Introduction

Sustainability in its three dimensions (Environment, People & Society, Responsible Business Practices) is of the highest importance for Siemens. Sustainable conduct forms the basis of our business decisions and dealings with our stakeholders.

Along with governments, NGOs, the investment community and many other companies worldwide, we are concerned about human rights violations including forced labor, human trafficking and child labor occurring anywhere in the world, as well as the role that armed conflicts play in causing extreme violence across so-called "Conflict-Affected and High-Risk Areas" (CAHRAs). This topic is dealt with in the "OECD Due Diligence Guidance for Responsible Chains of Minerals from Conflict-Affected and High-Risk Areas" (OECD Due Diligence Guidance) and has also been addressed by the legislators in various regions, including the United States of America and the European Union.

Our role in the supply chain

In order to ensure sustainability in our supply chain we have established the "Code of Conduct for Siemens Suppliers and Third Party Intermediaries". We contractually commit our suppliers to this Code of Conduct and, in turn, expect them to promote these standards to their own suppliers. To verify these commitments we have implemented various detection modules such as Corporate Responsible Self Assessments and External Sustainability Audits.

Furthermore we have rolled out a uniform and enterprise-wide process to determine the use, source and origin of the relevant minerals in our supply chain ("Supply Chain Due Diligence"), including "Responsible Minerals Assurance Process" (RMAP) as part of the “Responsible Minerals Initiative” (former “Conflict Free Sourcing Initiative”). We work closely with our suppliers to support us in carrying out these steps. Where necessary, we work with suppliers in order to remediate risks and perform additional due diligence so that we can continue to source responsibly, building on established management processes.

Commitment

We are committed to working toward avoiding the use, within our supply chain, of minerals from conflict affected and high-risk areas which are affected by the risks defined in Annex 2 of the OECD Due Diligence Guidance.
We do not encourage implementing a de facto embargo on conflict-affected and high-risk areas in the sourcing of the respective minerals. This is in line with our requirement to comply with the principles of non-discrimination with regard to supplier selection and treatment and follows the call of many internationally active human rights organizations.

As a pilot-member, Siemens has actively supported and plans to further support the “OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas” for the development of the respective Due Diligence processes. These processes expressly recognize a Risk-Based Due Diligence in the Mineral Supply Chain as well as industry-wide initiatives like the “Responsible Minerals Initiative” (RMI).

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