The FutureOfWork@SIEMENS initiative

The Siemens #FutureOfWork initiative tackles structural changes in the working environment by asking two essential questions:

→ HOW will we work in the future? (#NewWork)
→ WHAT will we work on in the future? (#NextWork)

#NewWork focuses on helping organizations and individuals become more flexible and adaptable. For instance, exploring new forms of agile organization, collaboration, leadership, and flexible working conditions.

In 2020, Siemens introduced #NextWork, which is a methodology we use to proactively tackle the changing environment by preparing the organization and our people to stay relevant and employable. With #NextWork, we're addressing the key question of what our future jobs will look like. This includes identifying the roles, skills, and tasks of tomorrow and providing specific and actionable workforce transformation roadmaps through our WIN, GROW, and BOND measures. ↗ PROFESSIONAL EDUCATION AND LIFELONG LEARNING

Engagement with stakeholders

To highlight our culture of trust and empowerment, we are pursuing two initiatives that concentrate on understanding and taking account of our people's experiences and recognizing their achievements:

We use the results of our Siemens Global Engagement Survey (SGES)[2] at regular intervals to assess the efficiency and success of our actions and to derive any necessary steps for improvement. In January 2023, we had a response rate for the SGES of 65% (decrease of 4 percentage points from the year before). Our People Net Promoter Score (pNPS) was 39 (+3 points from the prior year).

2 Siemens without SHS.

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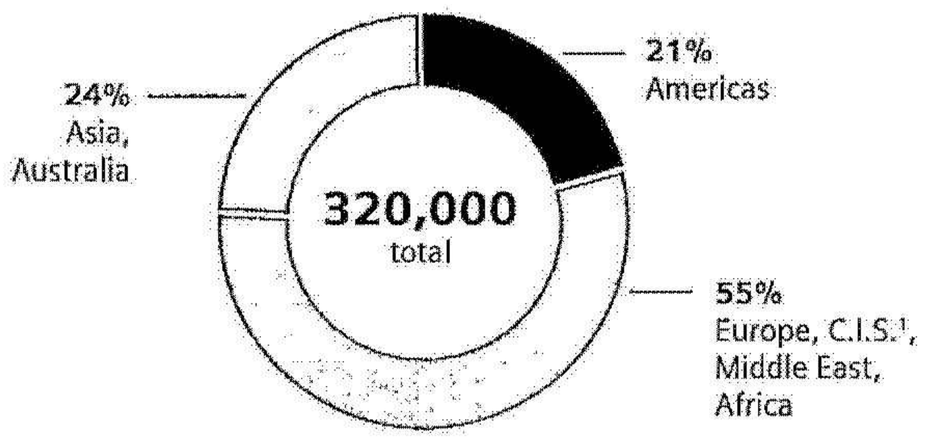
In addition, the Werner von Siemens Awards[2] are given in seven different categories to honor achievements that have had a positive impact on Siemens and beyond. Sustainability is an integral focus of the Werner von Siemens Awards. In 2023, the trophies were presented to the strongest Business Unit, country and five project teams that enabled our customers to transform their industries, accelerated digitalization, contributed to technological innovation, empowered Siemens' people, and positively impacted society and the environment. Approximately 7,600 employees participated in this competition in 2023 and submitted 395 entries.

Employee structure and change

As of September 30, 2023, Siemens employed 320,000 people around the world. This amounts to an increase of about 9,000 employees from September 30, 2022. 55% of our employees were based in Europe, the Commonwealth of Independent States (C.I.S.), the Middle East, and Africa, 24% in Asia and Australia, and 21% in North America, Central America, and South America.

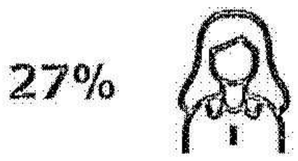
Siemens employees

(in % of total number of employees) September 30, 2023



1 Commonwealth of Independent States.

The percentage of women in the total workforce is 27%.



Women as a percentage of total employees

Hires and exits

The number of new hires decreased by approximately 14% compared to fiscal 2022, and the number of exits decreased by about 15%. All other differences result from changes in the basis of consolidation and other changes.

Employees hired

	Fiscal year	
(in thousands)	**2023**	2022
Siemens	**40.7**	47.3
Europe, C.I.S.[1], Middle East, Africa	**17.3**	19.3
Americas	**12.0**	13.8
Asia, Australia	**11.4**	14.3

1 Commonwealth of Independent States.

Women hired

	Fiscal year	
(as a percentage of new hires)	**2023**	2022
Siemens	**30**	30
Europe, C.I.S.[1], Middle East, Africa	**29**	28
Americas	**29**	33
Asia, Australia	**32**	30

1 Commonwealth of Independent States.

Employee turnover rate[1]

	Fiscal year	
(in %)	**2023**	2022
Voluntary turnover rate[2]	**5.3**	6.6
Involuntary turnover rate[3]:	**4.3**	5.0
• Dismissals	**1.1**	1.2
• End of temporary contract, mutual consent	**1.6**	1.9
• Retirement	**1.2**	1.3
• Other reasons	**0.4**	0.6
Total	**9.6**	11.6

1 Employee turnover is defined as the ratio of voluntary and involuntary exits from Siemens during the fiscal year to the average number of employees.
2 Voluntary turnover rate is based on employee decisions.
3 Involuntary turnover rate is based on other reasons, including dismissals, end of temporary contracts, mutual consent, (early) retirement, death, and other reasons that are not an employee decision.

2 Siemens without SHS.

Employment characteristics

In fiscal 2023, 94% of our own workforce had permanent contracts.

Permanent and temporary employees

(in thousands)	Fiscal year 2023	2022
Permanent	**300**	290
Temporary	**19**	20
Total	**320**	311

4% of our own workforce used part-time working models.

Full-time and part-time employees

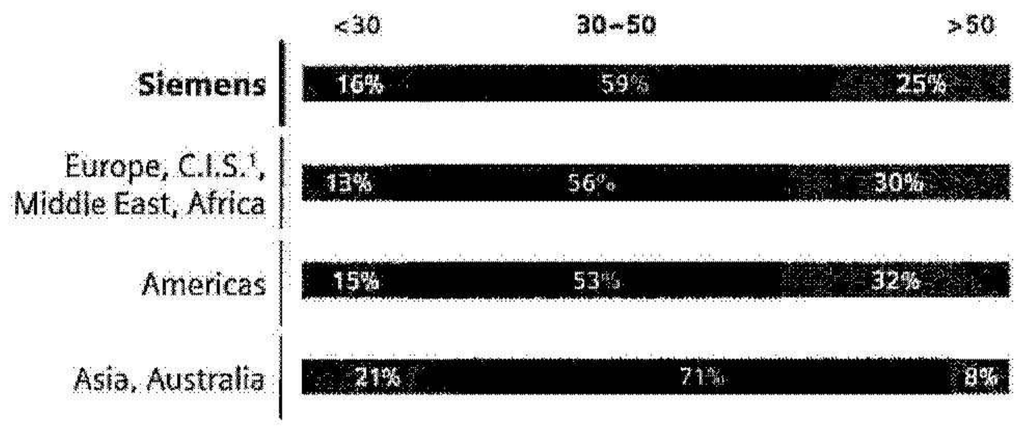
(in thousands)	Fiscal year 2023	2022
Full-time	**305**	295
Part-time	**14**	14
Total	**320**	311

Changes in age distribution

The distribution of employees by age group remained almost unchanged from the previous year. The average age in fiscal 2023 was 42 years.

Age structure

(as a percentage of total employees) September 30, 2023



1 Commonwealth of Independent States.

Further data on Working at Siemens are disclosed in the indicator table. ↗ OUR SUSTAINABLITY INDICATORS

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5.2

Diversity, Equity & Inclusion

- **Focus on strengthening a sense of belonging**
- **Greater equity of opportunities continues through our global Gender Equity Program[1]**
- **One of our DEGREE ambitions: 30% female share in top management by 2025[1]**

Management approach

At Siemens, we transform the everyday, for everyone – for our customers, our people, and society at large. This also means committing to diversity, equity, and inclusion.

We strive to create a work environment where our people are empowered and feel a sense of belonging. We believe that diversity positively impacts our teams and workplace and leads to more creative and innovative solutions. At Siemens, diversity means the inclusion and interaction of different ways of thinking, backgrounds, experiences, skills, and individual qualities across all levels and dimensions of the company. Equity is an essential part of our corporate culture. Inclusion enables every voice to be heard and every individual to get involved.

We believe that focusing on diversity, equity, and inclusion reduces the risk of making biased talent decisions. We have implemented recruitment and promotion strategies that promote equity of opportunities through our Gender Equity Program (GEP)[1]. We also offer various training opportunities on our new Diversity, Equity, and Inclusion (DEI) Learning Channel, we empower managers and teams through our Belonging Playbook, and we foster an open dialog and insights on diversity, equity, and inclusion for all our people on our Belonging Days. This helps us to foster a diverse work environment.[1] ↗ PROFESSIONAL EDUCATION AND LIFELONG LEARNING

Our governance and policies for diversity, equity, and inclusion

We have established a global Diversity, Equity, and Inclusion (DEI) unit that is active in many regions of the world. Led by our Chief Diversity Officer (CDO), the global Diversity, Equity, and Inclusion Office manages and supports a wide range of activities.

Siemens Healthineers has its own Diversity, Equity, and Inclusion (DEI) organization to manage and orchestrate ambitions and activities.

Our commitment to Human Rights is anchored in our Siemens Business Conduct Guidelines (BCGs) and global Human Rights policy. We do not tolerate discrimination, sexual or any other form of harassment, or inappropriate behavior toward individuals or groups. The guidelines clearly state:

→ "We respect the personal dignity, privacy, and rights of each individual. We believe diversity enriches our workplace. We work together without regard to ethnic origin, culture, religion, age, disability, skin color, gender, sexual identity and orientation, or world view."
→ "We respect the human rights of local communities and of people who are particularly vulnerable." ↗ HUMAN RIGHTS

We foster a sense of belonging to empower our people and to discover untapped growth potential in every individual. This principle is reflected in the motto #BelongingTransforms.[1]

Siemens also participates in strategic sponsorships and partnerships that facilitate worldwide programs and initiatives, including the Diversity Charter. Initiatives like these enable Siemens to strengthen its commitment to promoting diversity, equity, and inclusion for all its people.[2]

1 Siemens without SHS.
2 Siemens AG Germany.

Targets

Equity is one field of action in our DEGREE sustainability framework that contributes to a greater sense of belonging for all our people. DEGREE ambition #9 – "30% female share in top management" – is aimed at continuously improving gender equity.[1]

Equity

We aim to increase the percentage of top management positions held by women globally to 30% by September 30, 2025. As of September 30, 2023, 31.1% of top management positions were held by women (+3.4% points compared to the previous year). ↗ OUR DEGREE SUSTAINABILITY FRAMEWORK

Progress

by 2025

1 The [illegible] of local company people at [illegible] and [illegible] to the [illegible] of Siemens AG. More information on [illegible] targets and setting [illegible] to Siemens AG can be found in the [illegible] Corporate Governance Statement.

Siemens without SHS

Our commitment to greater gender equity is not limited to top management or to complying with statutory and regulatory requirements; rather, it aims to ensure equal opportunities for all genders at all levels of our company.

Actions and results

We actively promote diversity, equity, and inclusion by creating a working environment that is open and welcoming to all people.

Global LGBTQIA+- Standards and further activities

Siemens supports the UN Initiative for Global LGBTQIA+-Standards of Conduct for Companies.[1]

In alignment with the Diversity Charter, Siemens and its General Works Council have initiated activities like "Respect and Appreciation," which sponsors local projects intended to bring these values to life for our people in Germany.

Our German prototype program "Trans* at work" supports our people with collegial counselling before, during, and after transition.[1] Following its success, we developed relevant program guidelines for our people and managers. In addition, we were able to work with our people to identify **Trans Advocates** who could serve as a first point of contact for any inquiries about the program.[1]

Siemens also released a global Diversity, Equity, and Inclusion Learning Channel to raise awareness of the importance of a more equitable and inclusive workplace and to recognize and address any potential biases or discriminatory practices.[1]

Integrating diversity, equity, and inclusion into all aspects of our people experience journey

During the regular review of our practices, we realized that integrating diversity, equity, and inclusion into all aspects of our people experience – from recruitment and onboarding to career development – is the key element in a more diverse and inclusive working environment.

We launched our global Gender Equity Program (GEP)[1] with the aim of ensuring equity of opportunities across the entire organization – from equitable hiring into business functions and equitable promotions to management to representation of women in top management.[1]

1 Siemens without SHS.

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Inclusion of people with disabilities

Siemens strives to ensure equity for people with disabilities, their inclusion in society and the workplace, their self-determined participation, and their right to be treated with respect. At Siemens, we believe that each person is of value and importance, regardless of their ability. And while we aim for a barrier-free work environment at Siemens, inclusion means more than just accessibility. It is a holistic way of thinking and acting that eliminates both visible and invisible barriers and encourages a culture of conscious, equitable participation and understanding. We believe that this way of thinking supports and enables people with disabilities to be included and to give their best.

The Ability@Siemens[1] initiative promotes a culture of integration for approximately 4,800[3] disabled people currently working at Siemens in Germany. It is based on an inclusion agreement with the general representative board for disabled employees.[4]

Global awareness days foster the spirit of tolerance and acceptance

We foster the spirit of tolerance and acceptance at Siemens worldwide through our internal campaigns on global awareness days: for instance, International Women's Day and Global Accessibility Awareness Day. Beyond, in our Belonging Days, we are offering insights and learning opportunities on DEI via a global broadcast to all our people.[1]

Siemens also joined the Valuable 500, an initiative launched by the World Economic Forum to place the concerns of persons with disabilities on companies' management agendas.[1] We support Employee Resource Groups (ERG)[1] and people-led activities to help transform our business by bolstering a commitment to diversity, equity, and inclusion. These groups include Siemens PRIDE (global), the Neurodiversity Network (United Kingdom), the Black Professional Network (United States), and Women in Tech (China).

In our Pride@SIEMENS networks for the LGBTQIA+[5] Community, our people around the world can meet and share their thoughts, feelings, and support each other. People on the LGBTQIA+ spectrum and straight allies[6] are equally welcome.

Accountability of our local CEOs and business leaders

A lesson learned on our journey to fostering diversity, equity, and inclusion is that the involvement and accountability of our local CEOs and business leaders is integral to the success of the DEGREE sustainability framework Equity[1] field of action. This led to our regular CEO Check-In sessions with the aim of acquiring a deeper understanding of our local communities and the societies in which we operate.

Women in the workforce

In fiscal 2023, the share of women in the own workforce at Siemens was 27%.

For many years, we have been working to build a diverse, equitable, inclusive corporate culture, and we have achieved measurable success. This includes our efforts to increase the global share of management positions held by women by the end of fiscal 2025. In fiscal 2023, 32,900 employees held management positions at Siemens[7]. The share of women in management positions was 21.6%.

Further data on Diversity, Equity & Inclusion at Siemens are disclosed in the indicator table. ↗ OUR SUSTAINABILITY INDICATORS

We are also pursuing a variety of initiatives, programs, and measures to foster a cultural change toward gender equity, diversity, and integration. The following represent two of the many different women's networks around the world:

1 Siemens without SHS.
3 The number of severely handicapped employees (SHE) is based on legally defined guidelines and specifications according §§ 154-1+3 SGB IX (German Social Law).
4 Inclusion Agreement for Siemens AG Germany.
5 Lesbian, gay, bisexual, trans, queer, intersexual, and asexual.
6 "Straight allies" are persons who identify as heterosexual and cisgender who support the LGBTQIA+ movement and speak out against homophobia, lesbophobia, and transphobia.
7 Employees in management positions include all managers with disciplinary responsibility.

→ Global Leadership of Women@Technology & Innovation (GLOW@TI)[1]: The GLOW@TI network aims to promote careers for women with a background in science. Women in this network are often appointed to technology field and research group management positions.
→ GROW2GLOW[1]: The GROW2GLOW network provides business coaching for women as a way of helping them realize their full potential. The network comprises more than 140 coaches in 13 countries.

Our people's satisfaction with their belonging, inclusion, and well-being

In our Siemens Global Engagement Survey (SGES)[1] in fiscal 2023, we asked our people about their belonging, inclusion, and well-being. We are constantly working to make our people feel that they can be themselves at work by implementing the measures mentioned in this section – throughout the people experience journey at Siemens.

In fiscal 2023, Siemens received many diversity prizes and awards worldwide, including the "#Diversity:IN" in the United States and "Best Place to Work for LGBTQ+ Equality – Human Rights Campaign (HRC)" in Mexico.[1]

1 Siemens without SHS.

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5.3

Professional education and lifelong learning

- **Broad portfolio for vocational education and training (VET) and lifelong learning**
- **MyGrowth program to foster individual growth and performance at scale**
- **One of our DEGREE ambitions: 25 digital learning hours by 2025[1]**

Management approach

Siemens' continued growth and success depends on our highly qualified and skilled people. That's why we have developed an extensive portfolio of lifelong learning opportunities to empower our people and help them acquire relevant skills and enhanced resilience for today and tomorrow.

We are continuously improving our learning, career development, and growth opportunities to positively impact our people. We focus on lifelong learning and upskilling to enable our people to adapt to an ever-changing environment. We promote a growth mindset in order to create an inclusive, empowering culture of growth and transformation that helps enhance our people's employability and supports our sustainable business success.

Our comprehensive learning portfolio enables us to continually expand and evolve our people's core competencies. We aim to support our people in successfully managing transition and change while simultaneously enhancing Siemens' agility and resilience. Today's talent recruitment needs to satisfy an increasing need for digital and technical expertise. As the pace of technological development and digitalization reduces the half-life of expertise, continuous learning and upskilling is fundamental to Siemens' continuing success.

Our ongoing investments in vocational education and training (VET) and talent-entry programs also help us attract and retain talents.

Our P&O Talent & Leadership governance and policies

Siemens' global P&O Talent & Leadership unit is responsible for winning, developing, connecting, and retaining talents (WIN, GROW and BOND).

Our Global Learning and Growth (GLG) unit is responsible for learning and individual growth at scale by orchestrating and managing our Siemens Learning & Growth ecosystem, including our MyGrowth program, with our learning experience platform My Learning World, our policies, and other strategic learning initiatives. It gives orientation and guidance to our people and leadership and manages development opportunities around the globe. We provide a broad range of trainings that cover technology and other specialties, along with developmental courses for inter-personal skills like team leadership and team building.

Siemens Professional Education (SPE) coordinates and manages our international apprenticeships and dual-study programs to support ongoing talent development.

As part of our commitment to our strategic priorities of Empowered People and Growth Mindset, a core focus is on driving awareness of the importance of lifelong learning. Siemens' objective is to help our people manage change effectively and support them in remaining resilient as individuals and relevant to the employment market.

Targets

In our Siemens DEGREE sustainability framework, our learning ambition and measures related to lifelong learning are embedded in Employability, one of the six fields of action, in order to encourage our people's resilience.[1]

1 Siemens without SHS.

Employability

In terms of our DEGREE ambitions, each employee completed 23 hours of digital learning (+16 hours from fiscal 2020, the basis year – a 229% increase).

↗ OUR DEGREE SUSTAINABILITY FRAMEWORK

Progress

FY 20[redacted] by 2025

[redacted]

Management compensation at Siemens also includes a lifelong learning component. It incorporates long-term performance incentives based on ESG criteria and is defined under Governance in our DEGREE sustainability framework. The assessment is based on the internal ESG/Sustainability Index, which includes, among other things, digital learning hours.[2]

↗ SUSTAINABILITY GOVERNANCE AND ORGANIZATION

Actions and results

As a responsible employer, we offer a wide range of professional education and learning opportunities to our people. These opportunities include development programs, talent-entry programs, future-oriented learning, re- and upskilling, and additional funding for appropriate programs.

Customized development programs for our people

Our development programs are customized for both global and local use. Key programs include:

→ Siemens Core Learning Paths (CLP): Designed for specific areas like sales, project management, procurement, production, and software architecture, CLPs provide self-guided learning content and trainer-supported virtual training sessions. In fiscal 2023, a total of 29 CLPs were made available to target groups worldwide.

→ With our Siemens Potential Development Programs (PDP)[1], we have created an ever-growing network of more than 4,000 people from 57 countries which constantly feeds our talent pipeline. Almost 40 certified programs are hosted by different organizations according to their specific business needs. They enable talents to acquire skills that address current and future needs through accelerated learning interventions and stretch assignments in order to equip them to be powerful transformation agents.

→ GLOW@TI (Global Leadership of Women@Technology & Innovation)[1]: The GLOW@TI initiative focuses on attracting, developing, and retaining talented women with a background in STEM and associated innovation fields. The initiative helps women realize their full potential and promotes a culture of innovation by building strong networks between departments and organizations.

→ Siemens Leadership Excellence (SLE)[1]: Our SLE programs are designed to connect and enable our leaders. The objective of our SLE Pipeline programs for high-ranking executives and global talents is to strategically strengthen our succession planning. Our top management leadership program Leading in Sustainability helps participants think strategically about sustainability opportunities for Siemens, identify sustainable solutions to their business challenges, and provide a common understanding of the core competencies and organizational readiness required for corporate management and transformation. The SLE Leaders' Labs for alumni also enable Siemens to build a strong global network of managers, both within the organization and beyond. As one of the strategic learning priorities, we initiated the new scalable L.E.A.P. – Lead. Empower. Accelerate. Practice. program in 2023 for all management levels.

Our talent entry programs for individual career paths

Siemens' development and integration of the next generation of leaders will allow us to build diverse and agile management teams capable of successfully managing change and transition and driving growth. Our people are grounded in a strong growth mindset and values of cohesion and dedication that extend above and beyond our programs and even their time at Siemens.

1 Siemens without SHS.
2 Assessment based on the Siemens internal ESG/sustainability index, which is based on customer satisfaction (Net Promoter Score), CO_2 reduction, and digital learning hours.

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→ Xcelerate Your Potential at Siemens – XPS Leadership Program[1] is an opportunity for outstanding candidates in the field of digital business management. By developing their skills and their global networks, the program supports participants develop in leadership roles.
→ Finance Excellence Program (FEP) is a finance leadership program that builds a foundation for future commercial leaders with a digital mindset. Participants benefit from being assigned a personal mentor from Siemens' finance leadership team and customized development measures.
→ Siemens Graduate Program (SGP) is an international trainee program for high-potential candidates with a master's degree that has been in existence for more than 100 years. It offers a customized development journey and excellent networking opportunities throughout the company.

Our shift to digital learning is key

We have seen digital learning accelerate in recent years as the global pandemic compelled a shift in how we deliver our learning programs. This digitalization trend was well-received. Based on the positive reception, we added more digital training programs, modules, and courses with the intention of ensuring broad-based participation and providing learners with flexibility.

Future-oriented learning and career development instruments

The MyGrowth program combines our learning and career development tools and content to promote continuous growth at scale and carve out career progression paths for our people. This program comprises the following three components:

→ MyGrowth Self-Reflection: To build a successful career, it is essential for our people to know their own strengths and weaknesses and to be aware of their personal stage of development. A variety of tools and services are offered along with content that includes identifying strengths (Strengthscope®), perception of others (feedback tool), and coaching (Peer2Peer).
→ MyGrowth Learning[1]: Our AI-driven learning platform My Learning World creates a personalized learning experience that is globally accessible any time and offers more than 135,000 learning resources across a variety of topics and formats in order to meet our people's varied learning preferences and requirements. Our people can benefit from multiple learning formats including videos, e-learning modules, virtual training courses, technical literature, podcasts, and e-books.
→ MyGrowth Career: This program allows our people to shape their own career development. It is integrated into a holistic concept and focuses on the individual's career trajectory. Core components of MyGrowth Career include the open markets reflected in the Open Job Market and People Profile and other options like Job Tagging (showing interest in a particular department), Job Shadowing, and Mentoring to encourage personal growth.

Siemens Growth Talks are the connecting links between the elements mentioned above. All of our people receive regular performance reviews in the form of Siemens Growth Talks. These agile, ongoing, forward-looking, strength-based conversations support both individual and organizational growth, performance, and well-being. Support materials like discussion guidelines, questions for reflection, and workshop templates help our people, teams, and managers maintain an ongoing, respectful, and encouraging dialog on personal development and learning.

Future Fund supports the transition to a new world of work

Siemens AG and its Central Works Council intend to take a proactive role in shaping structural change. We're working together to create a learning organization that can master structural transformation as well as optimize the opportunities of change that will benefit our people. A Future Fund has been established to support development programs intended to help our people stay oriented in a disruptive employment environment. In particular, it enables them to qualify and learn beyond their previous limits. It finances projects related to structural change that go beyond site boundaries, with support from the site management and the Central Works Council.

1 Siemens without SHS.

Siemens AG in Germany allocated a total of €100 million for the Future Fund that will be invested over a period of four fiscal years starting in January 2019. The term of the Future Fund has now been extended to 2026. More than €3 million were approved for Future Fund projects in fiscal 2023, about €11 million less than in the previous year.

Our open SiTecSkills Academy for technical re- and upskilling

Working with our external education partners, we opened the SiTecSkills Academy to the wider learning ecosystem, because we want to share our expertise and experience in skilled worker qualification with our customers and other companies. In fiscal 2023, we had 18 training centers in Germany that offered about 200 trainings focused on technical re- and upskilling, complemented by professional consulting and support.

Vocational training to start your career

With a dedicated in-house education institution for vocational training – Siemens Professional Education (SPE) – Siemens is one of the largest training companies for secondary school graduates. SPE offers apprenticeships and dual-study programs in technical, IT, and commercial fields to enable young talents to strengthen their existing capabilities and acquire the new skills needed to shape a digital and automated future. In fiscal 2023, we had approximately 5,800 apprentices and students in dual-study programs worldwide.

Lifelong learning is crucial to success

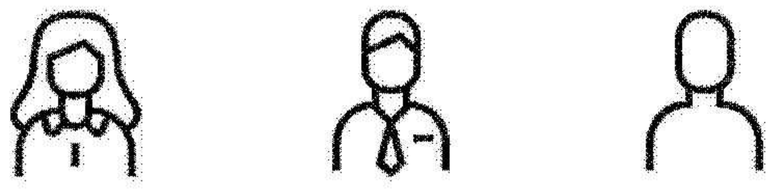
On average, each employee spent about 30 hours in digital learning or on-site trainings during the fiscal year. Our new training opportunities and learning week promotions resulted in an increase in the number of training hours in fiscal 2023.

In fiscal 2023, Siemens invested €237 million in our people's training, which corresponds to an average of €753 per employee. In total, we invested approximately €416 million in employee education and training.

Average training hours per employee



Average training hours per employee by gender in fiscal 2023:



Women:	Men:	No/other gender entry:
Ø 28h	Ø 30h	Ø 18h

Further data on professional education and lifelong learning at Siemens are disclosed in the indicator table.

↗ OUR SUSTAINABLITY INDICATORS

Our people shape Siemens' learning activities

In our regular Siemens Global Engagement Survey (SGES)[1] in fiscal 2023, we asked our people about the growth mindset culture and their satisfaction with our learning opportunities.

The feedback of the SGES underlines that **digital learning** offers our people access to many more learning opportunities and greater flexibility.

The survey results also shed light on the fact that our established Siemens MyGrowth program was successfully promoted worldwide and was well-received by our people. This was confirmed when we were recognized with several awards in fiscal 2023, such as two "Red Dot Design Awards" in the categories "Corporate Design" and "Educational Illustration" for MyGrowth.

We will continue to use the survey results to focus on **strategic learning** and continuously shaping our portfolio of **future-oriented** learning opportunities.

1 Siemens without SHS.

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5.4

Occupational health and safety management

- **Resilience and well-being are at the core of occupational health and safety management**
- **The Healthy & Safe @ Siemens program will continue to be rolled out worldwide**
- **Further reduction in the accident rate**

Management approach

At Siemens we are committed to creating a healthy and safe work environment for our people and to sustainably supporting their well-being and performance.

The world of work is changing dynamically, as are the demands and needs regarding health and safety. A core task for our occupational health and safety department is to maintain and further improve the resilience, adaptability, and well-being of our people. We believe that focusing on health and safety management reduces the risk of physical injuries and mental ill health. Siemens aims to mitigate health and safety risks effectively through management systems, designing healthy and safe working conditions, internal monitoring, and controls. Our Employee Assistance Program also supports our people in coping with psychosocial personal concerns through individual counseling. Adapting and re-designing our work systems is a continuous task. The goal is to empower our people to get involved, engage, and participate. By changing the way we work, digitalization provides the opportunity to steadily improve our health and safety assessments and management systems globally.

Our occupational health and safety governance and policies

The Environmental Protection, Health Management, and Safety (EHS) department manages health and safety measures at Siemens. It is organized locally, integrated into each business unit and each regional company, and reports directly to the respective business manager.

EHS Officers coordinate the collaboration of EHS experts across the various fields of action. The main task of this expert function is to advise managers and teams. The function's profile has changed significantly in recent years: Rather than monitoring compliance with rules and workflows as in the past, the focus is now on supporting our people in dealing safely with dynamically changing requirements.

Health and safety committees that meet regularly have been established in the relevant country organizations and on the local level. Here, management and employee representatives jointly coordinate the specific measures and initiatives needed for a healthy and safe work environment.

Based on our Business Conduct Guidelines (BCGs), we have established internal monitoring systems and a company-wide risk management and control process.

We anchor our actions in Siemens' EHS Principles, which embed our EHS policy. They also include an obligation for all operating units to demonstrate a management system certifiable to ISO 45001. The effectiveness of these management systems is subject to an annual internal review that checks, among other things, whether processes for risk assessments and emergency management are implemented in accordance with internal and external regulations, that inspections and reviews have been carried out, significant risks and opportunities have been identified and whether they are reflected in measurable goals and measures. The management system is also externally certified according to market requirements in the respective operating units.

Siemens' suppliers commit to upholding the Siemens Group Code of Conduct for Suppliers and Third-Party Intermediaries and Business Partners. This Code of Conduct obligates our suppliers to comply with health and safety standards and to take responsibility for the health and well-being of their employees.

Targets

One of the DEGREE sustainability framework fields of action is Employability[1]. This speaks to the ability of our people to successfully manage continually changing requirements. In addition to continuous professional development, individual resilience is essential for adapting to challenging life events and work situations. With our health and safety ambitions to maintain and expand access to the Employee Assistance Program (EAP) and improve the global aggregated accident rate (LTIFR), we are contributing to the DEGREE field of action Employability.[1]

We design healthy and safe working conditions by continuously monitoring and evaluating potential risks and deriving appropriate measures. By doing so, we aim to enable our people to achieve a balanced state of well-being, better handle stressors, and use their capacities and resources with greater awareness. Moreover, we empower our people to grow, work more productively, and make important contributions to the company's success. ↗ WORKING AT SIEMENS To achieve this, we provide a broad variety of resilience-focused activities that include training and curated learning paths via our learning platform. ↗ PROFESSIONAL EDUCATION AND LIFELONG LEARNING

Employability

100% access to the Employee Assistance Program (EAP) by 2025 – As an integral part of our psychosocial risk management, the EAP anonymously supports individual employees in coping with psychosocial stress through individual consultations. In 2023, 96% of all our colleagues worldwide had access to EAP. This enables us to not only support all our people worldwide in developing health-promoting behaviors, but shall also help to raise general awareness of psychosocial issues in society as a whole.

Progress

FY 20: [redacted] by 2025

Services without SHS

Employability

30% improvement in the global accident rate (LTIFR) by 2025 (base year: 2020) – compared to the reference value of 0.31 in fiscal 2020, we have achieved an improvement of 26% to date.

Progress

FY 20: [redacted] by 2025

Siemens without SHS

1 Siemens without SHS.

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Actions and results

The Siemens-wide strategic priority of having empowered people guides our actions in the areas of health and safety. Safety, health, resilience, and well-being are intangible assets for our company.

The company-wide Healthy and Safe @ Siemens program[1]

Our company-wide Healthy and Safe @ Siemens (HS @ S) program invites employees to help shape leadership, learn from each other, increase well-being at work, and promote innovations and improvements in occupational health and safety. It is based on five principles:

- We care for our own and each other's well-being.
- We speak up and take part in making the workplace healthier and safer.
- We are inclusive and invite a diverse range of views on health and safety.
- We are engaged in learning and sharing about how we can work better, safer, and healthier.
- We prepare for and adapt well to changing circumstances.

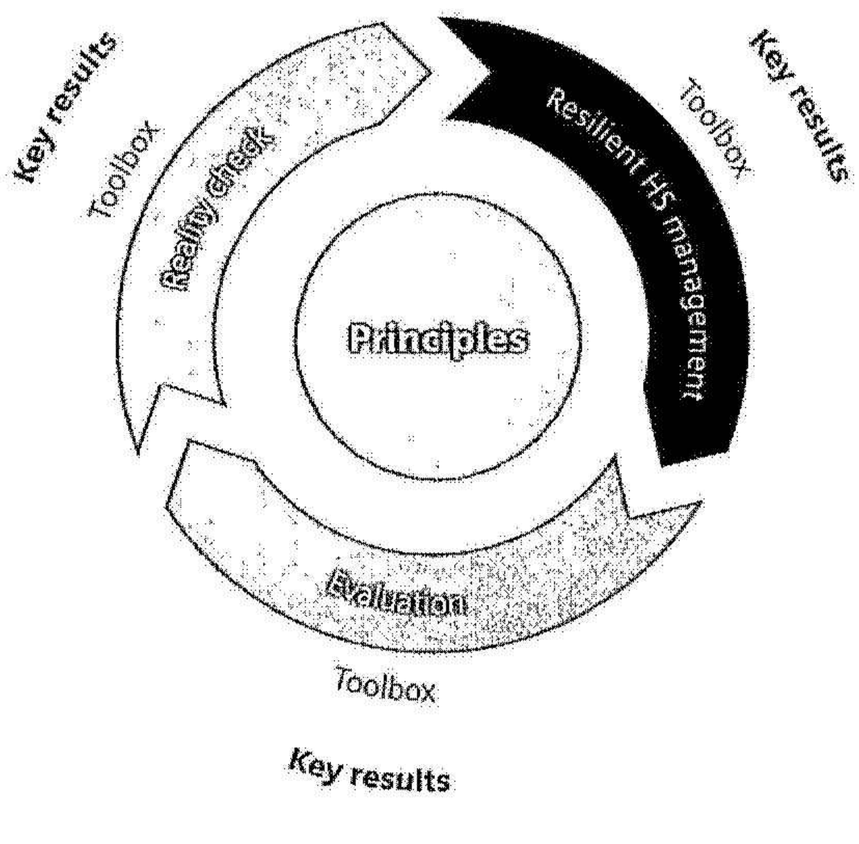
The principles guide the process of HS @ S in three steps: reality check, resilient health and safety management, and evaluation.

The reality check helps build a comprehensive understanding of the status of health and safety. It includes a survey that provides a snapshot of employee perception across various aspects in the categories "work climate," "leadership," "learning," and "processes and resources." Results are reviewed and potential for improvement is identified. Based on the first rollout of the HS @ S, additional perspectives – including the perceptions of management in key functions and data-based expert views – were added to the reality check. Furthermore, in fiscal 2023, the management's perceptions of our business challenges and their impacts on health and safety were added by interviews and specific local factors influencing health and safety were further analyzed.

In the second step, measures are defined and agreed upon for resilient health & safety management.

The results are then evaluated in the third step.

Elements of Healthy and Safe @ Siemens[1]



Siemens has created a toolbox containing the necessary materials for implementing the HS @ S process that can be customized to each country, location, and business.

The program is designed to run until 2030. Individual priorities and objectives may be adjusted over time. Two of the key results (access to Employee Assistance Program and 30% improvement in the global accident rate (LTIFR)) have also been incorporated into the DEGREE sustainability framework in the field of action Employability.[1]

Continued demand for occupational health and safety management

Addressing the increasing need to enhance both individual and organizational resilience is crucial in today's world. This is essential for the sustainability of our business operations and also aligns with the sustainability imperative. Over the last few years, our health and safety management continued to prove its resilience and reliability throughout diverse global crises.

1 Siemens without SHS.

To support our people's resilience, we have implemented key measures:

→ We have expanded the scope of learning and exchange opportunities, particularly regarding resilience, psychological safety, and psychosocial risk management. In fiscal 2023, we added trainings on resilience and well-being to our new scalable Lead. Empower. Accelerate. Practice (L.E.A.P) learning program.

→ Managers and employees can take advantage of continuously updated digital learning opportunities for self-determined learning. In the Siemens Learning World, these offerings are tailored to different target groups and are bundled according to topic. ↗ PROFESSIONAL EDUCATION AND LIFELONG LEARNING

→ In fiscal 2023, we launched the Digital Safety Transformation Series, offering an opportunity to provide our EHS professionals with guidance in developing digital safety strategies and remote safety management programs, implementing emerging technologies to control risk, deploying EHS software, and improving digital literacy.

→ Managers and team members engage in ongoing communication about health, safety, and well-being at work.

→ We have implemented two global campaigns addressing contributing factors of injuries and mental health. We also address psychosocial risks in our EHS Hazards Identification, Risk Assessment, and Risk Control (HIRARC) process.

→ In addition, Siemens' regional companies and business units have developed a variety of initiatives, including regular "Health Talks," learning and action weeks, and "Safety Focus Days."

The Siemens Safety Essentials

Maintaining health, safety, and well-being is a responsibility that is shared by our management and people. This responsibility extends beyond providing workplaces in accordance with all applicable norms, standards, and requirements. To protect and train our people, we have established the Safety Essentials with core safety behaviors. We expect our people to adhere to those essentials at all times and to place health, safety, and the environment first in all that they do when working for Siemens.

Safety Essentials



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Continuous expansion of health services

We are continuously expanding our spectrum of health services to support the resilience and health of our people at work and beyond. In fiscal 2023, 99%[1] of our employees have access to company medical care. This includes the prevention and early identification of health problems through health checks, screenings, and vaccinations. We treat health issues seriously and in a timely manner, which includes leveraging telemedicine consultations or referrals to experts. In addition, we facilitate a successful return to work by supporting our employees with reintegration measures and ergonomic advice.

94%[1] of our employees were able to take advantage of a wide range of health education offerings designed to strengthen their health literacy. These offerings are delivered through a holistic approach that covers physical, mental, and social health and well-being.

Accident numbers at a low level

In fiscal 2023, the number of work-related accidents further decreased, which correlated with the reduction in the global accident rate (LTIFR) for the same period. Accidents are analyzed and lessons are derived to continuously improve and minimize the occurrence of accidents. The characteristics of this year's accidents are comparable to the previous year:

78% of the reported incidents were assigned to the "minor" category (minor injuries like scratches and abrasions). Finger injuries continued to account for the majority of incidents.

4 fatalities occurred in fiscal 2023. One contractor lost their life due to burns sustained in an arc-flash incident, and another contractor passed away after being struck by a piling rig's leg. Among the other two contractor fatalities, one occurred during ventilation maintenance using a lifting platform, and the other during work on a construction site while using a mobile scaffold. Each incident and fatality is a source of grief for the people concerned as well as their families, friends, and colleagues. Each incident is a renewed call for us to keep improving and ensuring a safe and healthy work environment for our people and partners.

LTIFR Employees and Temporary Workers[1]

	Fiscal year 2023	2022
Employees	**0.23**	0.25
Temporary Workers[2]	**0.30**	0.38
Total	**0.24**	0.26

1 Lost Time Injury Frequency Rate (LTIFR): number of lost-time cases (LTC) × 200,000 / work hours; LTC are accidents that result in at least one lost day of work.
2 As a globally operating company, Siemens isn't always authorized or able to obtain sensitive information about contract workers' health and occupational safety or complete figures on their work hours. As a result, the Temporary Worker LTIFR for Siemens includes only temporary workers hired by a temporary employment agency or under a contract for work and services.

Fatalities (work-related)

	Fiscal year 2023	2022
Employees	**0**	1
Temporary Workers	**0**	0
Contractors	**4**	1
Total	**4**	2

In fiscal 2023, a total of 62 occupational illness cases were registered.[2] The majority of cases were attributed to occupational cancer.

Joint contribution to our health and safety approach

Our people contribute to our joint health and safety approach every day. There is no one-size-fits-all solution for implementing health and safety due to differing requirements, tasks, and work situations throughout the company. Recognizing this, we want to involve our employees in the design and implementation of our health and safety initiatives and programs. The active participation of our people enables our company-wide, country-specific, and business-specific initiatives and programs to thrive. For instance, psychosocial risks are assessed once a year via the work well-being factors embedded in the Siemens Global Engagement Survey (SGES)[1]. The relevant teams then discuss and document the risks, opportunities, and measures, and outcomes in a structured follow-up process.

1 Siemens without SHS.
2 Excluding temporary workers and contractors.

5.5

Corporate citizenship

- **Improving people's living conditions**
- **Giving societies access to knowledge and technologies**
- **A variety of projects with three strategic priorities**

Management approach

Corporate citizenship has been an integral part of Siemens from the very beginning, with the aim to empower people and societies. As defined by Werner von Siemens over 175 years ago, the company's mission is to provide technologies that improve quality of life and create lasting value for society based on our portfolio, knowledge, and expertise. In alignment with this mission, our corporate citizenship program aims to positively impact society in every country where we operate through voluntary work.

The foundation for our approach are the UN's Sustainable Development Goals. We identify key topics for our respective countries, derive specific actions and illustrate how we are making a positive contribution to achieving them. This approach allows Siemens to focus primarily on giving back to the societies where we operate.

Our governance and policies for corporate citizenship

Responsibility for selecting and managing non-profit and socially impactful activities lies with the local departments or management teams in each country. This approach helps to provide support and create value where it is needed most. Simultaneously, we combine in-depth local knowledge with long-term commitment to overcome social challenges that vary from region to region.

Along with six other international Siemens foundations and Siemens Caring Hands e.V., the Siemens Stiftung complements our corporate citizenship initiatives.

WWW.SIEMENS-STIFTUNG.ORG/EN

Siemens believes that it is important to work for the good of society beyond our business activities and to invest in charitable work. This belief is anchored in our Corporate Citizenship Strategy. Our principles serve as a global framework and provide guidance for local sponsorship activities, donations, charitable contributions, and memberships. This guidance defines how a variety of potential contributions can be deployed connecting each one to our overarching principles.

Our own Corporate Volunteering Standard describes a common global corporate citizenship concept and framework which is supported by an internal volunteering platform being launched in fiscal 2023.

Targets

As an important element of our sustainability strategy, corporate citizenship is embedded in the DEGREE sustainability framework.[1] By strengthening our identification of different target groups for our corporate citizenship activities and offering a range of training measures covering all phases of life, we contribute to two of the framework's fields of action: Equity and Employability.

In every society where we operate, our ambition is to improve general living and healthcare conditions, enhance educational and training opportunities for the labor market, and strengthen social cohesion and cultural identification. At the same time, we aim to strengthen Siemens' reputation and local footprint, increase understanding of our technologies, and position our company as an attractive employer, while also laying the foundation for future innovation.

1 Siemens without SHS.

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Actions and results

Scale sustainability impact with a shared value approach

Grounded in our core business and competencies, we have defined three strategic focus areas for our corporate citizenship activities: access to technology, access to education, and sustaining communities.

In addition to participating in traditional philanthropy, we leverage our technological expertise, capabilities, and products to contribute to society.

Access to technology on the basis of our core competencies

We want to share our knowledge about automation, digitalization, and intelligent infrastructure with the intention of making it accessible to people around the world.

This knowledge is especially important in developing countries, where it can help meet the fundamental needs of local societies, including energy supply, clean water, and basic medical care. The objective is to help these societies improve their overall quality of life and develop new perspectives for solving problems in the future.

In addition, by equipping research laboratories with control and automation equipment in countries like Hungary, Turkey, and Latvia, Siemens is helping improve educational and employment opportunities.

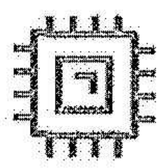
In fiscal 2023, we worked with TANSAM, the Tamilnadu Smart and Advanced Manufacturing Centre, to build and equip an incubation center in India to spur industrial innovation at the grassroot level. The center employs underprivileged people and has already trained more than 16,000 students on Industry 4.0 skills.

Donating refurbished laptops to people in need is another element in our aspiration to help transform communities for a better tomorrow. People in need can connect and interact with others and at the same time get access to quality education.

Access to education is crucial for societies around the world

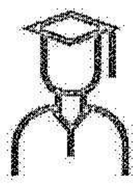
Our commitment to education encompasses diverse activities and includes STEM-oriented training and promoting excellence through competition to providing free software licenses and setting up new institutional education paths, including dual education and apprenticeship systems.

Our Core Areas



Access to technology

With the aid of our core competencies in digitalization, automation, and electrification, as well as scientific research, we strive to give as many people as possible the chance to use the latest technologies.



Access to education

Knowledge is a resource on which our future depends. Therefore, improving educational prospects and allowing broad access to education are critically important challenges for all societies everywhere in the world.



Sustaining communities

Our goals are to establish stable living conditions, protect values, unleash creativity, improve intercultural understanding, and contribute to progress.

The promotion of education can take different forms and pursue different objectives: However, the primary objective remains consistent. We aim to provide enhanced equal access to future opportunities, and to give young people the tools to master future challenges.

Coding skills are increasingly relevant to helping people and organizations overcome the challenges of digitalization. As such, Siemens supports a diverse range of programming-oriented learning programs and projects designed for children. These include UBBU in Portugal, Hacker School in Germany, and Project Jigyaasa in India. Many of these programs are supported by volunteers from Siemens staff.

In addition to the programs mentioned above, in fiscal 2023 we supported the Innovation4Sustainability bootcamp, a local initiative for more than 30 students from public STEM schools across Egypt. The bootcamp was designed and developed with the intention of solving industrial waste management challenges in the electronics sector by empowering a group of diverse students through a series of hands-on trainings, workshops, and ideation using an agile methodology throughout the bootcamp.

In Argentina, we worked with the Siemens Foundation Argentina to design a 30-hour internationally certified training program based on Siemens' 3D design software. The program provides an up-to-date technical education that meets the needs and requirements of the socio-productive sector and aims to enhance employability by helping bridge the digital divide for more than 2,500 students and 250 teachers.

Sustaining communities is key for social cohesion

Siemens believes that identification with one's local cultural heritage is important for social cohesion. With this objective in mind, we support cultural and social activities. The Siemens Arts Program contributes to this objective with a diverse range of projects: for example, support for the first Namibian opera designed to promote intercultural understanding. In addition, we help local communities create safe and stable environments. For instance, in fiscal 2023, we provided accommodations at our company premises in Warsaw to Ukrainian refugees.

We are continuously striving to improve our impact on social cohesion. A major challenge in recent years included unforeseen events like the global pandemic and the war in Ukraine. To help those affected, we launched a charity program in Germany and will continue to roll it out in other countries to better coordinate our measures and offer our people options for help.

Siemens Stiftung: Working for sustainable social development

Siemens Stiftung is an internationally operating foundation established by Siemens in 2008 as an independent nonprofit organization. The foundation focuses on three key themes: Access to Essential Services, Connected Societies and Climate and Sustainability, and adopts a proactive approach to shaping the transformation required by these challenges. By working with partners in the fields of education, social entrepreneurship, and culture, the foundation reinforces collective learning and locally based sustainable structures. The foundation works with the income from its €390 million endowment as well as additional partner funding in Africa, Europe, and Latin America.

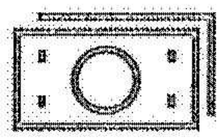
Siemens and its employees supported Siemens Stiftung's projects with a number of donation campaigns during the fiscal year. One example is the COVID-19 Aid Fund, which supported the "STEM Education for Innovation" initiative launched by Siemens Stiftung to advance innovative education formats in Latin American countries. To date it has spent €0.75 million on projects that included producing 467 digital and analog instructional media for the entire educational chain and providing more training for more than 245,000 STEM teachers and other interested participants in more than 300 trainings, workshops, and webinars. The fund also supported the creation of a multi-stakeholder network that promotes STEMplus education in 14 mainly Latin American countries as well as the education portal "CREA" (Centro de Recursos Educativos Abiertos), which offers more than 1,700 open educational resources for STEM lessons.

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In the fifth edition of the Cents4Sense program, employee shareholders around the world were able to donate up to five dividends from their Siemens shares, with the company matching every donation. Since the program began in 2018, it has raised almost €1,280,000 for selected Siemens Stiftung social projects in Africa, Europe, Latin America, and Germany.

Corporate commitment to strive for the creation of lasting value for society

In fiscal 2023, we delivered a total community investment of €43.2 million, and our people spent more than 36,000 h in volunteer projects as part of their working time.



€43.2 million
total community investment

To evaluate our activities, we measure the achievement of the goals on the basis of the individual underlying targets and against a framework based on the I-O-O-I (input, output, outcome, impact) assessment method. A database and approval tool support the operating units in their efforts and helps to create transparency on a global level. This approach is accompanied by participation in numerous local and national working groups and commissions with the aim of improving the positive impact on society.

Our sustainability indicators

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Sustainability Key Performance Indicators (KPIs)		Fiscal Year/ September 30th	Unit	FY 2023	FY 2022	+/–	Standards
SIEMENS AT A GLANCE							
Total revenue	Total	Fiscal Year	Billion €	**77.8**	72.0	8.0%	GRI 201-1, WEF
Net income	Total	Fiscal Year	Billion €	**8.5**	4.4	94.2%	GRI 201-1, WEF
Adjusted EBITA Margin for the Industrial Business	Total	Fiscal Year	%	**15.4%**	15.1%	2.0%	GRI 201-1, WEF
Research and development							
R&D expenses	Total	Fiscal Year	Billion €	**6.2**	5.6	10.6%	WEF
R&D intensity	Total	Fiscal Year	% of revenue	**8.0%**	7.8%	2.3%	WEF
Additions to capitalized development expenses	Total	Fiscal Year	Billion €	**0.3**	0.3	1.7%	WEF
Patents granted	Total	Sept. 30th	No. (rounded)	**45,000**	43,600	3.2%	WEF
Share of patent families with SDG-relevance	Total	Sept. 30th	% of total patent families	**46.8%**	44.8%	4.5%	WEF
GOVERNANCE							
Compliance (continuing and discontinued operations)							
Compliance cases reported	Total	Fiscal Year	No.	**416**	363	14.6%	GRI 205-3, GRI 2-27, WEF
	Allegations of bribery[1]	Fiscal Year	No.	**21**	12	75.0%	GRI 205-3, GRI 2-27, WEF
	Allegations of bribery related to actual year	Fiscal Year	No.	**12**	7	71.4%	GRI 205-3, GRI 2-27, WEF
	Allegations of bribery related to previous years	Fiscal Year	No.	**11**	5	120.0%	GRI 205-3, GRI 2-27, WEF
Disciplinary sanctions	Total	Fiscal Year	No.	**166**	212	–21.7%	GRI 205-3, WEF
	Warnings	Fiscal Year	No.	**87**	90	–3.3%	GRI 205-3, WEF
	Dismissals	Fiscal Year	No.	**43**	74	–41.9%	GRI 205-3, WEF
	Others[2]	Fiscal Year	No.	**36**	48	–25.0%	GRI 205-3, WEF
BCG training – graduating quota current year	Total	Fiscal Year	% of invited employees	**67.9%**	96.3%	–29.5%	GRI 205-2, WEF
BCG training – persons graduating current year	Total	Fiscal Year	No. (rounded)	**129,300**	102,000	26.8%	GRI 205-2, WEF
	EMEA	Fiscal Year	No. (rounded)	**75,900**	50,000	51.8%	GRI 205-2, WEF
	Americas	Fiscal Year	No. (rounded)	**22,900**	19,000	20.5%	GRI 205-2, WEF
	Asia, Australia	Fiscal Year	No. (rounded)	**30,500**	20,000	52.5%	GRI 205-2, WEF
Other specific compliance trainings – persons graduating current year	Total	Fiscal Year	No. (rounded)	**461,000**	409,000	12.7%	GRI 205-2, WEF
Integrity Initiative – Projects	Total	up to Sept. 30th	No.	**85**	85	0.0%	WEF
Integrity Initiative – Finance budget provided	Total	up to Sept. 30th	Million US$ (rounded)	**120**	120	0.0%	WEF

1 Does also include allegations of granting benefits (but not taking bribes); time of the alleged misconduct may be in more than one period or may be unspecified. Therefore it can be included in both categories.
2 Includes loss of variable and voluntary compensation elements, transfer and suspension.

Sustainability Key Performance Indicators (KPIs)		Fiscal Year/ September 30th	Unit	FY 2023	FY 2022	+/–	Standards
Sustainable supply chain management							
Purchasing Volume (PVO)	Total	Fiscal Year	Billion €	**36.9**	34.6	6.7%	GRI 2-6
Number of relevant (> €10,000 annual volume) suppliers	Total	Fiscal Year	No. (rounded)	**67,700**	66,000	2.6%	GRI 2-6
Corporate responsibility self-assessments (CSRA)[3]	Total	Fiscal Year	No.	**5,096**	4,912	3.7%	GRI 308-2, 408-1, 409-1, 414-2
	EMEA	Fiscal Year	No.	**1,122**	1,147	–2.2%	GRI 308-2, 408-1, 409-1, 414-2
	Americas	Fiscal Year	No.	**767**	654	17.3%	GRI 308-2, 408-1, 409-1, 414-2
	Asia, Australia	Fiscal Year	No.	**3,207**	3,111	3.1%	GRI 308-2, 408-1, 409-1, 414-2
Agreed improvement measures out of CSRAs	Total	Fiscal Year	No.	**5,493**	3,109	76.7%	GRI 308-2, 414-2
External sustainability audits	Total	Fiscal Year	No.	**481**	426	12.9%	GRI 308-2, 408-1, 409-1, 414-2, WEF
	EMEA	Fiscal Year	No.	**97**	113	–14.2%	GRI 308-2, 408-1, 409-1, 414-2, WEF
	Americas	Fiscal Year	No.	**51**	50	2.0%	GRI 308-2, 408-1, 409-1, 414-2, WEF
	Asia, Australia	Fiscal Year	No.	**333**	263	26.6%	GRI 308-2, 408-1, 409-1, 414-2, WEF
Agreed improvement measures out of external sustainability audits	Total	Fiscal Year	No.	**9,521**	7,275	30.9%	GRI 308-2, 414-2, WEF
ENVIRONMENT **Holistic environmental protection**							
Sites with environmental management system ISO 14001 certification	Total	Sept. 30th	No.	**182**	184	–1.1%	
Share of sites with environmental management system ISO 14001 certification	Total	Sept. 30th	% of reported sites	**73%**	72%	0.5%	

3 To be conducted mainly by suppliers from non-OECD countries with a purchasing volume > € 50,000 p.a.. Questionnaires initiated and completed in the year under review.

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Sustainability Key Performance Indicators (KPIs)		Fiscal Year/ September 30th	Unit	FY 2023	FY 2022	+/-	Standards
Climate action							
Greenhouse gas emissions							
Scope 1	Total	Fiscal Year	1,000 metric tons of CO_2e emissions	**387**	393	–1.6%	GRI 305-1, WEF
	CO_2 emissions	Fiscal Year	1,000 metric tons of CO_2e emissions	**342**	357	–4.4%	GRI 305-1, WEF
	CO_2 emissions from gas	Fiscal Year	1,000 metric tons of CO_2e emissions	**109**	138	–20.8%	GRI 305-1, WEF
	CO_2 emissions from LPG	Fiscal Year	1,000 metric tons of CO_2e emissions	**5**	1	332.2%	GRI 305-1, WEF
	CO_2 emissions from heating oil	Fiscal Year	1,000 metric tons of CO_2e emissions	**15**	2	643.9%	GRI 305-1, WEF
	CO_2 emissions from fleet fuel	Fiscal Year	1,000 metric tons of CO_2e emissions	**210**	213	–1.7%	GRI 305-1, WEF
	CO_2 emissions from site fuel	Fiscal Year	1,000 metric tons of CO_2e emissions	**3**	3	5.8%	GRI 305-1, WEF
	CO_2 emissions from coal	Fiscal Year	1,000 metric tons of CO_2e emissions	**0**	0		GRI 305-1, WEF
	CO_2 emissions from technical CO_2	Fiscal Year	1,000 metric tons of CO_2e emissions	**0.2**	0.1	37.1%	GRI 305-1, WEF
	SF_6 emissions	Fiscal Year	1,000 metric tons of CO_2e emissions	**30**	23	31.7%	GRI 305-1, WEF
	CH_4 emissions	Fiscal Year	1,000 metric tons of CO_2e emissions	**< 0,1**	< 0,1		GRI 305-1, WEF
	N_2O emissions	Fiscal Year	1,000 metric tons of CO_2e emissions	**0.0**	0.2	–91.8%	GRI 305-1, WEF
	HFC emissions	Fiscal Year	1,000 metric tons of CO_2e emissions	**15.4**	12.1	26.8%	GRI 305-1, WEF
	PFC emissions	Fiscal Year	1,000 metric tons of CO_2e emissions	**0**	0		GRI 305-1, WEF
	NF_3 emissions	Fiscal Year	1,000 metric tons of CO_2e emissions	**< 0,1**	< 0,1		GRI 305-1, WEF
	Acetylene emissions	Fiscal Year	1,000 metric tons of CO_2e emissions	**0.1**	1	–85.9%	GRI 305-1, WEF
Scope 2	Total (market based)	Fiscal Year	1,000 metric tons of CO_2e emissions	**163**	189	–13.5%	GRI 305-2, WEF
	Market based from electricity	Fiscal Year	1,000 metric tons of CO_2e emissions	**142**	164	–13.9%	GRI 305-2, WEF
	Market based from heating	Fiscal Year	1,000 metric tons of CO_2e emissions	**22**	24	–11.1%	GRI 305-2, WEF
	Total (location based)	Fiscal Year	1,000 metric tons of CO_2e emissions	**624**	670	–6.8%	GRI 305-2, WEF
	Location based from electricity	Fiscal Year	1,000 metric tons of CO_2e emissions	**597**	633	–5.7%	GRI 305-2, WEF
	Location based from heating	Fiscal Year	1,000 metric tons of CO_2e emissions	**28**	37	–25.3%	GRI 305-2, WEF
Scope 1+2	Total	Fiscal Year	1,000 metric tons of CO_2e emissions	**550**	582	–5.5%	GRI 305-1, 305-2, WEF
Scope 1+2 intensity	Total	Fiscal Year	metric tons of CO_2e emissions per Mio. € revenue	**7.1**	8.1	–12.5%	GRI 305-4, WEF
Scope 1+2 reduction to last year	Total	Fiscal Year	1,000 metric tons of CO_2e emissions	**32**	13	144.3%	GRI 305-5, WEF

Sustainability Key Performance Indicators (KPIs)		Fiscal Year/ September 30th	Unit	**FY 2023**	FY 2022	+/–	Standards
Reduced emissions through energy from renewable sources	Total (Scope 1 + 2)	Fiscal Year	1,000 metric tons of CO_2e emissions	**467**	482	–3.2%	GRI 305-5, WEF
	Gas from renewable sources (Scope 1)	Fiscal Year	1,000 metric tons of CO_2e emissions	**13**	18[4]	–26.0%	GRI 305-5, WEF
	Electricity from renewable sources (Scope 2)	Fiscal Year	1,000 metric tons of CO_2e emissions	**454**	465	–2.4%	GRI 305-5, WEF
Scope 3	Total	Fiscal Year	1,000 metric tons of CO_2e emissions	**483,188**	457,606	5.6%	GRI 305-3, WEF
Scope 3 upstream	Total	Fiscal Year	1,000 metric tons of CO_2e emissions	**11,048**	11,515	–4.1%	GRI 305-3, WEF
	Purchased goods and services	Fiscal Year	1,000 metric tons of CO_2e emissions	**9,276**	9,557	–2.9%	GRI 305-3, WEF
	Capital goods	Fiscal Year	1,000 metric tons of CO_2e emissions	**416**	458	–9.2%	GRI 305-3, WEF
	Fuel- and energy-related activities	Fiscal Year	1,000 metric tons of CO_2e emissions	**111**	137	–19.0%	GRI 305-3, WEF
	Waste in operations	Fiscal Year	1,000 metric tons of CO_2e emissions	**29**	25	16.0%	GRI 305-3, WEF
	Transportation	Fiscal Year	1,000 metric tons of CO_2e emissions	**884**	1,118	–20.9%	GRI 305-3, WEF
	Business travel	Fiscal Year	1,000 metric tons of CO_2e emissions	**227**	122	85.4%	GRI 305-3, WEF
	Employee commuting	Fiscal Year	1,000 metric tons of CO_2e emissions	**105**	98	7.1%	GRI 305-3, WEF
Scope 3 downstream	Total	Fiscal Year	1,000 metric tons of CO_2e emissions	**472,140**	446,090	5.8%	GRI 305-3, WEF
	Use of sold products	Fiscal Year	1,000 metric tons of CO_2e emissions	**469,180**	442,175	6.1%	GRI 305-3, WEF
	Investment SFS[5]	Fiscal Year	1,000 metric tons of CO_2e emissions	**2,960**	3,915	–24.4%	GRI 305-3, WEF
Scope 3 downstream intensity	Total	Fiscal Year	metric tons of CO_2e emissions per Mio. € revenue	**6,071**	6,198	–2.0%	GRI 305-4, WEF
GHG emissions Scope 1+2+3 upstream ("Cradle to gate")	Total	Fiscal Year	1,000 metric tons of CO_2e emissions	**11,598**	12,097	–4.1%	GRI 305-3, WEF
Biogenic CO_2e emissions	Total	Fiscal Year	1,000 metric tons of CO_2e emissions	**15**	19	–22.2%	
Greenhouse gas emissions – Fleet and real estate management							
Siemens fleet (owned or leased vehicles)	Total number	Sept. 30th	No. (rounded)	**44,000**	42,000	4.8%	
	Electrical vehicles	Sept. 30th	No. (rounded)	**4,100**	1,350	203.7%	
	Hybrid vehicles	Sept. 30th	No. (rounded)	**2,500**	3,150	–20.6%	
	Electrical and hybrid vehicles	Sept. 30th	No. (rounded)	**6,600**	4,500	46.7%	
	Rate of electrical and hybrid vehicles	Sept. 30th	% of total fleet	**15%**	11%	40.0%	
	Rate of electrical vehicles	Sept. 30th	% of total fleet	**9%**	3%	189.9%	
	Fleet emissions (part of Scope 1 emissions)	Fiscal Year	1,000 metric tons of CO_2e emissions	**210**	213	–1.7%	GRI 305-1, WEF
	Fuel consumption fleet	Fiscal Year	1,000 gigajoule	**2,894**	2,920	–0.9%	

4 Change in last year data caused by subsequent adjustment.
5 Emissions out of Siemens Financial Services (SFS) activities in financing fossile energy production projects.

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Sustainability Key Performance Indicators (KPIs)		Fiscal Year/ September 30th	Unit	**FY 2023**	FY 2022	+/–	Standards
Siemens sites with Net Zero CO_2e emissions	Total	Sept. 30th	No.	**37**	41	–9.8%	
Charging poles on company ground for electrical vehicles	Total	Sept. 30th	No. (rounded)	**2,750**	2,200	25.0%	
Use phase Impact at customers							
Avoided emissions: Greenhouse gas reductions achieved by our customers through products of the Siemens Portfolio[6]	Total	Fiscal Year	Mt CO_2e	**189.9**	153.2	24.0%	
EU Taxonomy							
Share eligible revenue	Total	Fiscal Year	% of revenue	**20.3%**	20.1%	0.5%	
Share aligned revenue	Total	Fiscal Year	% of revenue	**16.5%**	n.a.		
Share eligible operational expenditures	Total	Fiscal Year	% of relevant OpEx	**12.4%**	13.5%	–8.2%	
Share aligned operational expenditures	Total	Fiscal Year	% of relevant OpEx	**8.2%**	n.a.		
Share eligible capital expenditures	Total	Fiscal Year	% of relevant CapEx	**34.5%**	39.7%	–13.3%	
Share aligned capital expenditures	Total	Fiscal Year	% of relevant CapEx	**12.2%**	n.a.		
Conservation of Resources							
Energy Consumption: primary & secondary energy	Total	Fiscal Year	1,000 gigajoule	**9,115**	9,802	–7.0%	GRI 302-1, SASB RT-EE-130a.1
	Share of renewable energy sources	Fiscal Year	% of total energy consumption	**51.1%**	47.6%[4]	7.5%	GRI 302-1, SASB RT-EE-130a.1
	Share of grid electricity	Fiscal Year	% of total energy consumption	**61.3%**	57.4%	6.7%	GRI 302-1, SASB RT-EE-130a.1
Primary & secondary energy intensity	Total	Fiscal Year	1,000 gigajoule per Mio. € revenue	**0.117**	0.136	–13.9%	GRI 302-1, SASB RT-EE-130a.1
Energy Consumption: primary energy	Total	Fiscal Year	1,000 gigajoule	**2,513**	3,010	–16.5%	GRI 302-1, SASB RT-EE-130a.1
	Natural gas & liquid gas	Fiscal Year	1,000 gigajoule	**2,277**	2,927	–22.2%	GRI 302-1, SASB RT-EE-130a.1
	Gas from renewable sources	Fiscal Year	1,000 gigajoule	**233**	315[4]	–26.0%	GRI 302-1, SASB RT-EE-130a.1
	Gas share from renewable sources	Fiscal Year	% of total gas used	**10%**	11%	–4.9%	GRI 302-1, SASB RT-EE-130a.1
	Fuel oil, gasoline, diesel	Fiscal Year	1,000 gigajoule	**232**	63	269.5%	GRI 302-1, SASB RT-EE-130a.1
Energy consumption: secondary energy	Total	Fiscal Year	1,000 gigajoule	**6,602**	6,792	–2.8%	GRI 302-1, SASB RT-EE-130a.1
	Electricity (total)	Fiscal Year	1,000 gigajoule	**5,586**	5,629	–0.8%	GRI 302-1, SASB RT-EE-130a.1
	Electricity (renewable sources)	Fiscal Year	1,000 gigajoule	**4,426**	4,347	1.8%	GRI 302-1, SASB RT-EE-130a.1
	Electricity Share of renewable energy sources	Fiscal Year	% of total electricity used	**79%**	77%	2.6%	GRI 302-1, SASB RT-EE-130a.1
	District heating	Fiscal Year	1,000 gigajoule	**1,016**	1,163	–12.6%	GRI 302-1, SASB RT-EE-130a.1

4 Change in last year data caused by subsequent adjustment.
6 Calculated over the entire use phase, analogue Scope 3.11 "Use Phase Emissions".

Sustainability Key Performance Indicators (KPIs)		Fiscal Year/ September 30th	Unit	**FY 2023**	FY 2022	+/–	Standards
Efficiency in energy	Total (w/o SHS)	Fiscal Year	% revenue weighted to base year (2021)	**39%**	13%	196.4%	
Energy reduction	Total (w/o SHS)	Fiscal Year	% to base year (2021)	**9.1%**	3.4%	163.9%	
Waste							
Waste	Total	Fiscal Year	1,000 tons	**261.2**	256.2[4]	2.0%	GRI 306-3
	Non-hazardous waste	Fiscal Year	1,000 tons	**214.7**	224.4	–4.3%	GRI 306-3
	Hazardous waste	Fiscal Year	1,000 tons	**12.7**	13.7[4]	–7.8%	GRI 306-3, SASB RT-EE-150a.1
	Construction waste	Fiscal Year	1,000 tons	**33.9**	18.0	88.0%	GRI 306-3
Non-hazardous waste	Total	Fiscal Year	1,000 tons	**214.7**	224.4	–4.3%	GRI 306-3
	Recycling and Recovery	Fiscal Year	1,000 tons	**203.8**	213.5	–4.5%	GRI 306-3
	Recycling (material)	Fiscal Year	1,000 tons	**179.6**	186.2	–3.6%	GRI 306-3
	Recovery (thermal)	Fiscal Year	1,000 tons	**24.2**	27.2	–11.2%	GRI 306-3
	Landfill and other disposal	Fiscal Year	1,000 tons	**10.9**	11.0	–0.9%	GRI 306-3
	Landfill	Fiscal Year	1,000 tons	**9.0**	8.9	1.9%	GRI 306-3
	Other disposal (thermal/chemical/ physical)	Fiscal Year	1,000 tons	**1.8**	2.1	–12.7%	GRI 306-3
Hazardous waste	Total	Fiscal Year	1,000 tons	**12.7**	13.7[4]	–7.8%	GRI 306-3, SASB RT-EE-150a.1
	Recycling and Recovery	Fiscal Year	1,000 tons	**7.2**	8.7[4]	–17.2%	GRI 306-3, SASB RT-EE-150a.1
	Recycling (material)	Fiscal Year	1,000 tons	**5.6**	7.3[4]	–22.4%	GRI 306-3, SASB RT-EE-150a.1
	Recovery (thermal)	Fiscal Year	1,000 tons	**1.6**	1.5	7.9%	GRI 306-3, SASB RT-EE-150a.1
	Landfill and other disposal	Fiscal Year	1,000 tons	**5.4**	5.0	8.8%	GRI 306-3, SASB RT-EE-150a.1
	Landfill	Fiscal Year	1,000 tons	**0.9**	0.7	28.1%	GRI 306-3, SASB RT-EE-150a.1
	Other disposal (thermal/chemical/ physical)	Fiscal Year	1,000 tons	**4.5**	4.3	5.7%	GRI 306-3, SASB RT-EE-150a.1
Construction waste	Total	Fiscal Year	1,000 tons	**33.9**	18.0	88.0%	GRI 306-3
	Recycling and Recovery	Fiscal Year	1,000 tons	**27.0**	17.4	55.2%	GRI 306-3
	Landfill and other disposal	Fiscal Year	1,000 tons	**6.9**	0.6	1052.9%	GRI 306-3
Total waste (w/o construction waste)	Total	Fiscal Year	1,000 tons	**227.3**	238.1[4]	–4.5%	GRI 306-3
	Recycling and Recovery	Fiscal Year	1,000 tons	**211.0**	222.2[4]	–5.0%	GRI 306-4
	Recycling (material)	Fiscal Year	1,000 tons	**185.2**	193.5[4]	–4.3%	GRI 306-3
	Recovery (thermal)	Fiscal Year	1,000 tons	**25.8**	28.7	–10.2%	GRI 306-3
	Landfill and other disposal	Fiscal Year	1,000 tons	**16.3**	15.9	2.1%	GRI 306-3
	Landfill	Fiscal Year	1,000 tons	**9.9**	9.6	3.8%	GRI 306-3
	Other disposal (thermal/chemical/ physical)	Fiscal Year	1,000 tons	**6.4**	6.4	–0.3%	GRI 306-3

4 Change in last year data caused by subsequent adjustment.

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Sustainability Key Performance Indicators (KPIs)		Fiscal Year/ September 30th	Unit	**FY 2023**	FY 2022	+/–	Standards
Recycling & Recovery rate	Total (w/o construction)	Fiscal Year	% of total waste (w/o construction)	**93%**	93%	–0.5%	GRI 306-4
	Hazardous waste	Fiscal Year	% of total hazardous waste	**57%**	64%[4]	–10.3%	GRI 306-4
	Non-hazardous waste	Fiscal Year	% of total non-hazardous waste	**95%**	95%	–0.2%	GRI 306-4
	Construction waste	Fiscal Year	% of construction waste	**80%**	97%	–17.5%	GRI 306-4
Material Recycling rate	Total (w/o construction)	Fiscal Year	% of total waste (w/o construction)	**81%**	81%	0.3%	GRI 306-4
Upstream waste[7]							
Upstream waste	Total	Fiscal Year	1,000 tons	**1,433**	1,412[8]	1.5%	GRI 306-1
	Non-hazardous waste	Fiscal Year	1,000 tons	**1,369**	1,349[8]	1.5%	GRI 306-1
	Hazardous waste	Fiscal Year	1,000 tons	**63**	63[8]	1.0%	GRI 306-1
Water							
Water withdrawal	Total	Fiscal Year	Million cubic meter	**14.26**	12.93	10.3%	GRI 303-3, WEF
	Surface water	Fiscal Year	Million cubic meter	**1.10**	1.03	7.0%	GRI 303-3, WEF
	Groundwater	Fiscal Year	Million cubic meter	**9.26**	7.94	16.6%	GRI 303-3, WEF
	3rd party water	Fiscal Year	Million cubic meter	**3.85**	3.91	–1.5%	GRI 303-3, WEF
	Other sources	Fiscal Year	Million cubic meter	**0.05**	0.04	9.9%	GRI 303-3, WEF
Water withdrawal intensity	Total	Fiscal Year	Cubic meter per Mio. € revenue	**183.39**	179.71	2.0%	GRI 303-3, WEF
Water withdrawal in water-stressed areas	Total	Fiscal Year	Million cubic meter	**1.36**	1.34[4]	1.0%	GRI 303-3, WEF
	Share of withdrawal	Fiscal Year	% of total withdrawal	**10%**	10%[4]	–8.4%	GRI 303-3, WEF
Water consumption	Total	Fiscal Year	Million cubic meter	**0.51**	0.45	13.3%	GRI 303-5
Water consumption intensity	Total	Fiscal Year	Cubic meter per Mio. € revenue	**6.52**	6.22	4.8%	GRI 303-5
Water consumption in water-stressed areas	Total	Fiscal Year	Million cubic meter	**0.07**	0.07	1.5%	GRI 303-5
	Consumption share	Fiscal Year	% of total consumption	**15%**	16.2%	–10.4%	GRI 303-5
Water discharge	Total	Fiscal Year	Million cubic meter	**13.56**	12.36	9.7%	GRI 303-4
	Surface water	Fiscal Year	Million cubic meter	**1.03**	1.07	–3.4%	GRI 303-4
	Groundwater	Fiscal Year	Million cubic meter	**9.20**	7.73	19.0%	GRI 303-4
	3rd party water	Fiscal Year	Million cubic meter	**3.33**	3.56	–6.5%	GRI 303-4
Discharge usage	Total	Fiscal Year	Million cubic meter	**13.56**	12.36	9.7%	GRI 303-4
	Sanitary wastewater	Fiscal Year	Million cubic meter	**2.80**	2.90	–3.6%	GRI303-4
	Manufacturing processes	Fiscal Year	Million cubic meter	**0.61**	0.55	11.7%	GRI303-4
	Other (including losses)	Fiscal Year	Million cubic meter	**0.24**	0.33	–26.3%	GRI303-4
	Cooling water discharged as wastewater	Fiscal Year	Million cubic meter	**0.14**	0.13	5.2%	GRI303-4
	Chemically unchanged cooling water (returned to receiving water body chemically unchanged, but warmed)	Fiscal Year	Million cubic meter	**9.80**	8.49	15.5%	GRI303-4

4 Change in last year data caused by subsequent adjustment.
7 Analysis of our supply chain based on purchase data by using of a macroeconomic input-output-model also adjusted for inflation.
8 Change in last year data caused by new calculation method.

Sustainability Key Performance Indicators (KPIs)		Fiscal Year/ September 30th	Unit	FY 2023	FY 2022	+/–	Standards
Rate of sites with implemented water strategy	Total	Sept. 30th	% of sites	**96%**	93%	3.8%	GRI 303-1, WEF
Atmospheric pollutant emissions							
Volatile Organic Compounds	Total	Fiscal Year	metric tons	**249.7**	274.4	–9.0%	GRI 305-7
Ozone-depleting substances	Total	Fiscal Year	metric tons (R_{11} equivalent)[9]	**0.044**	0.036	22.3%	GRI 305-6
Nitrogen oxides	Total	Fiscal Year	metric tons	**53.5**	57.6	–7.1%	GRI 305-7
Sulphur oxides	Total	Fiscal Year	metric tons	**1.18**	0.94	25.5%	GRI 305-7
Respirable dust	Total	Fiscal Year	metric tons	**0.23**	0.08	186.7%	GRI 305-7
Additional environmental topics							
Environment-related incidents with significant fines	Total	Fiscal Year	No.	**0**	n.a.[10]		GRI 307-1, SASB RT-EE-150a2
Amount of significant fines	Total	Fiscal Year	€	**0**	n.a.[10]		GRI 307-1, SASB RT-EE-150a2
Reportable spills	Total	Fiscal Year	No.	**14**	7	100.0%	GRI 307-1, SASB RT-EE-150a2
	Quantity reportable spills	Fiscal Year	kg	**3,319**	2,562	29.5%	GRI 307-1, SASB RT-EE-150a2
	Quantity recovered spills	Fiscal Year	kg	**2,079**	342	507.7%	GRI 307-1, SASB RT-EE-150a2
Sites with energy management system ISO 50001 certification	Total	Sept. 30th	No.	**45**	38	18.4%	
Sites in or adjacent to protected areas	Total	Sept. 30th	No.	**25**	20	25.0%	WEF
Area of sites in or adjacent to protected areas	Total	Sept. 30th	Hectare	**290**[11]	184	57.2%	WEF
Product Stewardship							
Lifecycle assessment (LCA)[12]	Total	Sept. 30th	No.	**334**	92	263.0%	
Environmental Product Declarations (EPD)	Total	Sept. 30th	No.	**1,540**	1,346	14.4%	
Share of lifecycle assessment (LCA) revenue[13]	Total (w/o SHS)	Fiscal Year	% of total revenue[14]	**39%**	27%[8]	45.8%	
Share of Environmental Product Declarations (EPD) revenue[13]	Total (w/o SHS)	Fiscal Year	% of total revenue[14]	**36%**	22%[8]	64.1%	
Rate of products by revenue that contain IEC 62474-declarable substances	Total (w/o SHS)	Fiscal Year	% of total revenue[14]	**50%**	49%	2.2%	SASB RT-EE-410a1

8 Change in last year data caused by new calculation method.
9 R_{11} equivalent measures ozone depletion potential.
10 Change in last year data caused by new definition with threshold.
11 Therein 49 hectare of an office location without production in Erlangen/Germany.
12 Full-scale.
13 Based on 3rd party revenue with products.
14 Siemens without SHS.

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Sustainability Key Performance Indicators (KPIs)		Fiscal Year/ September 30th	Unit	FY 2023	FY 2022	+/–	Standards
SOCIAL							
Working for Siemens[15]							
Siemens employees[16]	Total	Sept. 30th	No. (rounded)	**320,000**	311,000	2.9%	GRI 2-7, SASB RT-EE_000B
Other internal workforce[17]	Total	Sept. 30th	No. (rounded)	**17,200**	16,900	1.8%	GRI 2-7
External/third party workers[18]	Germany	Sept. 30th	No. (rounded)	**4,400**	4,400	0.0%	GRI 2-8
Employee structure[19]	EMEA	Sept. 30th	No. (rounded)	**175,000**	172,000	1.7%	GRI 2-7
	Americas	Sept. 30th	No. (rounded)	**66,000**	64,000	3.1%	GRI 2-7
	Asia, Australia	Sept. 30th	No. (rounded)	**78,000**	75,000	4.0%	GRI 2-7
	Women	Sept. 30th	No. (rounded)	**88,000**	84,000	4.8%	GRI 2-7, WEF
	Men	Sept. 30th	No. (rounded)	**231,000**	225,000	2.7%	GRI 2-7, WEF
	No/other gender entry	Sept. 30th	No. (rounded)	**140**	180	–22.2%	GRI 2-7, WEF
	Gender n/a	Sept. 30th	No. (rounded)	**900**	1,600	–43.8%	GRI 2-7, WEF
	Age group < 30	Sept. 30th	No. (rounded)	**50,000**	48,000	4.2%	GRI 2-7
	Age group 30 – 50	Sept. 30th	No. (rounded)	**188,000**	182,000	3.3%	GRI 2-7
	Age group > 50	Sept. 30th	No. (rounded)	**81,000**	79,000	2.5%	GRI 2-7
	Age n/a	Sept. 30th	No. (rounded)	**900**	1,600	–43.8%	GRI 2-7
	Young workers below 15 years	Sept. 30th	% of total employees	**0.0%**	0.0%		GRI 405-1, WEF
	Young workers 15 – 17 years	Sept. 30th	% of total employees	**0.0%**	0.0%		GRI 405-1, WEF
	Blue-collar workers	Sept. 30th	% of total employees	**16.9%**	17.3%	–2.3%	WEF
	White-collar workers	Sept. 30th	% of total employees	**83.1%**	82.7%	0.5%	WEF
	Germany	Sept. 30th	% of employees in Germany	**5.6%**	5.7%	–1.8%	GRI 405-1, WEF
	Germany – Top management positions	Sept. 30th	% of employees in Germany in top management positions	**0.0%**	0.0%		GRI 405-1, WEF
	Germany – Middle & junior management positions	Sept. 30th	% of employees in Germany in middle & junior management positions	**1.9%**	1.8%	5.6%	GRI 405-1, WEF
	Germany – Non-management positions	Sept. 30th	% of employees in Germany in non-management positions	**5.3%**	5.5%	–3.6%	GRI 405-1, WEF
Disabled employees[20]							
Employee nationalities[21]	Total	Sept. 30th	No.	**170**	168	1.2%	GRI 405-1

15 All employee data in this section are based on headcount.
16 Employee refers to every natural person in an active employment relationship with a fully consolidated Siemens company. Employees are all internal workforce without apprentices, students, interns and other internal workforce.
17 Other internal workforce/non-employees according to our financial reporting guidelines (e.g. apprentices, students, interns and other internal workforce).
18 External/third party workers who work in our workforce/contingent workers.
19 Employee structure data are only for employees, without other internal workforce and without external/third party workers.
20 Severely Handicapped Employees-rate (SHE) is based on legally defined guidelines and specifications according §§ 154-1+3 SGB IX (German Social Law).
21 Employees, without other internal workforce and without external workforce.

Sustainability Key Performance Indicators (KPIs)		Fiscal Year/ September 30th	Unit	**FY 2023**	FY 2022	+/–	Standards
Top nationalities worldwide[21]	German	Sept. 30th	% of total employees	**25%**	26%	–2.1%	GRI 405-1
	American	Sept. 30th	% of total employees	**14%**	14%	0.0%	GRI 405-1
	Indian	Sept. 30th	% of total employees	**12%**	11%	5.5%	GRI 405-1
	Chinese	Sept. 30th	% of total employees	**10%**	10%	0.0%	GRI 405-1
	Czech	Sept. 30th	% of total employees	**3%**	3%	0.0%	GRI 405-1
	Other nationalities	Sept. 30th	% of total employees	**36%**	36%	0.0%	GRI 405-1
Employment characteristics[22]							
Employees with permanent working contract	Total	Sept. 30th	No. (rounded)	**300,100**	289,600	3.6%	GRI 2-7b, WEF
	EMEA	Sept. 30th	No. (rounded)	**170,300**	165,300	3.0%	GRI 2-7b, WEF
	Americas	Sept. 30th	No. (rounded)	**65,400**	63,300	3.3%	GRI 2-7b, WEF
	Asia, Australia	Sept. 30th	No. (rounded)	**64,400**	61,000	5.6%	GRI 2-7b, WEF
	Women	Sept. 30th	No. (rounded)	**81,500**	77,900	4.6%	GRI 2-7b, WEF
	Men	Sept. 30th	No. (rounded)	**218,400**	211,500	3.3%	GRI 2-7b, WEF
	No/other gender entry	Sept. 30th	No. (rounded)	**140**	170	–17.6%	GRI 2-7b, WEF
Employees with temporary working contract	Total	Sept. 30th	No. (rounded)	**18,500**	19,500	–5.1%	GRI 2-7b, WEF
	EMEA	Sept. 30th	No. (rounded)	**4,800**	5,200	–7.7%	GRI 2-7b, WEF
	Americas	Sept. 30th	No. (rounded)	**400**	400	0.0%	GRI 2-7b, WEF
	Asia, Australia	Sept. 30th	No. (rounded)	**13,400**	13,900	–3.6%	GRI 2-7b, WEF
	Women	Sept. 30th	No. (rounded)	**6,100**	6,300	–3.2%	GRI 2-7b, WEF
	Men	Sept. 30th	No. (rounded)	**12,500**	13,200	–5.3%	GRI 2-7b, WEF
	No/other gender entry	Sept. 30th	No.	**2**	12	–83.3%	GRI 2-7b, WEF
Permanent/temporary working contract	Contract type n/a	Sept. 30th	No. (rounded)	**900**	1,600	–43.8%	GRI 2-7b, WEF
Full-time employees in headcount	Total	Sept. 30th	No. (rounded)	**304,500**	295,400	3.1%	GRI 2-7
	EMEA	Sept. 30th	No. (rounded)	**161,400**	157,200	2.7%	GRI 2-7
	Americas	Sept. 30th	No. (rounded)	**65,500**	63,400	3.3%	GRI 2-7
	Asia, Australia	Sept. 30th	No. (rounded)	**77,600**	74,700	3.9%	GRI 2-7
	Women	Sept. 30th	No. (rounded)	**78,100**	74,700	4.6%	GRI 2-7
	Men	Sept. 30th	No. (rounded)	**226,300**	220,400	2.7%	GRI 2-7
	No/other gender entry	Sept. 30th	No. (rounded)	**140**	180	–22.2%	GRI 2-7
Part-time employees in headcount	Total	Sept. 30th	No. (rounded)	**14,100**	13,800	2.2%	GRI 2-7
	EMEA	Sept. 30th	No. (rounded)	**13,600**	13,300	2.3%	GRI 2-7
	Americas	Sept. 30th	No. (rounded)	**300**	300	0.0%	GRI 2-7
	Asia, Australia	Sept. 30th	No. (rounded)	**160**	150	6.7%	GRI 2-7
	Women	Sept. 30th	No. (rounded)	**9,500**	9,500	0.0%	GRI 2-7
	Men	Sept. 30th	No. (rounded)	**4,600**	4,300	7.0%	GRI 2-7
	No/other gender entry	Sept. 30th	No.	**6**	6	0.0%	GRI 2-7

21 Employees, without other internal workforce and without external workforce.
22 Employment characteristics only for employees, without other internal workforce and without external/third party workers.

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Sustainability Key Performance Indicators (KPIs)		Fiscal Year/ September 30th	Unit	FY 2023	FY 2022	+/–	Standards
Full-/part-time employees in headcount	Full-/part-time n/a	Sept. 30th	No. (rounded)	**900**	1,600	–43.8%	GRI 2-7
Employees covered by collective bargaining agreements	Germany	Sept. 30th	% of total employees in Germany	**78.6%**	78.3%	0.4%	GRI 2-30
Additional employees covered by collective agreements[23]	Germany	Sept. 30th	% of total employees in Germany	**19.2%**	19.5%	–1.5%	GRI 2-30
Senior managers represented by "Executive staff committee"	Germany	Sept. 30th	% of total employees in Germany	**2.2%**	2.2%	0.0%	GRI 2-30
Diversity of employees per category and function[24]							
Employees in all management positions[25]	Total	Sept. 30th	No. (rounded)	**32,900**	30,900	6.5%	GRI 405-1
	Women	Sept. 30th	% of employees in all management positions	**21.6%**	20.6%	4.9%	GRI 405-1
	Men	Sept. 30th	% of employees in all management positions	**78.4%**	79.4%	–1.3%	GRI 405-1
	No/other gender entry	Sept. 30th	% of employees in all management positions	**0.0%**	0.0%		GRI 405-1
Employees in top management positions[26]	Total	Sept. 30th	No. (rounded)	**500**	500	0.0%	GRI 405-1
	Women	Sept. 30th	% of employees in top management positions	**30.8%**	27.2%	13.2%	GRI 405-1
	Men	Sept. 30th	% of employees in top management positions	**69.2%**	72.8%	–4.9%	GRI 405-1
	No/other gender entry	Sept. 30th	% of employees in top management positions	**0.0%**	0.0%		GRI 405-1
	Age group < 30	Sept. 30th	% of employees in top management positions	**0.2%**	0.2%	0.0%	GRI 405-1
	Age group 30 – 50	Sept. 30th	% of employees in top management positions	**42.7%**	46.0%	–7.2%	GRI 405-1
	Age group > 50	Sept. 30th	% of employees in top management positions	**57.1%**	53.7%	6.3%	GRI 405-1

23 Employees not covered by collective bargaining agreements, but the organization determines their working conditions and terms of employment based on collective bargaining agreements that cover its other employees or similar agreements.
24 Diversity data only for employees, without other internal workforce and without external/third party workers.
25 Employees in all management positions with disciplinary responsibility, but without Managing Board Members.
26 Employees in top management positions with disciplinary responsibility, but without Managing Board Members.

Sustainability Key Performance Indicators (KPIs)		Fiscal Year/ September 30th	Unit	FY 2023	FY 2022	+/–	Standards
Employees in middle & junior management positions[27]	Total	Sept. 30th	No. (rounded)	**32,400**	30,400	6.6%	GRI 405-1
	Women	Sept. 30th	% of employees in middle & junior management positions	**21.4%**	20.5%	4.4%	GRI 405-1
	Men	Sept. 30th	% of employees in middle & junior management positions	**78.6%**	79.5%	–1.1%	GRI 405-1
	No/other gender entry	Sept. 30th	% of employees in middle & junior management positions	**0.0%**	0.0%		GRI 405-1
	Age group < 30	Sept. 30th	% of employees in middle & junior management positions	**1.1%**	1.0%	10.0%	GRI 405-1
	Age group 30 – 50	Sept. 30th	% of employees in middle & junior management positions	**64.7%**	64.5%	0.3%	GRI 405-1
	Age group > 50	Sept. 30th	% of employees in middle & junior management positions	**34.2%**	34.5%	–0.9%	GRI 405-1
Employees in non-management positions	Total	Sept. 30th	No. (rounded)	**285,700**	278,200	2.7%	GRI 405-1
	Women	Sept. 30th	% of employees in non-management positions	**28.2%**	28.0%	0.7%	GRI 405-1
	Men	Sept. 30th	% of employees in non-management positions	**71.8%**	72.0%	–0.3%	GRI 405-1
	No/other gender entry	Sept. 30th	% of employees in non-management positions	**0.0%**	0.1%	–100.0%	GRI 405-1
	Age group < 30	Sept. 30th	% of employees in non-management positions	**17.2%**	17.1%	0.6%	GRI 405-1
	Age group 30 – 50	Sept. 30th	% of employees in non-management positions	**58.5%**	58.4%	0.2%	GRI 405-1
	Age group > 50	Sept. 30th	% of employees in non-management positions	**24.3%**	24.5%	–0.8%	GRI 405-1
Women in functions	Production	Sept. 30th	% of total employees in function	**25.2%**	25.0%	0.8%	GRI 405-1
	Sales and marketing	Sept. 30th	% of total employees in function	**29.3%**	28.7%	2.1%	GRI 405-1
	Research and development	Sept. 30th	% of total employees in function	**22.7%**	22.5%	0.9%	GRI 405-1
	General administration	Sept. 30th	% of total employees in function	**48.4%**	48.2%	0.4%	GRI 405-1

27 Employees in middle & junior management positions with disciplinary responsibility, but without Managing Board Members.

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Sustainability Key Performance Indicators (KPIs)		Fiscal Year/ September 30th	Unit	FY 2023	FY 2022	+/–	Standards
Women in STEM-related positions	Total	Sept. 30th	% of total employees in STEM	**19.3%**	19.3%	0.0%	GRI 405-1
	In management positions[28]	Sept. 30th	% of total employees in STEM and management	**14.3%**	13.3%	7.5%	GRI 405-1
Women in revenue-generating functions	In management positions[28]	Sept. 30th	% of total employees in revenue-generating functions and in management	**15.6%**	14.6%	6.8%	GRI 405-1
Hirings							
Hirings	Total	Fiscal Year	No. (rounded)	**40,700**	47,300	–14.0%	GRI 401-1, WEF
	EMEA	Fiscal Year	No. (rounded)	**17,300**	19,300	–10.4%	GRI 401-1, WEF
	Americas	Fiscal Year	No. (rounded)	**12,000**	13,800	–13.0%	GRI 401-1, WEF
	Asia, Australia	Fiscal Year	No. (rounded)	**11,400**	14,300	–20.3%	GRI 401-1, WEF
	Women	Fiscal Year	No. (rounded)	**12,000**	14,100	–14.9%	GRI 401-1, WEF
	Men	Fiscal Year	No. (rounded)	**28,500**	32,900	–13.4%	GRI 401-1, WEF
	No/other gender entry	Fiscal Year	No.	**26**	50	–48.0%	GRI 401-1, WEF
	Gender n/a	Fiscal Year	No.	**200**	228	–12.3%	GRI 401-1, WEF
	Age group < 30	Fiscal Year	No. (rounded)	**18,400**	21,600	–14.8%	GRI 401-1, WEF
	Age group 30 – 50	Fiscal Year	No. (rounded)	**19,600**	22,600	–13.3%	GRI 401-1, WEF
	Age group > 50	Fiscal Year	No. (rounded)	**2,500**	3,000	–16.7%	GRI 401-1, WEF
	Age n/a	Fiscal Year	No.	**200**	228	–12.3%	GRI 401-1, WEF
Hiring rate[29]	Total	Fiscal Year	% of average number of employees	**12.9%**	15.4%	–16.2%	GRI 401-1, WEF
	EMEA	Fiscal Year	% of average number of employees in region	**10.0%**	11.2%	–10.7%	GRI 401-1, WEF
	Americas	Fiscal Year	% of average number of employees in region	**18.2%**	21.9%	–16.9%	GRI 401-1, WEF
	Asia, Australia	Fiscal Year	% of average number of employees in region	**14.9%**	19.7%	–24.4%	GRI 401-1, WEF
	Women	Fiscal Year	% of average number of women	**14.0%**	17.1%	–18.1%	GRI 401-1, WEF
	Men	Fiscal Year	% of average number of men	**12.5%**	14.7%	–15.0%	GRI 401-1, WEF
	No/other gender entry	Fiscal Year	% of average number of employees with no/other gender	**16.4%**	89.8%	–81.7%	GRI 401-1, WEF
	Age group < 30	Fiscal Year	% of average number of employees in age group	**37.6%**	46.7%	–19.5%	GRI 401-1, WEF
	Age group 30 – 50	Fiscal Year	% of average number of employees in age group	**10.6%**	12.4%	–14.5%	GRI 401-1, WEF
	Age group > 50	Fiscal Year	% of average number of employees in age group	**3.2%**	3.7%	–13.5%	GRI 401-1, WEF

28 Employees in management positions with disciplinary responsibility, but without Managing Board Members.
29 Hiring rate is defined as the ratio of hirings into Siemens during the fiscal year to the average number of employees.

Sustainability Key Performance Indicators (KPIs)		Fiscal Year/ September 30th	Unit	FY 2023	FY 2022	+/–	Standards
Exits							
Exits[30]	Total	Fiscal Year	No. (rounded)	**30,400**	35,800	–15.1%	GRI 401-1, WEF
	EMEA	Fiscal Year	No. (rounded)	**13,000**	15,000	–13.3%	GRI 401-1, WEF
	Americas	Fiscal Year	No. (rounded)	**9,200**	11,700	–21.4%	GRI 401-1, WEF
	Asia, Australia	Fiscal Year	No. (rounded)	**8,200**	9,200	–10.9%	GRI 401-1, WEF
	Women	Fiscal Year	No. (rounded)	**8,500**	9,500	–10.5%	GRI 401-1, WEF
	Men	Fiscal Year	No. (rounded)	**21,800**	26,100	–16.5%	GRI 401-1, WEF
	No/other gender entry	Fiscal Year	No.	**28**	10	180.0%	GRI 401-1, WEF
	Gender n/a	Fiscal Year	No.	**118**	203	–41.9%	GRI 401-1, WEF
	Age group < 30	Fiscal Year	No. (rounded)	**8,000**	9,400	–14.9%	GRI 401-1, WEF
	Age group 30 – 50	Fiscal Year	No. (rounded)	**14,900**	18,200	–18.1%	GRI 401-1, WEF
	Age group > 50	Fiscal Year	No. (rounded)	**7,400**	8,000	–7.5%	GRI 401-1, WEF
	Age n/a	Fiscal Year	No.	**118**	203	–41.9%	GRI 401-1, WEF
Employee turnover rate[30]	Total	Fiscal Year	% of average number of employees	**9.6%**	11.6%	–17.2%	GRI 401-1
	Voluntary turnover rate[31]	Fiscal Year	% of average number of employees	**5.3%**	6.6%	–19.7%	GRI 401-1
	Involuntary turnover rate[32]	Fiscal Year	% of average number of employees	**4.3%**	5.0%	–14.0%	GRI 401-1
	EMEA	Fiscal Year	% of average number of employees in region	**7.5%**	8.7%	–13.8%	GRI 401-1
	Americas	Fiscal Year	% of average number of employees in region	**14.0%**	18.6%	–24.7%	GRI 401-1
	Asia, Australia	Fiscal Year	% of average number of employees in region	**10.7%**	12.6%	–15.1%	GRI 401-1
	Women	Fiscal Year	% of average number of women	**9.9%**	11.5%	–13.9%	GRI 401-1
	Men	Fiscal Year	% of average number of men	**9.5%**	11.6%	–18.1%	GRI 401-1
	No/other gender entry	Fiscal Year	% of average number of employees with no/other gender entry	**17.7%**	18.0%	–1.7%	GRI 401-1
	Age group < 30	Fiscal Year	% of average number of employees in age group	**16.4%**	20.4%	–19.6%	GRI 401-1
	Age group 30 – 50	Fiscal Year	% of average number of employees in age group	**8.0%**	10.0%	–20.0%	GRI 401-1
	Age group > 50	Fiscal Year	% of average number of employees in age group	**9.2%**	10.1%	–8.9%	GRI 401-1
Employee share programs[33]							
Employees participating in the Siemens employee share plans	Total (w/o SHS)	Fiscal Year	No. (rounded)	**102,000**	103,000	–1.0%	
	Total (w/o SHS)	Fiscal Year	% of total employees	**43.5%**	44.5%	–2.2%	

30 Turnover rate is defined as the ratio of voluntary and involuntary exits from Siemens during the fiscal year to the average number of employees.
31 Voluntary turnover rate is based on employee decision.
32 Involuntary turnover rate is based on other reasons, including dismissals, end of temporary contracts, mutual consent, (early) retirement, death, and other reasons that are not an employee decision.
33 Based on employees with eligibility to share plans.

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Sustainability Key Performance Indicators (KPIs)		Fiscal Year/ September 30th	Unit	FY 2023	FY 2022	+/–	Standards
Professional education and lifelong learning							
Apprentices and dual students	Total	Sept. 30th	No. (rounded)	**5,800**	5,500	5.5%	GRI 2-7
	Germany	Sept. 30th	No. (rounded)	**3,600**	3,900	–7.7%	GRI 2-7
Average number of interns/(doctoral) students with *an educational/* learning target (e.g. mandatory internship)	Total	Sept. 30th	No. (rounded)	**1,100**	1,000	10.0%	GRI 2-7
Spending on employee education and training	Total	Fiscal Year	Million €	**416.3**	374.6	11.1%	GRI 404-2, WEF
Spending on employee training	Total	Fiscal Year	Million €	**237.0**	205.4	15.4%	GRI 404-2, WEF
Spending on employee training per employee	Total	Fiscal Year	€	**753**	667	12.9%	GRI 404-2, WEF
Spending on employee training per full time employee	Total	Fiscal Year	€	**763**	676	12.8%	GRI 404-2, WEF
Average training hours per employee	Total	Fiscal Year	No.	**30**	26	12.1%	GRI 404-1, WEF
	Digital learning	Fiscal Year	No.	**23**	21	9.4%	GRI 404-1, WEF
	On-site training	Fiscal Year	No.	**6**	5	23.1%	GRI 404-1, WEF
	Women	Fiscal Year	No.	**28**	26	9.0%	GRI 404-1, WEF
	Men	Fiscal Year	No.	**30**	27	13.1%	GRI 404-1, WEF
	no/other gender	Fiscal Year	No.	**18**	39	–54.2%	GRI 404-1, WEF
	Blue-collar workers	Fiscal Year	No.	**22**	20	12.0%	GRI 404-1, WEF
	White-collar workers	Fiscal Year	No.	**31**	28	12.6%	GRI 404-1, WEF
Average training hours per employee category	Top management positions	Fiscal Year	No.	**34**	28	21.5%	GRI 404-1, WEF
	Middle/junior management positions	Fiscal Year	No.	**36**	28	26.6%	GRI 404-1, WEF
	Non-management positions	Fiscal Year	No.	**29**	26	10.7%	GRI 404-1, WEF
	Function: Production	Fiscal Year	No.	**30**	27	12.6%	GRI 404-1, WEF
	Function: Sales and marketing	Fiscal Year	No.	**27**	24	10.7%	GRI 404-1, WEF
	Function: Research and development	Fiscal Year	No.	**31**	27	16.7%	GRI 404-1, WEF
	Function: General administration	Fiscal Year	No.	**27**	24	12.8%	GRI 404-1, WEF
Modules in Siemens digital global learning platform My Learning World	Total (w/o SHS)	Fiscal Year	No. (rounded)	**136,000**	116,600	–16.6%	GRI 404-2, WEF
Share of employees with access to digital learning offerings	Total	Fiscal Year	% of total employees	**99.6%**	90%	10.7%	GRI 404-2, WEF
Participation rate in learning offerings	Total	Fiscal Year	% of total employees	**100%**	100%	0.0%	GRI 404-2, WEF
Development programs							
Siemens Core Learning Paths (CLP)	Total	Fiscal Year	No.	**29**	29	0.0%	GRI 404-2, WEF
Siemens Potential Development Programs (PDP)	Total (w/o SHS)	Fiscal Year	No.	**38**	36	5.6%	GRI 404-2, WEF
Xcelerate Your Potential @ Siemens (XPS)	Total community	Sept. 30th	No.	**23**	22	4.5%	GRI 404-2, WEF
	Active participants (w/o SHS)	Sept. 30th	No.	**3**	2	50.0%	GRI 404-2, WEF
Siemens Finance Excellence Program (FEP)	Total community	Sept. 30th	No.	**69**	68	1.5%	GRI 404-2, WEF
	Active participants	Sept. 30th	No.	**8**	9	–11.1%	GRI 404-2, WEF

Sustainability Key Performance Indicators (KPIs)		Fiscal Year/ September 30th	Unit	FY 2023	FY 2022	+/–	Standards
Siemens Graduate Program (SGP)	Total community	Sept. 30th	No.	**954**	913	4.5%	GRI 404-2, WEF
	Active participants	Sept. 30th	No.	**132**	99	33.3%	GRI 404-2, WEF
Occupational health & safety[34]							
Fatalities – work related	Total	Fiscal Year	No.	**4**	2	100.0%	GRI 403-9, WEF
	Temporary workers	Fiscal Year	No.	**0**	0		GRI 403-9, WEF
	Employees	Fiscal Year	No.	**0**	1	–100.0%	GRI 403-9, WEF
	Contractors	Fiscal Year	No.	**4**	1	300.0%	GRI 403-9, WEF
Fatality Rate – work related[35]	Total[36]	Fiscal Year	No.	**0.000**	0.001	–100.0%	GRI 403-9, WEF
	Temporary workers	Fiscal Year	No.	**0.000**	0.000		GRI 403-9, WEF
	Employees	Fiscal Year	No.	**0.000**	0.0003	–100.0%	GRI 403-9, WEF
High-consequence work-related injuries (excluding fatalities)	Total	Fiscal Year	No.	**50**	68	–26.5%	GRI 403-9, WEF
	Temporary workers	Fiscal Year	No.	**3**	1	200.0%	GRI 403-9, WEF
	Employees	Fiscal Year	No.	**47**	67	–29.9%	GRI 403-9, WEF
High-consequence injury rate[37]	Total	Fiscal Year	No.	**0.015**	0.021	–28.5%	GRI 403-9, WEF
	Temporary workers	Fiscal Year	No.	**0.009**	0.003	178.4%	GRI 403-9, WEF
	Employees	Fiscal Year	No.	**0.015**	0.022	–31.4%	GRI 403-9, WEF
Recordable injuries	Total	Fiscal Year	No.	**1,466**	1,518	–3.4%	GRI 403-9, WEF
	Temporary workers	Fiscal Year	No.	**199**	210	–5.2%	GRI 403-9, WEF
	Employees	Fiscal Year	No.	**1,267**	1,308	–3.1%	GRI 403-9, WEF
Total recordable injury rate[38]	Total	Fiscal Year	No.	**0.43**	0.46	–6.1%	GRI 403-9, WEF
	Temporary workers	Fiscal Year	No.	**0.63**	0.71	–12.1%	GRI 403-9, WEF
	Employees	Fiscal Year	No.	**0.41**	0.44	–5.3%	GRI 403-9, WEF
Lost time injuries (LTI)	Total	Fiscal Year	No.	**805**	853	–5.6%	GRI 403-9, WEF
	Temporary workers	Fiscal Year	No.	**96**	112	–14.3%	GRI 403-9, WEF
	Employees	Fiscal Year	No.	**709**	741	–4.3%	GRI 403-9, WEF
Lost time injury frequency rate (LTIFR)[39]	Total	Fiscal Year	No.	**0.24**	0.26	–8.2%	GRI 403-9, WEF
	Temporary workers	Fiscal Year	No.	**0.30**	0.38	–20.5%	GRI 403-9, WEF
	Employees	Fiscal Year	No.	**0.23**	0.25	–6.5%	GRI 403-9, WEF
Number of hours worked	Employees	Fiscal Year	No. (in thousand)	**614,731**	600,758	2.3%	GRI 403-9
Occupational illness cases	Selected countries	Fiscal Year	No.	**62**	88[40]	–29.5%	GRI 403-10, WEF
Fatalities due to occupational illness	Selected countries	Fiscal Year	No.	**6**	11[40]	–45.5%	GRI 403-10
Rate of employees covered with OHS MS that has been externally audited	Total	Sept. 30th	% of total number employees	**57%**	57%[41]	0.0%	GRI 403-8
Rate employees covered with OHS MS that has been internally audited	Total (w/o SHS)	Sept. 30th	% of total number employees	**99.9%**	n.a.		GRI 403-8
Rate of access to Medical Care[42]	Total (w/o SHS)	Sept. 30th	% of total number employees	**94%**	89%	11.8%	GRI 403-6
Rate of access to Health Education[42]	Total (w/o SHS)	Sept. 30th	% of total number employees	**94%**	85%	11.0%	

34 Excluding CTSI Oncology Solutions.
35 Number of Fatalities x 200,000 / working hours.
36 Fatality Rate w/o contractors.
37 Number of High-consequence injuries x 200,000 / working hours.
38 Number of Recordable injuries x 200,000 / working hours.
39 Number of Lost Time Cases (LTC) x 200,000 / working hours. LTC are accidents that results in at least one lost working day.
40 Due to system change of German Statutory Agency adjusted prior year figures.
41 Realignment due to calculation error in last year.
42 Scope of HM Reporting: Countries >30 employees as well as affiliated companies >30 employees.

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Sustainability Key Performance Indicators (KPIs)		Fiscal Year/ September 30th	Unit	FY 2023	FY 2022	+/–	Standards
Corporate Citizenship							
Donations	Total	Fiscal Year	Million €	**29.2**	32.1	–9.0%	GRI 201-1, WEF
	Total	Fiscal Year	% of Net Income	**0.3%**	0.7%	–53.1%	GRI 201-1, WEF
Sponsoring Social programs (e.g. Arts and education)	Total	Fiscal Year	Million €	**14.0**	13.5	3.5%	GRI 201-1, WEF
Community investment total	Total	Fiscal Year	Million €	**43.2**	45.6	–5.3%	GRI 201-1, WEF
	Total	Fiscal Year	% of Net Income	**0.5%**	1.0%	–51.2%	GRI 201-1, WEF
Volunteering hours	Total (w/o SHS)	Fiscal Year	No. (rounded)	**36,500**	32,650	11.8%	GRI 201-1, WEF
DEGREE SUSTAINABILITY FRAMEWORK – KPI OVERVIEW (FIGURES WITHOUT SIEMENS HEALTHINEERS)							
Decarbonization							
Scope 1+2: Emission reduction to base year	Total (w/o SHS)	Fiscal Year	% to base year (2019)	**–50%**	–46%	9.5%	
Supply Chain: Emission reduction to base year	Total (w/o SHS)	Fiscal Year	% to base year (2020)[43]	**–0.9%**	2.5%	–134.0%	
Ethics							
Quota of participants of Business Conduct Guideline training (since FY 23)	Total (w/o SHS)	up to Sept. 30th	% of total number of employees	**69.0%**	99.9%[44]		
Governance							
Resource efficiency							
Quota of product families with Robust Eco Design	Total (w/o SHS)	Fiscal Year	% of relevant revenue[45]	**51%**	35%	43.0%	
Purchase Quota – Secondary material for metals	Total (w/o SHS)	Fiscal Year	% of relevant purchase volume	**35%**	34%	3.0%	
Purchase Quota – Secondary material for resins	Total (w/o SHS)	Fiscal Year	% of relevant purchase volume	**< 1%**	< 1%		
Quota of waste-to-landfill reduction to base year (w/o construction waste)	Total (w/o SHS)	Fiscal Year	% to base year (2021)	**–15%**	–12%	20.2%	
Equity							
Female share in top management	Total (w/o SHS)	Sept. 30th	% of employees in top management	**31.1%**	27.7%	12.3%	
Share of employees with access to Siemens employee share plans[46]	Total (w/o SHS)	Fiscal Year	% of total number of employees	**99.9%**	98.6%	1.3%	
Employability							
Digital learning hours per employee	Total (w/o SHS)	Fiscal Year	No.	**23**	21	9.5%	
Level of access to Employee Assistance Program[42]	Total (w/o SHS)	Sept. 30th	% of total number of employees	**96%**	87%	10.3%	
Improvement in global LTIFR[47] to base year	Total (w/o SHS)	Fiscal Year	% to base year (2020)	**–26%**	–19%	36.8%	

42 Scope of HM Reporting: Countries >30 employees as well as affiliated companies >30 employees.
43 Base year 2020 is calculated w/o individual supplier emission data.
44 Year-to-year comparison between fiscal 2022 and fiscal 2023 is limited. The current cycle started in fiscal 2023.
45 In FY 23 the share of relevant revenue was 65% of total revenue Siemens w/o SHS.
46 Where legally possible and reasonable.
47 Number of Lost Time Cases (LTC) x 200,000 / working hours. LTC are accidents that results in at least one lost working day.

Annex

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7.1

Reporting methodology

Sustainability is a fundamental principle that guides our every action. The Sustainability Report 2023 (below, the "Report") supplements our financial reporting for fiscal 2023. The present chapter describes the key elements of our sustainability reporting.

Reporting approach

The Report explains the strategy, organization, initiatives, programs, management approach, targets, actions, and results of sustainable corporate governance. It supplements the financial reporting provided in the current Annual Report and updates the financial reporting from the previous year. It also documents the progress we have made in implementing the Ten Principles of the United Nations Global Compact, the United Nations CEO Water Mandate, and the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD).

This Report has been prepared in accordance with the Standards of the Global Reporting Initiative (GRI 2021) and the anti-corruption reporting recommendations of the Global Compact from Transparency International. Our reporting on human rights activities is based on the UN Guiding Principles (UN GP) Reporting Framework and the corresponding guidelines.

Reporting period and Report boundaries

This Report refers to the Siemens 2023 fiscal year (October 1, 2022, to September 30, 2023). Any exceptions are indicated as such. In general, the Report covers all our fully consolidated companies. As a general rule, minority interests are not included in the Report. Unless otherwise noted, the key indicators and information reported here relate to the company's ongoing operations. Some management approaches do not cover all Siemens entities or parts of the organization. Some parts of the Siemens organization may have introduced specific programs or initiatives that differ from the general approaches described in this Report.

Nonetheless, they are consistent with the DEGREE sustainability framework and the global nonfinancial programs and initiatives at Siemens.

Data collection

Given the size and worldwide presence of Siemens, data collection poses a logistical challenge. Moreover, our companies throughout the world need to comply with national regulations on the compilation and definition of their key figures, which means that the generated data is not always comparable. Where applicable, we point out any significant limitations in the information presented in the Report.

The data presented in this Report is collected via various internal reporting systems, which for the most part are different from those used to collect the financial information presented in our consolidated financial statements. In particular, the internal reporting systems used to collect the information presented in this Report may be subject to less stringent internal requirements for documentation, data generation, and auditing, including with respect to the IT systems and controls employed. We reserve the right to change the internal guidelines applicable to the collection of the data published in this Report without prior notice. Due to rounding, some of the numbers presented in this Report may not add up precisely to the totals presented, and percentages may not precisely reflect the absolute figures to which they refer.

Methodology, environmental reporting, and collection of environmental data

Within our environmental information system, in fiscal 2023 we evaluated 250 reports from locations in all relevant countries where defined threshold values for environmental management parameters like energy usage, resource usage, water consumption, and emissions were exceeded. We use absolute values – for example, energy consumption in gigajoules – to measure and monitor our environmental impacts. We report environmental data for ongoing operations.

Values have been extrapolated where applicable (e.g., waste, energy consumption, or emissions) to 100% coverage in order to reflect total consumption. The extrapolation is performed on the basis of the area not covered in the reporting system. The difference represents a share of 20% for the reporting period. We monitor our environmental impacts at all environmentally relevant office and production sites on the basis of environmental data collected on a quarterly basis.

Scope 3 upstream emissions

Scope 3 emissions from our supply chain have been calculated using a cross-regional, macroeconomic input-output model based on our volume of purchased goods and services.

Scope 3 downstream emissions

With regard to Scope 3 downstream emissions, we calculated these emissions in fiscal 2023 in line with the Greenhouse Gas (GHG) Protocol, and therefore accounted for and reported the emissions from the use of Siemens offerings sold or investments made in the reporting year over their entire use phase duration. For calculating these emissions, in most cases we apply the global power-mix emissions factor defined by the International Energy Agency (IEA). For calculating the emissions of end products and key components of end products (intermediate products), we apply the so-called "final product approach" defined in the GHG Protocol. This means that in the case of motors, for example, we take into account their power loss as well as their effective power. If we applied the "intermediate product approach" to all intermediate products – an approach that in the example of motors only takes into account their power loss – the reported emissions would be lower.

We include all Kyoto gases in our emissions calculations: carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), and sulphur hexafluoride (SF_6). To assess the relevance of GHG emissions other than CO_2, they are converted into metric tons of CO_2 equivalents (CO_2e). This number is based on the global warming potential over 100 years of each of the greenhouse gases compared to the global warming potential of CO_2.

We follow the financial control approach to consolidate the reporting of emissions.

The source of the emissions factors applied in the 2023 reporting year is the "IEA Emissions Factors 2022" published by the International Energy Agency. For example, the global CO_2e emissions factor used for electricity generation only is 461 g CO_2e/kWh. If regional calculations are available, local emissions factors should be used.

Customer Avoided Emissions

The description of our methodology for calculating "customer avoided emissions" can be found the Annex on ↗ **REPORTING PRINCIPLES FOR CUSTOMER AVOIDED EMISSIONS.**

Methodology, headcount reporting, and collection of employee data

Within our global HR reporting, we report headcount numbers according to our Siemens Corporate Financial Reporting Guidelines. These Guidelines are embedded in our global HR reporting standards and HR reporting landscape system (HRL), which is the basis for employee reporting figures. "Employee" refers to every natural person in an active employment relationship with a fully consolidated Siemens company. Employees are all internal workforce without apprentices, students, interns, and other internal workforce. All employee figures in the Social chapters refer to headcount. For some companies no employee structure data are available due to data delivery by SGATE (Siemens Global Adding Tool for Employees), which is a web-based tool for collecting, storing, and processing headcount figures for companies that are consolidated but for a short time not able to deliver employee structure data. This can lead to minor deviations in breakdown data.

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Employee turnover is defined as the ratio of voluntary and involuntary exits from Siemens during the fiscal year to the average number of employees. Voluntary turnover rate is based on employee decision, whereas Involuntary turnover rate is based on other reasons, including dismissals, end of temporary contract, mutual consent, (early) retirement, death, and other reasons that are not the employee's decision. Hiring rate is defined as the ratio of hirings into the Siemens group during the fiscal year to the average number of employees. The headcount numbers and rates for employees in management positions include all managers with disciplinary responsibility, but without Management Board Members (MBM).

Independent assurance

Our sustainability reporting is subject to high quality standards. Therefore, as in previous years, we commissioned an independent audit firm to conduct a limited assurance of our Sustainability Report 2023. The results of the assurance conducted by Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft are presented in the chapter titled "Independent auditor's limited assurance report."

Editor's note

An effort has been made to use gender-neutral language throughout. Nevertheless, if on occasion the masculine form is used for easier readability, it stands for people of all genders.

7.2

Reporting principles for Customer Avoided Emissions

For 15 years (until fiscal 2021), we reported the revenue generated from our Environmental Portfolio and the resulting annual reduction of greenhouse gas emissions (GHG) achieved by our customers on the basis of the internal regulations defined in our Environmental Portfolio Guideline. Starting in fiscal 2022, we began to report key figures for sustainable activities, including revenue, in accordance with the new EU Taxonomy regulation. We are also continuing to calculate and report on Customer Avoided Emissions.

GHG Use Phase Impact Reporting Guideline

The Siemens GHG Use Phase Impact Reporting Guideline sets out basic requirements and guidelines for calculating and reporting emissions associated with the use of products, systems, solutions, and services sold and investments made by Siemens. It covers:

- → Scope 3 downstream GHG emissions resulting from the use of sold products (Category 11) and investments (Category 15) according to the GHG Protocol Corporate Value Chain (Scope 3) Standard (GHG Protocol Standard)
- → Customer Avoided Emissions (according to Siemens' own methodology

The following summary will focus on the second part, the calculation and reporting of Customer Avoided Emissions. Customer Avoided Emissions result either from products, systems, solutions, and/or services sold by Siemens or from investments made by Siemens Financial Services (SFS).

Customer Avoided Emissions

A company's carbon footprint does not measure the company's contribution to decarbonization by its partners and customers. Although the carbon footprint can indeed reflect emissions reductions resulting from the use of its solutions (Scope 3 downstream emissions) over time, it does not indicate whether these solutions have enabled the customer to achieve lower emissions than an alternative solution (reference scenario). Quantifying the decarbonization impact resulting from the use of the company's products and solutions (avoided emissions) helps convey a full picture of the company's contribution to global decarbonization.

The term "Customer Avoided Emissions" refers to the "positive" impact determined by comparing the GHG emissions of two different solutions or scenarios. Avoided emissions are emissions that are saved or avoided during the customer use phase from the use of our products or financing compared to a baseline (reference scenario).

The guideline used for calculating and reporting Customer Avoided Emissions is based on a methodology defined by Siemens itself due to the lack of a commonly used external definition or standard. It is aligned with the GHG Scope 3 downstream reporting according to the GHG Protocol Standard.

Calculation principles

The calculation principles are based on the standards "A Corporate Accounting and Reporting Standard – Revised Edition" and "GHG Protocol for Project Accounting," both published by the Greenhouse Gas Protocol Initiative. These principles are relevance, completeness, consistency, transparency, accuracy, and conservativeness.

All Siemens Businesses and SFS are required to apply these principles in order to enable the integrity and credibility of the data and a true and fair presentation of Siemens' Customer Avoided Emissions.

Accounting boundaries

The accounting boundaries for data on Customer Avoided Emissions only encompass the phase during which a product, system, solution, or service is used by the customer or the term of an investment. Therefore, GHG emissions occurring during other phases of the lifecycle – for instance, in the supply chain, in production, or upon end-of-life disposal – are not included in the calculation.

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Accounting for Customer Avoided Emissions

All Siemens Businesses and SFS are required to report the Customer Avoided Emissions for all products, systems, solutions, services, or investments that lead to the avoidance of GHG emissions during the customer use phase.

Customer Avoided Emissions represent the difference between the GHG emissions of a Siemens offering and the GHG emissions of a baseline or reference scenario. Siemens Businesses and SFS must account for and report the annual Customer Avoided Emissions from the use of Siemens offerings sold or investments made in the reporting year over the entire duration of their use phase ("future impact of today's revenue" similar to Scope 3 use phase emissions according to the GHG Protocol Standard).

Exclusion criteria:

Before calculating Customer Avoided Emissions, all Siemens products, systems, solutions, services, and investments need to be checked against the following exclusion criteria:

- → Field of application: No Customer Avoided Emissions may be accounted for and reported in the military use or nuclear power application fields.
- → Objections and concerns of external stakeholders: If stakeholders express concerns or objections, internal or external information is evaluated and appropriate measures are taken.
- → Adverse effects: If evidence comes to Siemens' attention that a Siemens product, system, solution, service, or investment causes considerably greater adverse environmental impacts elsewhere in the element's lifecycle, Customer Avoided Emissions are not calculated.

Greenhouse gases considered

The accounting for Customer Avoided Emissions includes, where appropriate, all six greenhouse gases defined in the Kyoto Protocol (so-called "Kyoto gases"), including: carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), sulfur hexafluoride (SF_6), hydrofluorocarbons (HFCs), and perfluorocarbons (PFCs).

To assess the relevance of GHG emissions other than CO_2, they are converted into metric tons of CO_2 equivalents (CO_2e). This number is based on the global warming potential over 100 years of the respective greenhouse gas compared to the global warming potential of CO_2.

Baseline methodology

The baseline methodology defined in the guideline refers to the comparison of a Siemens product, system, solution, service, or investment with a reference situation in the absence of the Siemens offering. To enable credibility and avoid overstating the positive effect, the reference scenario has to represent as best as possible the situation that would have occurred without the Siemens solution.

- → **Before-and-after comparison:** Refers to the difference between an initial customer situation and the situation after the implementation of a Siemens offering intended to improve or substitute certain characteristics. This comparison can be applied, for example, to cases in which a Siemens solution optimizes a building's energy consumption.
- → **Direct comparison with a reference technology:** Refers to the difference between the Siemens offering and a comparable other single technology or predecessor with a similar purpose. This comparison may be applied, for example, to new product generations or the electrification of fossil fuel technologies.
- → **Comparison with the installed base:** Refers to the difference between the Siemens offering and an average market solution used for the same or a similar purpose (market standard). This comparison can be applied, for example, to renewable energy projects by drawing a comparison with the average global greenhouse gas emission factor for electricity generation.

Recognition of Customer Avoided Emissions

In general, Customer Avoided Emissions are recognized for products, systems, solutions, services, or investments. In many cases, however, Siemens delivers only the components of a complete product, system, solution, service, or investment. In these cases, it is often impossible to directly determine the avoided emissions attributable to the components during the use phase with the customer.

Therefore, Siemens Businesses and SFS need to apply the following rules when accounting for and reporting Customer Avoided Emissions:

- → Siemens supplies the entire product, system, solution, service, or investment: Siemens accounts for 100% of the *Customer Avoided Emissions during the customer use* phase.

→ Siemens provides all core component(s), even if they only represent intermediate products of an end application: Siemens accounts for 100% of the Customer Avoided Emissions during the customer use phase.
→ Siemens provides some of the core component(s): In the first step, all core components that are involved with Customer Avoided Emissions are identified. In the second step, the Siemens share of the total Customer Avoided Emissions of the end application is determined by calculating the ratio of Siemens components to the total net delivery price of all core components.
→ Siemens does not provide any of the core components of a product, system, solution, service, or investment: Siemens reports no Customer Avoided Emissions.

Optional accounting of Customer Avoided Emissions

So far, there are no robust calculation approaches to quantify the decarbonization effect of all portfolio elements: for instance, software or automation technology. Some Siemens products, systems, solutions, or services are "enabling technologies" and do not demonstrate a direct decarbonization effect on the product-level. Nevertheless, these enabling technologies can often be critical components needed for the transition to a low-carbon economy. One example are solutions from Smart Infrastructure which can facilitate the system transformation to an electrification of the global energy system. Therefore, quantifying these enabling decarbonization impacts requires calculation approaches on a system level where these components are built in. Due to the lack of a commonly used external definition or standard, in fiscal 2023 Siemens began to account for these "indirect" or "enabling" decarbonization effects but has decided to report them separately for the purpose of transparency and conservativeness. The same accounting principles are applied as described above. With regard to the example from Smart Infrastructure, the calculation to determine the contribution to electrification and therefore decarbonization is based on the total global energy use and the share of electrification and automation solutions from Smart Infrastructure as part of the total global investment in electrification. The eligible revenue, based on the EU Taxonomy, is included in the calculation along with the grid mix evolution of electricity generation.

Calculation

Siemens Businesses and SFS are required, where applicable, to report Customer Avoided Emissions associated with all products, systems, solutions, services, or investments that lead to the avoidance of emissions in the customer use phase. The amount of Customer Avoided Emissions is the difference between the GHG emissions of the given Siemens offering and the reference scenario defined above.

Technical parameters and assumptions

The calculation of Customer Avoided Emissions is based on different parameters in order to best reflect the amount of avoided emissions during the entire use phase of a Siemens offering, similar to the calculation of downstream Scope 3 emissions. The calculation parameters (e.g., emission factors or expected use phase duration) should be reviewed and updated regularly in order to reflect the most current status of these numbers. The calculation approach should be consistent with the calculation of downstream Scope 3 emissions (Categories 11 and 15).

In some cases, the actual parameters, like the product's operating time or intended intensity of use by the customer, cannot be reliably determined. Under these circumstances, conservative estimates should be applied and documented appropriately. In general, the emissions of the reference scenario and the Siemens offering should include the potential development of the situation over time. The calculation of future emissions from products with long lifespans is subject to a high degree of uncertainty. Using an energy scenario to describe a changing emission factor would lead to incomparable calculation results whenever the scenario is updated. Therefore, we decided to use the annually updated emission factors, which incorporate the changes in the global energy mix from year to year, in a manner consistent with the calculation of our downstream Scope 3 emissions.

The source of the emission factors applied in the 2023 reporting year is the "IEA Emission Factors 2022" published by the International Energy Agency. For example, the global CO_2e emissions factor used for electricity generation only is 461 g CO_2e/kWh.

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If regional calculations are available, local emissions factors should be used.

Offerings with no material Customer Avoided Emissions impact, or in cases where the calculation cannot be reliably determined when applying reasonable cost-benefit considerations, are not considered in the accounting.

Recalculation

To enable consistency, especially over time, Siemens Businesses and SFS recalculate the Customer Avoided Emissions in accordance with the guideline. Events that lead to relevant changes in the data on Customer Avoided Emissions typically include corporate mergers, acquisitions, and divestments, mistakes in previous calculations, changes in external standards or in the Siemens calculation methodology, significant changes in the parameters and assumptions applied in the calculation, and any other events that lead to material changes in calculation estimates.

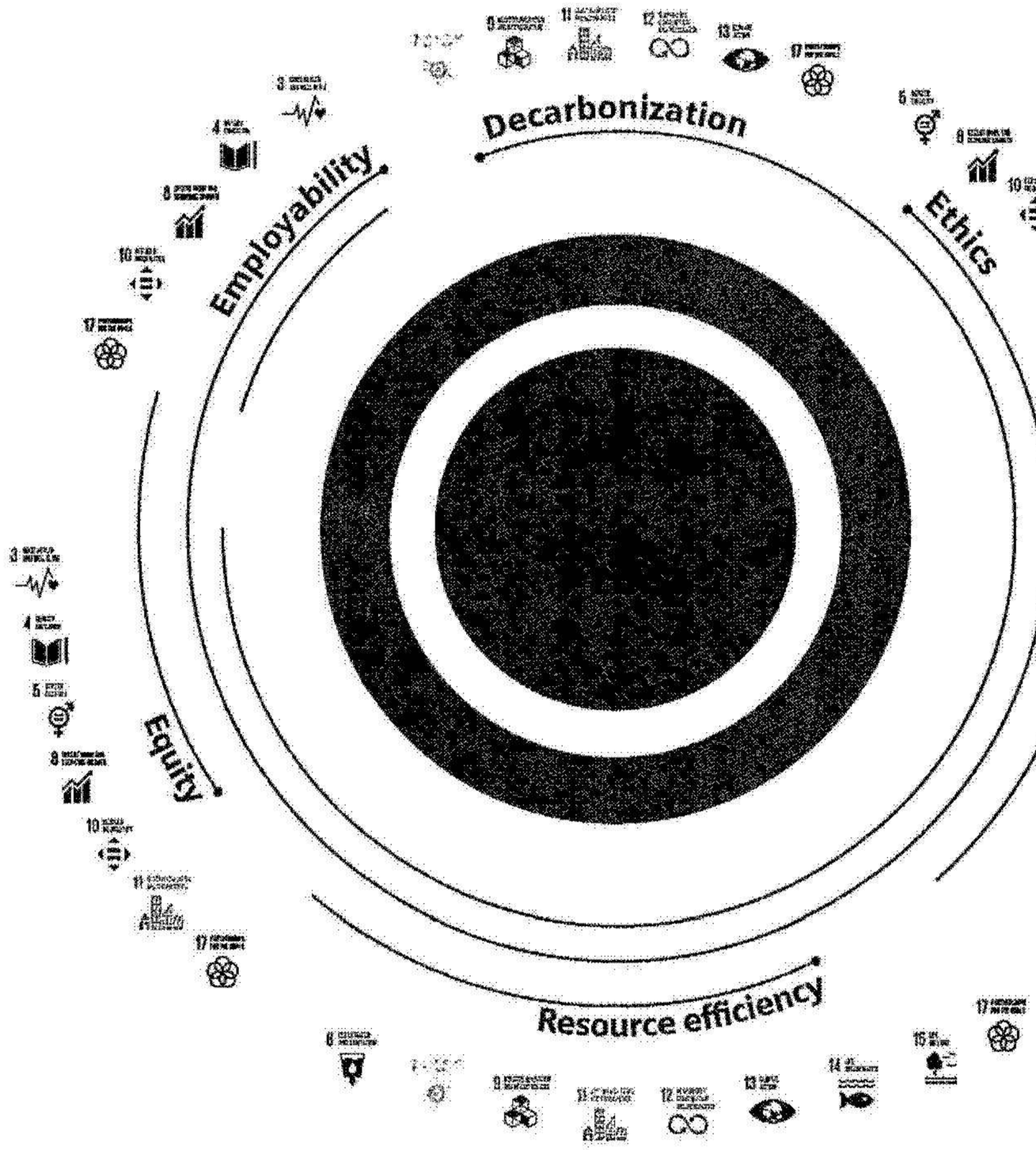
7.3

Our contribution to sustainable development of societies

- **Effective influence in achieving UN's Sustainable Development Goals (SDGs)**
- **SDGs included in our DEGREE sustainability framework**

The United Nations' 17 Sustainable Development Goals (SDGs) and their 169 targets serve as a compass for the change efforts that must be made by governments, businesses, cities, and civil society as a whole if we are to achieve a more sustainable future. The SDGs and their associated targets address the most important economic, social, environmental, and governance-related challenges of our times, and therefore they help stimulate transformational change. At Siemens we have adopted them as values, and so the SDGs also influence us as a company.

Allocation of the SDG goals to Siemens sustainability framework DEGREE



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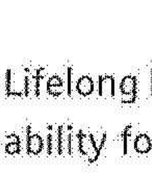
They are firmly associated with our DEGREE sustainability framework, which guides our sustainability management, and they also describe the details of our sustainability ambitions.

The long-term priorities for Siemens as part of our sustainable development agenda are clear: We want to apply our engineering expertise and our approach to connect the real and digital worlds, improve people's quality of life, and protect the planet. In particular, this is supported by our corporate purpose of "We create technology to transform the everyday, for everyone." The UN's 17 SDGs have therefore become fixtures in our everyday business. Siemens deploys its technology portfolio to support the public and private sectors in the digital transformation of industry, building and network infrastructures, mobility, and healthcare and can offer extensive business opportunities for value-enhancing growth. At the same time, we provide cost-effective, innovative solutions for the transition to carbon neutrality. These technologies support customers in achieving their objectives while consuming fewer resources. To varying extents, Siemens helps achieve most of the SDGs in the UN's Agenda 2030 in four important ways:

→ through our products and solutions,
→ by doing business responsibly,
→ through our expertise and thought leadership, and
→ through our corporate citizenship activities and community engagement.

How we contribute to achieving the SDGs

From a global perspective, these are the SDGs where Siemens has a high or medium impact:



Goal 3 – Ensure healthy lives and promote well-being for all at all ages

We make a significant impact on SDG 3 with our business portfolio, especially through SHS and the production technologies we provide to pharmaceutical companies. In addition to the impact of our portfolio, we also care about the health and safety of our people and contract workers. Separately from SHS, Siemens sets ambitious goals for access to Employee Assistance Programs and for reducing employee accident rates (Lost time injury frequency rate – LTIFR). We also participate in health-related community engagement activities like cancer awareness campaigns and mobile clinics.

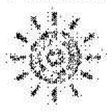
Goal 4 – Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

Lifelong learning is a basic prerequisite for ensuring employability for our people and in the job market in general. We offer access to education in multiple ways, including learning and education opportunities for all our people, as well as vocational and more advanced training through partnerships with schools and universities. Education for our customers and suppliers is likewise high on our agenda. We also aim to inspire young people to pursue careers in STEM fields (science, technology, engineering, and mathematics) with our numerous corporate citizenship activities around the world.



Goal 5 – Achieve gender equality and empower all women and girls

We firmly believe that promoting diversity in the workforce serves the interests of both society and Siemens itself. Diversity reinforces our innovative strength, unleashes employee potential, and directly contributes to our business success. Our human resources management also supports a transformation in top management, where there is room for improvement. We are recruiting more women for top managerial positions and are including more women in networking activities, trainings, and mentoring programs. Without SHS, Siemens aims to have 30% of its top management positions worldwide filled by women by 2025.



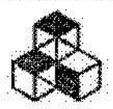
Goal 7 – Ensure access to affordable, reliable, sustainable, and modern energy for all

Our business portfolio covers the entire spectrum of applications for modern smart grids and energy distribution systems. The rapid expansion of decentralized energy structures powered by Siemens technology creates a more diverse energy mix and improves the security of the energy supply. The Internet of Things and data-based technologies foster energy intelligence and pave the way toward a sustainable energy landscape. Our technologies facilitate access to clean, reliable, low-carbon energy.



Goal 8 – Promote sustained, inclusive and sustainable economic growth, full and productive employment, and decent work for all

Siemens is committed globally to the New Normal Working Model. Our aim with the new normal is for all our people around the world to be able to work on a mobile basis two to three days a week, wherever feasible and reasonable. Mobile working has many advantages for the individual and also for the company: for instance, by ensuring that we are prepared to respond flexibly during future crises. Our worldwide business operations and our position as a thought leader mean that in many countries we contribute toward the growth of the gross domestic product (GDP). We are committed to offering attractive jobs and facilitating employment, and we are encouraging the decoupling of economic growth from energy consumption.



Goal 9 – Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation

As a global technology company and innovation leader in electrification, automation, and digitalization, Siemens supports sustainable industrialization. With our engineering expertise, our knowledge of numerous sectors, and our digital technology, we help our business partners across the entire value chain, from design to production, and from operations to maintenance. We believe in international partnerships as the key to innovation. A large percentage of our customers and suppliers are small and medium-sized enterprises (SMEs). We have officially adopted sustainability as an additional strategic imperative for our investment decisions.

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Goal 11 – Make cities and human settlements inclusive, safe, resilient, and sustainable

Siemens is a trusted partner for municipal governments and offers solutions across all infrastructure domains to make cities more efficient, sustainable, and resilient – for instance, with intelligent transportation solutions, efficient and safe buildings, and smart-city initiatives that leverage the power of digitalization.

Goal 12 – Ensure sustainable consumption and production patterns

Siemens is committed to using resources responsibly and recognizes that the circular economy offers highly beneficial opportunities for business, the environment, and society. By the end of this decade we want to evolve even more toward the circular economy, for example by increasing the percentage of metals and plastics we procure as secondary materials. We also aim to reduce our amount of landfill waste. Siemens has worldwide strategic initiatives for the design phase to the end of lifecycle of its products and operations, and is committed to robust, ecologically friendly design. We apply disruptive technologies and innovative business models to make an active contribution to the circular economy.

Goal 13 – Take urgent action to combat climate change and its impacts

Our portfolio helps our customers reduce their emissions and thereby achieve their decarbonization goals. Siemens was one of the world's first industrial firms to commit to making its own business activities carbon neutral by 2030. In addition to reducing emissions from Siemens' operations without SHS by 55% by 2025 and by 90% by 2030, we also strive to lower all emissions associated with us – from our supply chain throughout the entire use phase of our products. Siemens without SHS is committed to a 20% reduction in emissions in its supply chain by 2030 compared to 2020 and aims to achieve a CO_2 neutral supply chain by 2050. With its commitment to science-based targets, Siemens supports the goal of the Paris Climate Agreement to limit climate change to 1.5°C (Science-Based Target Initiative, including SHS).

Goal 16 – Promote peaceful and inclusive societies for sustainable development, provide access to justice for all, and build effective, accountable, and inclusive institutions at all levels

We anchor integrity and compliance throughout our company and advance the Siemens Integrity Initiative with external stakeholders. By these means and through our activities with other players, we support fair competition and ensure our company's long-term success. Siemens is committed to incorporating the requirements of the United Nations Global Compact (UNGC), the Human Rights Declaration, and all other relevant regulations into our supply chain and to promoting their principles through our work with external organizations and institutions.

Goal 17 – Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development

As a global company and an advocate of free trade, we believe that partnerships are a key to sustainable development and to our company's success. We also recognize the importance of digitalization, project financing, and public-private partnerships for sustainable development. In all of these areas, we are partnering with international organizations, business organizations, think tanks, nongovernmental organizations (NGOs), and academia, including the UNGC, World Economic Forum (WEF), econsense, Transparency International, and numerous universities.

7.4

Task Force on Climate-Related Financial Disclosure (TCFD)

The G20 Financial Stability Board's Task Force on Climate-Related Financial Disclosure provides a uniform framework that companies can voluntarily use to report their climate-related risks and opportunities and disclose the corresponding information to investors, lenders, insurers, and other stakeholders. This Annex provides an overview of Siemens' activities based on these recommendations and offers references to other sources of relevant information.

Our governance in the area of climate action

Governance at the Managing Board level

At Siemens, sustainability is rooted in all that we do, including our business purpose and strategy, corporate culture, processes, and guidelines. The management of sustainability matters is embedded across our Siemens businesses, Service and Governance units, and countries. Sustainability has also been an integral component of management compensation since fiscal 2020. Put simply, we strive to make sustainability everyone's responsibility at Siemens.

As the top management body, the Managing Board is responsible for serving the company's best interests and for achieving sustainable growth in company value. The Managing Board members are responsible for the entire management of the company and decide on key issues of business policy and corporate strategy.

The Supervisory Board oversees and advises the Managing Board in its management of the company's business. The Supervisory Board meets regularly to discuss business development, planning, strategy, and the implementation of that strategy.

In 2023, we significantly strengthened our sustainability organization throughout the company by introducing the Sustainability Executive Committee (EC SUS) and Heads of Sustainability in key businesses and business units, and we increased the responsibility of the Global Head of Sustainability (Global Head of SUS) and the Siemens Sustainability department.

The Managing Board addresses sustainability-related risks and opportunities of strategic and company-wide importance and adopts appropriate measures. The Managing Board also approves any changes to the DEGREE sustainability framework.

The Siemens Sustainability Board (SSB) monitors and resolves Siemens' sustainability topics, including tracking the progress of our DEGREE ambition, providing input and guidance on sustainability reporting, and acting as a catalyst for regional sustainability initiatives with the potential to scale across Siemens. The SSB is composed of representatives from Siemens' businesses, countries, and Service and Governance units. The SSB meets four times per year or more frequently as needed. The SSB provides updates and recommendations to the Managing Board.

Topics associated with climate change appeared regularly on the agenda of EC SUS and SSB meetings in fiscal 2023 and included, for example, our Net Zero Operations Program implementation or product-related decarbonization efforts.

The Sustainability Executive Committee (EC SUS) acts as guidance body for Siemens sustainability business – the Siemens portfolio that enables positive sustainability impact by addressing and financing (i) decarbonization and energy efficiency, (ii) resource efficiency and circularity as well as (iii) people centricity and social impact – with a focus on portfolio market segments and go-to-market topics, and it meets on an ad hoc basis to discuss relevant subjects. Chaired by Siemens' CEO, the EC SUS includes Siemens' CSO, the CEOs of key businesses, Chief Strategy Officer, General Counsel, and Global Head of SUS.

The Chief Sustainability Officer (CSO) oversees Siemens' sustainability topics. The CSO is a member of the Siemens Managing Board, chairs the Siemens Sustainability Board (SSB), and is a member of the Sustainability Executive Committee (EC SUS). The CSO is also responsible for the Siemens Sustainability department.

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In addition to our strategic sustainability activities, the CSO ensures that we operate in compliance with our environmental guidelines. Our EHS Principles serve as internal binding guidelines for this purpose. Siemens has also founded expert panels to ensure that environmental considerations are integral to our decision-making. The Global Board EHS is composed of subject-matter experts who develop environmental protection measures and programs and provide advice to the Chief People and Sustainability Officer in consultation with the Siemens Sustainability Board.

↗ SUSTAINABILITY GOVERNANCE AND ORGANIZATION, CDP 2023 C1, ↗ OUR DEGREE SUSTAINABILITY FRAMEWORK

Governance at the business and management levels

The Global Head of Sustainability (Global Head of SUS) leads the Siemens Sustainability department. In this capacity, the Global Head of SUS reports to the CSO on all Siemens sustainability topics excluding sustainability business and related strategy topics. For the latter topics, the Global Head of SUS reports to Siemens' CEO. The Global Head of SUS is a regular member of the SSB. The Global Head of SUS regularly informs the Supervisory Board on sustainability matters.

The Siemens Sustainability department is responsible for developing our DEGREE sustainability framework in coordination with the SSB, businesses, Service and Governance units, and countries and controlling the DEGREE target achievements. Responsibility for sustainability reporting and the Net Zero Operations Program also lies with the Sustainability department. It also governs the purchase of carbon offsets and the Sustainability Risk Due Diligence Process. The Sustainability department also supports sustainability initiatives with scalability across Siemens. This includes developing the processes, training, and tools needed to address overarching sustainability topics for our countries, businesses, and Service and Governance units in collaboration with other Siemens organizations. Finally, the Sustainability department is responsible for developing strategic considerations for the Siemens sustainability business in alignment with the Managing Board, EC SUS, and the CEOs.

CEOs are ultimately responsible for all sustainability topics in their area of responsibility. This includes responsibility for the sustainability business, implementation of DEGREE, sustainability reporting, the Sustainability Risk Due Diligence Process, and other related responsibilities.

The CEOs of Digital Industries, Smart Infrastructure, Siemens Mobility, and Siemens Financial Services (SFS) are supported by their respective Heads of SUS to achieve their sustainability mandates. The Heads of SUS also assist the Global Head of SUS with their responsibilities in the Sustainability department, as they pertain to their businesses. Heads of SUS have a governance reporting line to the Global Head of SUS in addition to their reporting line to their respective CEOs. The Heads of SUS are appointed by the respective CEOs, in alignment with the Global Head of SUS.

In addition, the CEOs of the business units in Digital Industries, Smart Infrastructure, Siemens Mobility, and SFS each appoint Sustainability Managers who have a governance reporting line to the Heads of SUS and to their reporting line to their respective CEOs.

Lead Country SUS Managers support their respective Lead Country CEOs and their assigned countries. They also lead Siemens' sustainability topics within the scope of responsibility of the Lead Country management.

Our Service and Governance units are responsible for the ongoing development of sustainability-related topics within their own mandate in line with the DEGREE sustainability framework and regulatory and organizational requirements.

Lastly, Sustainability Risk Due Diligence Subject Matter Experts are appointed by and support Digital Industries, Smart Infrastructure, Siemens Mobility, and SFS to responsibly conduct the Sustainability Risk Due Diligence Process.

Siemens' Environmental Council assesses Siemens' environmental risks, opportunities, and trends based on uniform criteria and reports them to the Siemens Enterprise Risk Management. The council is composed of environmental experts from our business units and countries as well as experts in corporate governance, environmental protection, supply chain, sustainability, finance, technology, real estate, and insurance.

↗ SUSTAINABILITY GOVERNANCE AND ORGANIZATION, ↗ SUSTAINABLE SUPPLY CHAIN PRACTICES, ↗ ENVIORNMENT, ↗ CONSERVING RESOURCES, CDP 2023 C1, ↗ OUR DEGREE SUSTAINABILITY FRAMEWORK

Our strategic response to climate-related opportunities and risks

The DEGREE sustainability framework includes the sustainability-related topics important for Siemens, including decarbonization and resource efficiency, for which we have set ambitious targets (see paragraph "Metrics and targets"). These targets, in conjunction with our overall Science-Based Targets initiative-validated (SBTi) decarbonization target, apply to Siemens' own operations and to our upstream and downstream value chain.

We have officially adopted sustainability as an additional strategic imperative for our investment decisions.

Siemens is a leading technology company with a portfolio designed to drive the digital and sustainable transformation of industry, infrastructure, mobility, and healthcare. We firmly believe that technology is the answer to creating a sustainable future. As key pillars of our strategy, digitalization and sustainability help future-proof our business and that of our customers.

To further increase our positive impact, we believe that working in ecosystems is the best way to jointly create seamless solutions for our customers and their specific challenges.

Siemens' business is focused on enabling customers to achieve a positive sustainability and climate-related impact along the following value propositions:

Decarbonization & energy efficiency

We support our customers with their efforts to decarbonize their infrastructure and operations, drive energy efficiency, and future-proof entire industries. We do this by offering products, systems, solutions, and services that are based on our strategic focus on digitalization, electrification, and automation. For example, our energy-efficient products and solutions support the transition from fossil fuels to renewable energy sources, and our electrification solutions enable renewable grid integration and the electrification of heat and hydrogen. Across industries, we offer energy optimization and carbon footprint management throughout our products' lifecycles and supply chains. In buildings, we offer energy efficiency and decarbonization solutions, such as smart buildings and smart energy management for a reduced carbon footprint. Our rail systems offer low-carbon mobility and increased energy efficiency.

Resource efficiency & circularity

Through their use of our digital technology, our customers can achieve resource efficiency and profitability. For instance, we harness digitalization to reduce the requirements of physical assets and resources. We combine the real and the digital worlds with our digital twin technology, a virtual representation of a physical product or process that is used to simulate, predict, and optimize its physical counterpart. Digital twins enable users to do more with fewer resources and make current and future environmental footprints transparent. Our building solutions also contribute to optimized space utilization and ultimately increase resource efficiency. Our mobility solutions focus on enhanced network capacity and extended lifecycles.

↗ STRATEGY, ↗ OUR DEGREE SUSTAINABILITY FRAMEWORK

Climate-related opportunities and risks

Climate-related opportunities and risks are integrated into our company-wide Enterprise Risk Management (ERM) process. ERM at Siemens is based on a net risk approach in which the risks and opportunities are addressed that remain after implementing existing, effective measures and controls.

As a global technology company and innovation leader in the fields of electrification, automation, and digitalization, Siemens supports sustainable industrialization. These topics are becoming increasingly important in the transition to a low-carbon economy – a development that confirms our company strategy. Although there are uncertainties about the impact of climate-related changes, we consider the transition to a low-carbon economy as an opportunity. A favorable political and regulatory environment including the transition towards a low-carbon economy could restore a more positive industrial investment sentiment that supports the growth of our markets. In addition, government initiatives and subsidies (including tax reforms, green and digital recovery plans, R&D among others) lead to more government spending (e.g. infrastructure, healthcare, mobility or digitalization investments) and may ultimately result in an opportunity for us to participate in ways that increase our revenue and profit. Investments to strengthen countries' resilience, energy and food security, as well as to diversify value chains close to major markets (reshoring, nearshoring) can present opportunities to businesses. By enabling our customers to reduce their greenhouse gas (GHG) emissions using our portfolio and by reducing CO_2e emissions in our own operations, Siemens strives to support the transition towards a

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low-carbon economy. Siemens also welcomes and supports recent legislative and governmental measures to accelerate the mitigation of climate change, especially in Europe such as through the Green Deal or sustainable finance initiatives.

SIEMENS FINANCIAL REPORT FOR FISCAL 2023, COMBINED MANAGEMENT REPORT, CHAPTER 8.4 OPPORTUNITIES, CDP 2023 C2.4

To leverage these climate-related opportunities, we again included sustainability and decarbonization in this year's strategy review, in which we formulated concrete action plans for our business units in order to support our customers in achieving their sustainability and decarbonization goals in an even more targeted fashion.

Potential transition risks (e.g., regulation, market, and technology) and physical climate-related risks are assessed in our risk process. In this process, we have generally identified the risk of an increasing sustainability focus. Governments around the world continue to increase their focus on sustainability topics, resulting in the risk of increased costs to comply with new laws and related reporting requirements. In addition, increasing stakeholder and investor focus on sustainability topics brings reputational risk should our sustainability commitments, targets and activities be perceived as a deceptive use of green marketing or otherwise not credible. Climate change litigation has become a worldwide phenomenon with a corresponding risk to Siemens as a large corporation. We address these risks in a variety of ways including through our sustainability framework DEGREE, in which we have set ambitious sustainability targets. DEGREE includes measures to reduce our carbon footprint along with other initiatives addressing ESG topics more generally. We have implemented an ESG due diligence process that supports Siemens businesses with due diligence in the customer-oriented environment with a view to possible environmental and social risks as well as related human rights and reputational risks. Finally, we believe our overall portfolio is very well positioned to meet the current and future sustainability needs of our customers and the societies in which we operate.

SIEMENS FINANCIAL REPORT FOR FISCAL 2023, COMBINED MANAGEMENT REPORT, CHAPTER 8.3 RISKS, CDP 2023 C2.3

Analysis of climate-related scenarios

Different climate-related scenarios are used at Siemens for different purposes: for instance, for our business strategy and decarbonization strategy and to identify opportunities and risks. Our decarbonization target, which is approved by the Science-Based Targets initiative, is aligned with the 1.5°C target and therefore the Paris Agreement.

As described in our ↗ STRATEGY chapter, there are several megatrends that are driving us to rethink established ways of doing things. These megatrends and their impacts are reshaping the needs of our customers and markets. To create a holistic picture of potential futures, we execute sustainability scenario analyses that enable us to map impacts and risks, identify opportunities, and find new ways to create value through pathways by 2030 and 2040. Strategic insights are derived from scientific frameworks like the Intergovernmental Panel on Climate Change's (IPCC) Representative Concentration Pathways (RCPs) and Shared Socioeconomic Pathways (SSPs) as well as market trends and expert knowledge. The sustainability scenarios illustrate different possible development pathways for the global economy and Siemens' operating environment, across the focus topics climate, circularity, biodiversity, and society that take into account both an organized 1.5°C and a disorganized 3°C pathway. These scenarios guide the development of our sustainability strategy.

By providing innovative technologies, we see ourselves as a leading decarbonization partner to our customers and society in general. To fulfill this role, we need to have a precise understanding of the technological changes that must be made in the next few decades and beyond. We rely primarily on scenarios from S&P Global (formerly IHS Markit), IEA, and BloombergNEF to plan our business strategy and identify company-wide risks and opportunities. These scenarios help us, for example, to identify trends in the energy and mobility markets. For business planning purposes, we apply different scenarios like the S&P Global Green Rules (our baseline scenario), Inflections, and two net zero scenarios (ACCS, MTM); and IEA STEPS, APS, NZE, and BloombergNEF New Energy Outlook (Economic Transition Scenario, net zero scenario). These scenarios help us predict market developments, assess the implications of various scenarios, and make business decisions on this basis. With a view to our own business, analyzing climate-related scenarios allows us to predict the potential consequences in terms of regulatory requirements, R&D, and customer trends and requirements. Our business units also conduct business-specific scenario analyses.

CDP 2023 C3.2

We also apply different climate scenarios to assess physical climate-related risks and opportunities (see paragraph "Management of climate risks in our own operations").

Our risk management approach to climate-related opportunities and risks

Climate-related risks and opportunities are embedded in the Siemens-wide ERM approach. All identified climate risks are assessed and measures for risk prevention, transfer, or mitigation are devised for all relevant risks.

Risk management at Siemens builds on a comprehensive, interactive and management-oriented Enterprise Risk Management (ERM) approach that is integrated into the organization and that addresses both risks and opportunities. Our ERM process aims for early identification and evaluation of, and response regarding, risks and opportunities that could materially affect the achievement of our strategic, operational, financial, and compliance objectives. The time horizon is typically three years, and we take a net risk approach, addressing risks and opportunities remaining after the execution of existing and effective measures and controls. A detailed description of our enterprise risk management basic principles and process can be found in our combined management report, chapter 8.2 Risk management.

SIEMENS FINANCIAL REPORT FOR FISCAL 2023, COMBINED MANAGEMENT REPORT, CHAPTER 8, CDP 2023 C2

Climate risks in the risk management system

The consideration of sustainability and climate-related risks and opportunities is an integral part of our regular top-down process that communicates material issues and trends at risk workshops to the relevant company units so they can identify risks and opportunities. As a result, issue-related recommendations are available to all businesses at their quarterly reviews. In fiscal 2023, several climate-related topics were on the agenda of the top-down process, which then provided input to the annual ERM process on topics that included physical climate risks, increasing regulation, and the transparency of environmental product data.

In conjunction with the bottom-up approach, these measures enable a comprehensive overview of our business activities and the related risks and opportunities.

Climate change is not treated as a separate category in the ERM approach; it is considered within the four topic areas of strategic, operational, financial, and compliance-related risks. Risk processes have been implemented upstream throughout the company to assess potential climate-related net risks for ERM reporting.

Material opportunities and risks are disclosed on an aggregated basis within the abovementioned four topic areas in the Siemens annual report.

SIEMENS FINANCIAL REPORT FOR FISCAL 2023, COMBINED MANAGEMENT REPORT, CHAPTER 8, CDP 2023 C2.1 AND C2.2

Management of climate risks in our own operations

Climate change mitigation

We have set ambitious decarbonization targets that apply to Siemens' own operations and to our upstream and downstream value chain (see paragraph "Metrics and targets").

The reduction of GHG emissions in our own operations is integrated into Long-term Incentive (LTI) compensation as part of an internal Siemens ESG/Sustainability Index that is applicable to members of the Managing Board and senior management (Siemens without SHS). Anchoring the reduction of GHG emissions in this system and the responsibility of each of our businesses for reducing its prorated emissions are key elements of our management approach and require regular monitoring.

↗ SUSTAINABILITY GOVERNANCE AND ORGANIZATION

Climate change adaptation

We continuously evaluate the vulnerability of all Siemens locations regarding acute physical risks based on assessments provided by external suppliers and data collected internally. Through recurrent analyses conducted by Global Risk Consultants on behalf of TÜV Süd, it is evident that the Siemens locations significantly surpass industry standards in terms of risk protection as per the respective insurer ratings (industry average: approximately 70, Siemens: approximately 80). Consequently, Siemens locations are consistently characterized by notably low risk levels. We continuously conduct local risk assessments and collaborate closely with various stakeholders to ensure an adequate protection level.

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Furthermore, during this fiscal year, we conducted comprehensive global training sessions, featuring the participation of qualified external specialists, aimed at strengthening our business continuity management and standardizing our business impact analysis, particularly in the context of natural hazards. These initiatives also consider anticipated changes in risk exposures due to climate change.

Our decision-making process for selecting new locations and devising sustainable, long-term protective measures is based on an exhaustive risk analysis, with a particular emphasis on natural hazards. This includes an in-depth examination and modeling of current risk factors and future climate scenarios, facilitating the formulation of proactive measures. In addition to the assessment of physical risks, we engage in transparent dialogues with partners to comprehensively evaluate transitional risks, such as regulatory changes, thereby encompassing associated risks and opportunities.

We employ a range of systems and meticulously compare the parameters acquired from Swiss RE (RDS), Zurich Resilience Solutions (ZRS), Verizon Maplecroft, among others.

In fiscal 2023, we conducted the Do No Significant Harm (DNSH) assessment with regards to future physical climate risks in the context of our reporting under the EU Taxonomy regulation for all activities related to the environmental objective "Climate Change Mitigation". The assessment of physical climate-related risks of all eligible and substantially contributing activities was conducted by technical experts on site, supplier, and project type levels. We partnered with insurers and other external risk data providers to assess future hazards associated with climate change, e.g. cyclone, hurricane, typhoon, heavy precipitation, or wildfire, using the IPCC scenario RCP 4.5. Additionally, we defined and started to implement measures at locations where significant risks have been identified.

Climate change is also having an impact on water supply. Water is one of humanity's most important resources. For this reason, Siemens has been analyzing water scarcity, water pollution, local fire risks, climate change, and flooding and precipitation patterns at our sites for several years. We consider these analyses in our business decisions: for example, when we select the location for a new site or implement precautionary measures.

We establish water targets at multiple sites to account for the specific local environment and to drive effective mitigation measures. At the corporate level, we have implemented a defined water strategy, and have conducted risk assessments to shape local water targets.

The aim of our water strategy is to minimize the adverse local effects of our water consumption and use. In fiscal 2022, we expanded the analysis of our water-related risks to include our supply chain. Based on this analysis, we derived further measures for sustainable water use.

Our water risk analysis begins with an assessment of our environmentally relevant sites using the Aqueduct Water Risk Atlas from the World Resources Institute (WRI). With the aid of an internal analytical tool, Siemens assesses local-level risks resulting from our sites' activities, and then assesses them in relation to regional water risks. Sites with a high-risk assessment need to define targets to reduce the level of risk. In fiscal 2023, 96% of our sites implemented this water strategy.

↗ CONSERVING RESOURCES, CDP 2023 C2, CDP 2023 WATER SECURITY

Management of climate risks along our value chain

Climate change mitigation

In addition to our Science-Based Target, we defined a target in the DEGREE sustainability framework for our upstream Scope 3 emissions: Siemens without Siemens Healthineers (SHS) has set a target to reduce CO_2e emissions generated in our supply chain by 20% by 2030 compared to 2020. We also aim to achieve Net Zero emissions in our supply chain by 2050. Details on our upstream Scope 3 emissions in fiscal 2023 can be found in the chapter ↗ SUSTAINABLE SUPPLY CHAIN PRACTICES.

In our Carbon Reduction@Suppliers program, we collaborate with an external partner to analyze the economic data and model the carbon footprint of each of our suppliers. To facilitate this process, we utilize a web-based tool called supplier+s that highlights the main sources of suppliers' CO_2e emissions and provides guidance on how to reduce them. Once suppliers have completed the learning phase, they provide us with their primary data through the tool.

↗ CONSERVING RESOURCES, ↗ SUSTAINABLE SUPPLY CHAIN PRACTICES

To make our portfolio's contribution to decarbonization more transparent, we report the amount of CO_2e emissions that our products and solutions avoid compared to reference solutions. Customer avoided emissions represent the difference between the CO_2e emissions of a Siemens offering and the CO_2e emissions of a baseline or reference scenario. In fiscal 2023, we helped our customers avoid 190 million metric tons of CO_2e emissions. The Siemens technologies that make the largest contribution to the avoidance of CO_2e emissions at our customers are frequency converters, railbound passenger and freight transportation, and building systems. For a detailed description of our methodology for calculating customer avoided emissions, please see ↗ REPORTING PRINCIPLES FOR CUSTOMER AVOIDED EMISSIONS, ↗ CLIMATE ACTION

We also invested €6.2 billion (compared to €5.6 billion in fiscal 2022) in research and development activities that are geared towards developing innovative and sustainable solutions for Siemens' customers and businesses, while simultaneously strengthening our competitive positioning. This is also how we contribute to society. ↗ COMPANY PROFILE

Climate change adaptation

We analyze potential risks in our supply chain, including environmental risks. We centralize sustainability-related data about our suppliers on the SCM Sustainability Platform, which enables us to gather information from diverse internal and external sources. This includes data on carbon reduction initiatives, corporate responsibility self-assessments (CRSA), on-site audit results, and risks associated with conflict minerals. All employees in Siemens' purchasing departments can access this integrated tool.

↗ SUSTAINABLE SUPPLY CHAIN PRACTICES

Metrics and targets

Siemens considers climate-related risks and opportunities along the entire value chain. Accordingly, we define metrics for reducing greenhouse gas emissions in the supply chain, in the company's own operations, and in the goods and services we provide to our customers.

Our validated 1.5°C Science-Based Target, along with our DEGREE decarbonization targets and our membership in the RE100, EV100, and EP100 initiatives, is strengthening our climate protection strategy.

↗ CLIMATE ACTION, 🖵 CDP 2023 C3, C4, C6, C7, C9 AND C12

Science-Based Target

By joining the Science-Based Targets initiative (SBTi), Siemens has pledged to reduce emissions from its own operations (Scope 1 and 2) by 50% and its value chain (Scope 3) by 15% by 2030 compared to 2019. Our commitment to the SBTi is aimed at aligning our business activities with the 1.5°C decarbonization pathway under the terms of recognized climate models to ensure that our greenhouse gas emissions will be consistent with the Paris Climate Agreement's 1.5°C target.

DEGREE targets

As part of our DEGREE sustainability framework (without Siemens Healthineers), we set a goal for all Siemens production facilities and buildings worldwide and our vehicle fleet to achieve a Net Zero carbon footprint by 2030. In effect, this means reducing Scope 1 and 2 CO_2e emissions in Siemens' business operations for Siemens without Siemens Healthineers (SHS) by 90% by 2030, compared to 2019. To achieve this target, Siemens has pledged to invest an additional €650 million in its own decarbonization efforts by 2030. Any residual emissions will then be balanced with high-quality carbon offsets that meet established standards.

To drive additional transparency on our journey to 2030, we set an ambitious interim reduction target for our business operations at Siemens without SHS of 55% by 2025 compared to 2019.

For scope 3 emissions, Siemens (without Siemens Healthineers) has set a target to reduce CO_2e emissions generated in our supply chain by 20% by 2030 compared to 2020. We also aim to achieve Net Zero emissions in our supply chain by 2050.

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Our ambitious decarbonization measures and targets in our own operations and along our value chain are helping eliminate potential transitional climate risks and increasing our resilience and the energy independence of our production facilities.

↗ CLIMATE ACTION, 🖵 CDP 2023 C4 AND C6

Eco Efficiency @ Siemens program

Our Eco Efficiency @ Siemens program addresses environmental factors specific to our products, systems, solutions, and services and our production. It also defines objectives for improving our environmental management: for example, by encouraging a circular economy and generally dematerializing our business processes.

The program has three components:

1) Robust Eco Design (RED) approach: At the center of the Responsible Product Development program component is our Robust Eco Design approach. Our Eco Design approach is also embedded in the field of action Resource efficiency in our DEGREE sustainability framework. The program intends to introduce methods and rules for dematerialization along the entire value chain. Our aim has been to intensify the use of lifecycle assessments (LCAs) and environmental product declarations (EPDs), which will allow us to identify environmentally compatible design alternatives that take circularity into account and can be integrated into product specifications. Our ambition is to apply the RED approach to all relevant products, systems, solutions, and services by 2030. This is associated with our goal to increase the number of LCAs and EPDs available.

2) Clean Supply Chain: Building on the RED phase dematerialization, the Clean Supply Chain category in the Eco Efficiency @ Siemens program maps our path to decoupling natural resource use from our economic growth. That is why we will increasingly source secondary materials and take action to replace regulated substances according to IEC 62474. We want to proportionately increase our procurement of secondary metal and resins by 2030. To achieve this, we are concentrating on suppliers of raw materials and semifinished products that can be directly influenced by our purchasing specifications.

3) Efficient Own Operations: The component Efficient Own Operations of our Eco Efficiency @ Siemens program aims to reduce the environmental impact of our sites through dematerialization and circular economy principles. We focus on improving our energy efficiency and reducing the environmental impact of the waste we generate. When it comes to environmentally responsible energy use, we focus on reducing emissions from power generation in addition to minimizing energy consumption itself. As part of our commitment, we aim to improve our overall energy efficiency by 10% by 2030 compared to 2021. To calculate energy efficiency, we analyze our energy consumption in relation to sales development.

↗ CONSERVING RESOURCES, ↗ PRODUCT STEWARDSHIP

7.5

GRI Standards – key topics and boundaries

Sustainability topics	SDGs	DEGREE	GRI Standard
Climate action[1]	7 9 11 12 13	D ECARBONIZATION	GRI Standard 305 Emissions
Innovation and business model	6 7 8 9 11 12 13 14 15 16 17	D ECARBONIZATION R ESOURCE EFFICIENCY G OVERNANCE	GRI Standard 201 Economic Performance
Cybersecurity and data management	5 8 10 16 17	E THICS	
Social and ecological standards in the supply chain	8 12 16 17	G OVERNANCE	GRI Standard 414 Supplier Social Assessment GRI Standard 308 Supplier Environmental Assessment
Corporate governance and sustainability leadership	8 12 16 17	G OVERNANCE	GRI Standard 413 Local communities
Partner management and collaboration	7 8 9 11 12 13 16 17	G OVERNANCE D ECARBONIZATION	GRI Standard 203 Indirect Economic Impacts
ESG risk management	5 8 10 12 16 17	G OVERNANCE E THICS	GRI Standard 201 Economic Performance
Compliance management	5 8 10 12 16 17	G OVERNANCE E THICS	GRI 2-27 Compliance with laws and regulations GRI Standard 205 Anti-Corruption GRI Standard 206 Anti-Competitive Behavior GRI Standard 408 Child Labor GRI Standard 409 Forced or Compulsory Labor

1 Top 2 material sustainability topics.

Result of the assessment of organizational impacts (inside-out, i.e., on the environment and society), stakeholder relevance and business criticality (outside-in).

The detailed GRI Standard Index 2021 is available on our Sustainability website.

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7.5 GRI Standards – key topics and boundaries

Sustainability topics	SDGs	DEGREE	GRI Standard
Sustainable product design and lifecycle management[1]	6 7 9 11 12 13 14 15	RESOURCE EFFICIENCY	
Waste and hazardous substance management	3 6 12 14 15	RESOURCE EFFICIENCY	GRI Standard 306 Waste (2020)
Sustainable handling of natural resources and material efficiency	6 7 9 11 12 13 14 15	RESOURCE EFFICIENCY	GRI Standard 301 Materials GRI Standard 302 Energy GRI Standard 303 Water and Effluents (2018) GRI Standard 306 Waste (2020)
Diversity, equity, and inclusion	3 4 5 8 10 11	EQUITY	GRI Standard 405 Diversity and Equal Opportunity GRI Standard 406 Non-Discrimination
Future of work	3 4 5 8 10 11	EQUITY EMPLOYABILITY	GRI Standard 401 Employment GRI Standard 403 Occupational Health and Safety (2018) GRI Standard 404 Training and Education GRI Standard 405 Diversity and Equal Opportunity GRI Standard 406 Non Discrimination
Employee development	4 8	EQUITY EMPLOYABILITY	GRI Standard 404 Training and Education
Employee health and safety	3 4 8 10	EMPLOYABILITY	GRI Standard 403 Occupational Health and Safety (2018)

1 Top 2 material sustainability topics.

Result of the assessment of organizational impacts (inside-out, i.e., on the environment and society), stakeholder relevance and business criticality (outside-in).

The detailed GRI Standard Index 2021 is available on our Sustainability website.

7.6

WEF IBC Metric

Pillars	Theme	Core metrics	Reference	Omission
Principles of Governance	Governing purpose	**Setting purpose** The company's stated purpose, as the expression of the means by which a business proposes solutions to economic, environmental and social issues. Corporate purpose should create value for all stakeholders, including shareholders.	Sustainability Report 2023 Siemens at a glance p. 7 ff	
	Quality of governing body	**Governance body composition** Composition of the highest governance body and its committees by: competencies relating to economic, environmental and social topics; executive or non-executive; independence; tenure on the governance body; number of each individual's other significant positions and commitments, and the nature of the commitments; gender; membership of under-represented social groups; stakeholder representation.	Annual Financial Report 2023 Annual Financial Report Annual Financial Statement 3. Notes: 31 Members of the Managing Board and Supervisory Board p. 131 f **WWW.SIEMENS.COM/GLOBAL/EN/COMPANY/ABOUT/LEADERSHIP/MANAGEMENT.HTML** **WWW.SIEMENS.COM/GLOBAL/EN/COMPANY/ABOUT/LEADERSHIP/SUPERVISORYBOARD/COMMITTEES.HTML**	
	Stakeholder engagement	**Material issues impacting stakeholders** A list of the topics that are material to key stakeholders and the company, how the topics were identified and how the stakeholders were engaged.	Sustainability Report 2023 Materiality assessment p. 21 ff	
	Ethical behaviour	**Anti-corruption** 1. Total percentage of governance body members, employees and business partners who have received training on the organization's anti-corruption policies and procedures, broken down by region. a) Total number and nature of incidents of corruption confirmed during the current year, but related to previous years; and b) Total number and nature of incidents of corruption confirmed during the current year, related to this year. 2. Discussion of initiatives and stakeholder engagement to improve the broader operating environment and culture, in order to combat corruption.	Sustainability Report 2023 Compliance and Ethics p. 32 ff Our sustainability indicators p. 106 ff	
		Protected ethics advice and reporting mechanisms A description of internal and external mechanisms for: 1. Seeking advice about ethical and lawful behaviour and organizational integrity; 2. Reporting concerns about unethical or unlawful behaviour and lack of organizational integrity.	Sustainability Report 2023 Compliance and Ethics p. 32 ff Our sustainability indicators p. 106 ff	
	Risk and opportunity oversight	**Integrating risk and opportunity into business process** Company risk factor and opportunity disclosures that clearly identify the principal material risks and opportunities facing the company specifically (as opposed to generic sector risks), the company appetite in respect of these risks, how these risks and opportunities have moved over time and the response to those changes. These opportunities and risks should integrate material economic, environmental and social issues, including climate change and data stewardship.	Annual Financial Report 2023 Combined Management Report 8. Report on expected developments and associated material opportunities and risks p. 23 ff	

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7.6 WEF IBC Metric

Pillars	Theme	Core metrics	Reference	Omission
Planet	Climate change	**Greenhouse gas (GHG) emissions** For all relevant greenhouse gases (e.g. carbon dioxide, methane, nitrous oxide, F-gases etc.), report in metric tonnes of carbon dioxide equivalent (tCO_2e) GHG Protocol Scope 1 and Scope 2 emissions. Estimate and report material upstream and downstream (GHG Protocol Scope 3) emissions where appropriate	Sustainability Report 2023 Climate action p. 58 ff Conserving resources p. 65 ff Our sustainability indicators p. 106 ff	
		TCFD implementation Fully implement the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). If necessary, disclose a timeline of at most three years for full implementation. Disclose whether you have set, or have committed to set, GHG emissions targets that are in line with the goals of the Paris Agreement – to limit global warming to well below 2°C above preindustrial levels and pursue efforts to limit warming to 1.5°C – and to achieve Net-Zero emissions before 2050.	Sustainability Report 2023 Task Force on Climate-Related Financial Disclosures (TCFD) p. 136 ff	
	Nature loss	**Land use and ecological sensitivity** Report the number and area (in hectares) of sites owned, leased or managed in or adjacent to protected areas and/or key biodiversity areas (KBA)	Sustainability Report 2023 Conserving resources p. 65 ff Our sustainability indicators p. 110 ff	
	Freshwater availability	**Water consumption and withdrawal in water stressed areas** Report for operations where material: megalitres of water withdrawn, megalitres of water consumed and the percentage of each in regions with high or extremely high baseline water stress, according to WRI Aqueduct water risk atlas tool. Estimate and report the same information for the full value chain (upstream and downstream) where appropriate.	Sustainability Report 2023 Conserving resources p. 74 ff Our sustainability indicators p. 106 ff	

Pillars	Theme	Core metrics	Reference	Omission
People	Dignity and equality	**Diversity and inclusion (%)** Percentage of employees per employee category, by age group, gender and other indicators of diversity (e.g. ethnicity).	Sustainability Report 2023 Diversity, Equity & Inclusion p. 89 ff Our sustainability indicators p. 106 ff	
		Pay equality (%) Ratio of the basic salary and remuneration for each employee category by significant locations of operation for priority areas of equality: women to men, minor to major ethnic groups, and other relevant equality areas.	Sustainability Report 2023 Working at Siemens p. 82 ff Our sustainability indicators p. 106 ff	Siemens pursues the principle of performance-related compensation – regardless of gender. Remuneration data is regarded confidential and is therefore not reported.
		Wage level (%) Ratios of standard entry level wage by gender compared to local minimum wage. Ratio of the annual total compensation of the CEO to the median of the annual total compensation of all its employees, except the CEO.		Siemens pursues the principle of performance-related compensation – regardless of gender. Remuneration data is regarded confidential and is therefore not reported.
		Risk for incidents of child, forced or compulsory labour An explanation of the operations and suppliers considered to have significant risk for incidents of child labour, forced or compulsory labour. Such risks could emerge in relation to: a) type of operation (such as manufacturing plant) and type of supplier; and b) countries or geographic areas with operations and suppliers considered at risk.	Sustainability Report 2023 Human Rights p. 40 ff Sustainable supply chain practice p. 44 ff Business Conduct Guidelines: HTTPS://ASSETS.NEW.SIEMENS.COM/SIEMENS/ASSETS/API/UUID:5C242542-E991-4B97-AF63-090AD509BE74/SAG-BCG-EN.PDF	
	Health and well-being	**Health and safety (%)** The number and rate of fatalities as a result of work-related injury; high-consequence work-related injuries (excluding fatalities); recordable work-related injuries; main types of work-related injury; and the number of hours worked. An explanation of how the organization facilitates workers' access to non-occupational medical and healthcare services, and the scope of access provided for employees and workers.	Sustainability Report 2023 Occupational health and safety management p. 97 ff Our sustainability indicators p. 106 ff	
	Skills for the future	**Training provided (#, $)** Average hours of training per person that the organization's employees have undertaken during the reporting period, by gender and employee category (total number of hours of training provided to employees divided by the number of employees). Average training and development expenditure per full time employee (total cost of training provided to employees divided by the number of employees).	Sustainability Report 2023 Professional education and life-long learning p. 93 ff Our sustainability indicators p. 106 ff.	

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Pillars	Theme	Core metrics	Reference	Omission
Prosperity	Employment and wealth generation	**Absolute number and rate of employment** 1. Total number and rate of new employee hires during the reporting period, by age group, gender, other indicators of diversity and region. 2. Total number and rate of employee turnover during the reporting period, by age group, gender, other indicators of diversity and region.	Sustainability Report 2023 Professional education and lifelong learning p. 93 ff Our sustainability indicators p. 106 ff	
		Economic contribution 1. Direct economic value generated and distributed (EVG&D), on an accruals basis, covering the basic components for the organization's global operations, ideally split out by: – Revenues – Operating costs – Employee wages and benefits – Payments to providers of capital – Payments to government – Community investment 2. Financial assistance received from the government: total monetary value of financial assistance received by the organization from any government during the reporting period.	Siemens Annual Financial Report 2023 Consolidated Financial Statements p. 46 ff	
		Financial investment contribution 1. Total capital expenditures (CapEx) minus depreciation, supported by narrative to describe the company's investment strategy. 2. Share buybacks plus dividend payments, supported by narrative to describe the company's strategy for returns of capital to shareholders.	Annual Financial Report 2023 Consolidated Financial Statements 6. Note 19 Equity p. 70 Annual Financial Statements 3. Note 15 Shareholder's Equity p. 124 f	
	Innovation of better products and services	**Total R&D expenses** Total costs related to research and development	Sustainability Report 2023 Company profile p. 10 ff	
	Community and social vitality	**Total tax paid** The total global tax borne by the company, including corporate income taxes, property taxes, non-creditable VAT and other sales taxes, employer-paid payroll taxes, and other taxes that constitute costs to the company, by category of taxes.	Annual Financial Report 2023 Consolidated Financial Statements 6. Note 2 Material accounting policies and critical accounting estimates p. 51 ff Note 7 Income Taxes p. 58 f Annual Financial Statements 3. Note 13 Deferred tax assets p. 123	

7.7

SASB – Electrical Electronic Equipment Index

Topic	Codified metric code	Disclosure	Reference	Omission
Energy Management	RT-EE-130a.1	(1) Total energy consumed	Sustainability Report 2023: Environment – Conserving resources, p. 65 ff (Energy used reduced), Our sustainability indicators, p. 106 ff	
	RT-EE-130a.1	(2) Percentage grid electricity		
	RT-EE-130a.1	(3) Percentage renewable		
Hazardous Waste Management	RT-EE-150a.1	Amount of hazardous waste generated, percentage recycled	Sustainability Report 2023: Environment – Conserving resources, p. 65 ff, (Efficient Waste management), Our sustainability indictors, p. 106 ff	
	RT-EE-150a.2	Number and aggregate quantity of reportable spills, quantity recovered	Sustainability Report 2023: Environment – Conserving resources, p. 65 ff, (Incident relevant to the environment), Our sustainability indictors, p. 106 ff	
Product Safety	RT-EE-250a.1	Number of recalls issued, total units recalled	not applicable	Siemens has established a comprehensive, company-wide product safety system to ensure that our products comply with applicable legal safety requirements and meet the latest technical safety standards so that they do not pose a threat to the life or health of users or other third parties. Under this system, all company units are required to ensure that their products comply with the state of the art in safety matters. The units are also obliged to conduct systematic product monitoring and take the necessary corrective actions to remedy potential product safety deficiencies.
	RT-EE-250a.2	Total amount of monetary losses as a result of legal proceedings associated with product safety	Annual Financial Report 2023 Consolidated Financial Statements 6. Notes 22 Legal proceedings, p. 71 f	

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7.7 SASB – Electrical Electronic Equipment Index

Topic	Codified metric code	Disclosure	Reference	Omission
Product Lifecycle Management	RT-EE-410a.1	Percentage of products by revenue that contain IEC 62474 declarable substances	Sustainability Report 2023: Environment – Product stewardship p. 71 ff Our sustainability indicators, p. 106 ff	
	RT-EE-410a.2	Percentage of eligible products by revenue that meet ENERGY STAR criteria	not applicable	
	RT-EE-410a.3	Revenue from renewable energy-related and energy efficiency-related products	Sustainability Report 2023: Environment – Climate action, p. 58 ff, EU Taxonomy, p. 76 ff Our sustainability indicators, p. 106 ff	
Materials Sourcing	RT-EE-440a.1	Description of the management of risks associated with the use of critical materials	Sustainability Report 2023: Environment – Product stewardship, p. 71 ff (Risk-conscious handling of declarable substances), Sustainable supply chain practices, p. 44 ff (Responsibility for the world-wide supplier network)	
Business Ethics	RT-EE-510a.1	Description of policies and practices for prevention of: (1) corruption and bribery and (2) anti-competitive behavior	Sustainability Report 2023: Compliance and ethics, p. 32 ff	
	RT-EE-510a.2	Total amount of monetary losses as a result of legal proceedings associated with incidents relating to bribery or corruption	Annual Financial Report 2023: Consolidated Financial Statements 6. Notes 22 Legal proceedings, p. 71 f Sustainability Report 2023: Compliance and ethics, p. 32 ff	
	RT-EE-510a.3	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	Annual Financial Report 2023: Consolidated Financial Statements 6. Notes 22 Legal proceedings, p. 71 f Sustainability Report 2023: Compliance and ethics, p. 32 ff	
Activity Metric	RT-EE-000.A	Number of units produced by product category	not applicable	
	RT-EE-000.B	Number of employees	Sustainability Report 2023 Working at Siemens p. 82 ff Our sustainability indicators, p. 106 ff	

7.8

United Nations CEO Water Mandate

Progress report

Siemens became a signatory to the United Nations CEO Water Mandate in 2008. We are continuing to support the Mandate in two ways: by managing water efficiently at our own facilities and by providing solutions that help our customers handle water and wastewater more efficiently.

Our own activities

We are continuing to implement the approach to water resource management that we developed in 2012. This includes monitoring factors like water scarcity, water pollution, flooding, environmental fire risks, and consequences of climate change as well as performing site-specific risk analyses. Individual goals and measures are defined for locations with high water-related risks. This approach minimizes the site-specific adverse impacts of our water consumption by taking into account local risks like water scarcity, water pollution, and flooding in environmentally sensitive areas. You can find out more about conserving resources and water consumption at Siemens' locations in the ↗ ENVIRONMENT section of this report.

We use resources carefully. For example, Siemens India has implemented sustainable water management by applying various measures, including utilizing water-efficient appliances, installing rainwater harvesting system at four major factory locations, and building water reclamation facilities (zero liquid discharge facilities) that enable us to reduce freshwater consumption and use treated water for landscaping and toilet flushing.

Our supply chain partners

The environmental protection requirements for our supply chain partners are set out in the Siemens Group Code of Conduct for Siemens Suppliers and Third Party Intermediaries. More information on these requirements and on supply chain management is available in the ↗ SUSTAINABLE SUPPLY CHAIN PRACTICES section of this report.

Our customers

We support our customers with water management solutions, including the following.

Leak detection

Non-revenue water not only impacts the economic performance of water supply companies; it also increases pressure on natural water resources, because more water is produced and processed than is actually needed. Thanks to our technological innovations, Siemens can detect leaks with the help of AI. Leaks in the pipeline network were responsible for about 10% of the water supplied by the Swedish water company VA SYD that never reached consumers. With SIWA LeakPlus, VA SYD now relies on artificial intelligence (AI) to detect and repair leaks in its water distribution networks.

Virtual process control system

Thanks to implementing cutting-edge process control technology at the waste management company EGLV (Emscher Genossenschaft & Lippe Verband), the customer was able not only to save operational costs but also to contribute to the renaturation of the Emscher and Lippe River basins through sustainable wastewater management.

Partnerships to reduce water loss

In line with our pledge to be an agile and active market leader, we go beyond traditional distributorships and increasingly rely on collaborations in a variety of areas. We've signed collaboration agreements with component manufacturers like Hach Analytics and with global players like Acciona (desalination) and young entrepreneurs like BuntPlanet (digital portfolio). This is how our company and our partners will be able to meet our customers' requirements and offer them a comprehensive, innovative product and system portfolio, a local presence worldwide, and our usual high quality while also remaining cost-effective.

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Social commitment

Through our memberships in international organizations, we participate in numerous initiatives and projects like the water project on the Action 2020 platform of the World Business Council for Sustainable Development. We initiate, implement, and support projects that foster efficient water use in various regions of the world. The Siemens Stiftung, Siemens' nonprofit foundation in Germany, employs an entrepreneurial approach to supplying communities with clean drinking water. One example is described below.

The WeTu social enterprise in Kenya

The WeTu social enterprise founded by Siemens Stiftung works on innovative solutions for supplying energy and drinking water to communities in Western Kenya near Lake Victoria. Its WeWater unit operates 13 water dispensing stations at various locations that supply the surrounding rural communities with safe, filtered drinking water at economical prices.

In a multistage process, surface water is processed through various prefilters, an ultra-filtration membrane, and finally UV disinfection. Drinking water is dispensed around the clock by way of a cashless ATM system. This approach supplies more than 3 million liters of drinking water to 16,000 people. A variety of social marketing measures also alert customers about how contamination can occur in home use and how contaminated drinking water affects health.

You can find out more about Siemens Stiftung projects at:

WWW.SIEMENS-STIFTUNG.ORG/PROJECTS/WETU/

7.9

Independent auditor's report on a limited assurance engagement

TO SIEMENS AKTIENGESELLSCHAFT, BERLIN AND MUNICH

We have performed a limited assurance engagement on the Sustainability Report of Siemens Aktiengesellschaft, Berlin and Munich (hereafter the "Company"), for the reporting period from October 1, 2022 to September 30, 2023 (hereafter the "report").

Our engagement exclusively relates to the English PDF-version of the report. Our engagement did not include the foreword and the information in the Annex to the report as well as any prospective disclosures and links to other web pages. The report is published as a PDF-version at WWW.SIEMENS.COM/INVESTOR/EN.

RESPONSIBILITIES OF MANAGEMENT

The Company's management is responsible for the preparation of the report in accordance with the Sustainability Reporting Standards of the Global Reporting Initiative (hereafter the "GRI criteria") and for the selection of the information to be assessed.

These responsibilities of the Company's management include the selection and application of appropriate sustainability reporting methods and making assumptions and estimates about individual sustainability disclosures that are reasonable in the circumstances. Furthermore, management is responsible for such internal control as management considers necessary to enable the preparation of a report that is free from material misstatement, whether due to fraud (manipulation of the report) or error.

INDEPENDENCE AND QUALITY ASSURANCE OF THE AUDIT 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.

RESPONSIBILITIES OF THE AUDITOR

Our responsibility is to express a conclusion with limited assurance on the 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 International Auditing and Assurance Standards Board (IAASB). This standard requires 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 report is not prepared, in all material respects, in accordance with the GRI criteria.

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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 and inspection of documents concerning the sustainability strategy, sustainability principles and sustainability management including the stakeholder dialog of Siemens AG,
- → Inquiries of management and relevant employees involved in the preparation of the report about the preparation process, about the internal control system related to this process, and about disclosures in the report,
- → Inquiries of employees responsible for data capture and consolidation, about the data capture and compilation methods as well as internal controls to the extent relevant for the assurance of the disclosures in the report,
- → Identification of likely risks of material misstatement in the report,
- → Analytical procedures on selected disclosures in the report at Group level and at the level of the Industrial Businesses,
- → Inquiries and inspection of documents relating to the collection and reporting of selected data at Group level, at the level of the Industrial Businesses and at selected sites,
- → Inquiries of employees on material qualitative statements in the report as well as the inspection of selected underlying documents,
- → Reconciliation of selected disclosures with the corresponding data in the consolidated financial statements and group management report,
- → Evaluation of the presentation of the report.

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 Sustainability Report of Siemens Aktiengesellschaft for the period from October 1, 2022 to September 30, 2023 is not prepared, in all material respects, in accordance with the GRI criteria.

RESTRICTION OF USE

We draw attention to the fact that the assurance engagement was conducted for the Company's purposes and that the assurance 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 assurance 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.

GENERAL ENGAGEMENT TERMS AND LIABILITY

The "General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften [German Public Auditors and Public Audit Firms]" dated January 1, 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 assurance 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, December 4, 2023

Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

Keller	Johne
Wirtschaftsprüfer	Wirtschaftsprüferin
(German Public Auditor)	(German Public Auditor)

7.10

Notes and forward-looking statements

This document contains statements related to our future business and financial performance and future events or developments involving Siemens that may constitute forward-looking statements. These statements may be identified by words such as "expect," "look forward to," "anticipate," "intend," "plan," "believe," "seek," "estimate," "will," "project", or words of similar meaning. We may also make forward-looking statements in other reports, in prospectuses, in presentations, in material delivered to shareholders, and in press releases. In addition, our representatives may from time to time make oral forward-looking statements.

Such statements are based on the current expectations and certain assumptions of Siemens' management; many of them are therefore beyond Siemens' control. These are subject to a number of risks, uncertainties, and factors, including, but not limited to those described in disclosures, in particular in the chapter Report on risks and opportunities, and including reports on expected development of the Annual Report. Should one or more of these risks or uncertainties materialize, events of force majeure, such as pandemics, occur, or should underlying expectations including future events occur at a later date or not at all or assumptions prove incorrect, actual results, performance, or achievements of Siemens may (negatively or positively) vary materially from those described explicitly or implicitly in the relevant forward-looking statement "Notes and forward-looking statements" in the SIEMENS SUSTAINABILITY REPORT 2023. Siemens neither intends nor assumes any obligation to update or revise these forward-looking statements in light of developments which differ from those anticipated.

This document includes – in the applicable financial reporting framework not clearly defined – supplemental financial measures that are or may be alternative performance measures. These supplemental financial measures should not be viewed in isolation or as alternatives to measures of Siemens' net assets and financial positions or results of operations as presented in accordance with the applicable financial reporting framework in its Consolidated Financial Statements. Other companies that report or describe similarly titled alternative performance measures may calculate them differently.

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7.11

Further information and information resources

Additional information

The online version of the Siemens annual financial report 2023 is available at:

WWW.SIEMENS.COM/ANNUALREPORTS

Further sustainability information

Further information on our commitment to sustainability and sustainability figures are available at:

WWW.SIEMENS.COM/GLOBAL/EN/COMPANY/SUSTAINABILITY.HTML

WWW.SIEMENS.COM/GLOBAL/EN/COMPANY/SUSTAINABILITY/SUSTAINABILITY-FIGURES.HTML

Further information on research, development, and innovation at Siemens is available at:

WWW.SIEMENS.COM/GLOBAL/EN/COMPANY/INNOVATION.HTML

Further information on Siemens Stiftung is available at:

WWW.SIEMENS-STIFTUNG.ORG/EN/

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