

SIEMENS
energy

Forced Labour Act Report

Siemens Energy Canada

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1. Introduction

This is a joint report for the Canadian legal entities Siemens Energy Canada Limited, Siemens Energy Transformers Canada Inc. and Siemens Gamesa Renewable Energy Limited, collectively referred to as “Siemens Energy Canada”. Siemens Energy Canada is headquartered in Oakville, Ontario, Canada.

The purpose of this report is to comply with *Bill S-211, An Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act and to amend the Customs Tariff* (the Act). It describes Siemens Energy Canada’s steps taken to prevent and reduce the risk that forced labour or child labour is used at any step in the production of goods in Canada or elsewhere by Siemens Energy Canada or of goods imported into Canada by Siemens Energy Canada.

This report is for the reporting period October 1, 2022 to September 30, 2023 (the reporting period) and is the first report published by Siemens Energy Canada under the Act.

Siemens Energy Canada is ultimately owned by Siemens Energy AG, a German company traded on the Frankfurt stock exchange. During the reporting period, the Siemens Gamesa Renewable Energy Group (Siemens Gamesa) became wholly owned by Siemens Energy AG. In the reporting period, Siemens Energy Canada had another Canadian affiliate, Trench Limited. Siemens Energy sold its Trench business globally on April 1, 2024. Trench Limited will prepare its own report to comply with the Act.

Globally, Siemens Energy AG is one of the largest suppliers of technology in the energy and electricity sector, serving the entire scope of the energy market. Siemens Energy AG has a broad portfolio of products, solutions, and services, covering almost the entire energy value chain, from low- or zero-emission power generation, transmission, and storage to

“Siemens Energy Canada is dedicated to maintaining business operations and a supply chain free from forced and child labor.

We diligently uphold Canadian and international standards in the products, services, and solutions we deliver to our clients.

Our corporate culture promotes open dialogue to address forced and child labour and in this we hold ourselves to world class standards.”

Arne Wohlschlegel, Managing Director, Siemens Energy Canada

reducing greenhouse gas emissions and optimizing energy consumption in industrial processes, complemented by a wide range of training and service offers. The global organization is referred to as “Siemens Energy” in this report.

As of September 30, 2023, Siemens Energy employed about 97,000 people in more than 90 countries worldwide. Siemens Energy Canada employed over 1100 employees during the reporting period.

2. Human Rights at Siemens Energy

Upholding human rights in Siemens Energy Canada’s own operations and business relationships is a fundamental responsibility as part of a global company.

As a globally operating company, Siemens Energy is aware of the impact its business has on people around the world, especially from large-scale energy projects. As part of Siemens Energy, Siemens Energy Canada is dedicated to responsible business conduct and committed to ensuring respect for human rights within its spheres of influence. Identifying and managing Siemens Energy Canada’s human rights impacts and mitigating risks along the entire value chain is therefore imperative. Siemens Energy’s actions go beyond compliance with applicable laws and regulations and include adherence to international standards and treaties.

Siemens Energy Canada has identified the following forced and child labour risk areas in our operations and supply chain:

- Entities who conduct raw material extraction activities, and supply to Siemens Energy’s factories or projects.
- Sourcing of electrical or mechanical components, labour and engineering from manufacturers located in specific geographic regions including Asia Pacific, China, Africa, Latin American and the Middle East.

Below, we describe both Siemens Energy’s Global and Canadian process for assessing and managing the risks related to forced and child labour.

This report addresses the requirements under Bill S-211 in the following sections:

Report Elements/Requirements	Report Section Reference
Steps taken to reduce risk forced and child labor in business activities	Discussed throughout report
Structure, activities, supply chain	Section 1 Introduction; Section 3 Operations
Policies and due diligence processes	Section 4 Policies, Practices and Due Diligence within Siemens Energy
Parts of business with risk forced and child labor and steps taken to manage risk	Section 2 Human Rights at Siemens Energy; Section 4 Policies, Practices and Due Diligence within Siemens Energy
Measures taken to remediate forced and child labor	Section 4(g), (h)
Measures taken to remediate lost income due to elimination forced and child labor	Section 4(k)
Employee training	Section 4(b), (g)
How SE assesses effectiveness in preventing forced and child labor	Section 5 How we assess the effectiveness of these actions for Siemens Energy Canada

Responsibility of Human Rights at Siemens Energy

The Human rights strategy of Siemens Energy Canada is managed by Legal and Compliance which oversees and monitors a risk analysis process and risk-based approach. This includes any reports on human rights violations and environmental risks in connection with the business activities of Siemens Energy Canada and its suppliers. The Procurement department of Siemens Energy ("Procurement") and our supplier management group are responsible for implementing the strategy in the supply chain in coordination with Legal and Compliance.

On January 1, 2023, the Siemens Energy Executive Board appointed a Group Compliance Officer, Dr. Anita Schieffer, for the newly created position of Human Rights Officer. The Human Rights Officer monitors and reports on human rights compliance to the Executive Board during global quarterly meetings of the Compliance Review Boards and on an ad hoc basis. Locally in Canada, the Country Compliance Officer - Canada, who is member of the management team, is responsible for monitoring and reporting to the Canadian executive on its compliance with human rights.

3. Operations

Siemens Energy is one of the world's leading energy technology companies. The company works with its customers and partners on energy systems for the future, thus supporting the transition to a more sustainable world. With its portfolio of products, solutions and services, Siemens Energy covers almost the entire energy value chain – from power and heat generation and transmission to storage. The portfolio includes conventional and renewable energy technology, such as gas and steam turbines, hybrid power plants operated with hydrogen, and power generators and transformers. Its wind power subsidiary, Siemens Gamesa, makes Siemens Energy a global market leader for renewable energies. An estimated one-sixth of the electricity generated worldwide is based on technologies from Siemens Energy. Siemens Energy employs around 97,000 people worldwide in more than 90 countries and generated revenue of €31 billion in fiscal year 2023. For more information, please visit www.siemens-energy.com

Siemens Energy Canada has offices in 15 locations, including two manufacturing facilities in Quebec.

- **Transformers, Trois-Rivieres, QC.** Siemens Energy Transformers Canada Inc. is the leader in amorphous core transformers in Canada.
- **AGT (Aeroderivative Gas Turbine), Montreal, QC.** Aeroderivative gas turbines (AGTs) are designed, assembled, tested, and serviced by Siemens Energy Canada in Quebec – Siemens Energy Canada's global centre of excellence. 99% of AGTs are exported for implementation around the world. AGTs are used as reliable, flexible back-up to both traditional and renewable energy production in big cities and remote communities and can be quickly deployed for emergency power in disaster situations.
- Design, manufacturing, and research and development are all carried out at the facilities in Trois-Rivières and Montreal.

Siemens Energy Canada Supply Chain

The raw materials used in the Siemens Energy Canada's manufacturing facilities are sourced from Canadian and international suppliers. Siemens Energy Canada follows all Canadian legal standards and requirements in its supply chain.

The products sold by Siemens Energy Canada are sourced from all over the globe with Siemens Energy's factories being the biggest supplier of product by value.

The services that Siemens Energy Canada provides include supply of labour that is sourced mainly from Canada. Siemens Energy Canada also sources specialist engineers from Siemens Energy companies located in Europe, North America and from other suppliers.

Depending on the nature of the supply of products and services, Siemens Energy Canada may have different contractual relationships with suppliers. These may vary from single transactions to multi-year relationships. Contractual relationships will be different depending on the circumstances, and include purchase orders, master procurement agreements, framework agreements (local and global) and subcontracts.

Siemens Energy Canada's other business relationships include customer product, solution, and service contracts, as well as joint agreements from time to time with third parties.

4. Policies, Practices and Due Diligence within Siemens Canada

Siemens Energy Canada has adopted a variety of processes and procedures to ensure compliance with human rights requirements including the prohibition of forced labour. Most of these processes and procedures are part of the governance of Siemens Energy and its companies, who are by far the biggest suppliers to Siemens Energy Canada.

The following graphics highlights the key policies and procedures followed by Siemens Energy Canada to conduct child and forced labour risk assessment and management. These are further described in this section of the report.



a. Risk Awareness

Using Siemens Energy's sustainability risk analysis system, potential risks are systematically identified in the supply chain every year. The cornerstones of this system are:

- Identification of risks and categorization of commodities
- Establishment of risk levels for individual countries and industries (determined using sustainability indicators for key areas such as compliance with laws, bribery and corruption, human rights in the workplace, child labor, etc., and making use of information supplied by internationally recognized organizations)
- Use of different strategic measures, for example, special preparation of projects with large local procurement volumes

b. Business Conduct Guidelines

Siemens Energy Canada's commitment to respecting human rights is written into its Business Conduct Guidelines. The guidelines are binding for all executives, managers and employees worldwide. The guidelines express the values, compliance-related responsibilities, and behavioral framework for all executives, managers, and employees, worldwide. To enforce the guideline commitment, employees are trained in the respective requirements of the guidelines and are requested to acknowledge them on a regular basis as part of their conditions for employment.

c. Policy Statement: Respect for Human Rights and Environmental Protection

In the reporting period Siemens Energy Canada adopted our global Policy Statement on Respect for Human Rights and Environmental Protection, which is publicly available at [Compliance \(siemens-energy.com\)](https://www.siemens-energy.com). This policy statement describes Siemens Energy Canada's risk management system and covers annual and ad hoc risk analysis, preventive measures, compliance mechanisms, remediation, documentation and reporting. The policy statement was communicated to employees internally via written communications and a video. Moreover, the policy statement is communicated to identified high-risk suppliers as part of the validation process.

d. Binding Code of Conduct for Supply Chain and Business Partners

Siemens Energy Canada diligently reviews, selects, and carefully monitors suppliers and other business partners on a regular basis throughout the business relationship. Siemens Energy Canada's supplier's and other business partners are required to commit and comply with the Siemens Energy Code of Conduct as part of the supplier registration process and contractual agreements. The code is based on our Business Conduct Guidelines and international human rights principles and obligations. The code places particular emphasis on respect for the basic human rights of employees, including fair remuneration, freedom of association, health, and safety standards, and prohibits discrimination, forced labor, and child labor. It also includes mitigating Siemens Energy Canada's impact on communities, and protection of natural resources. The code states that Siemens Energy Canada's suppliers and business partners may neither use nor contribute to slavery, servitude, forced or compulsory labor, oppression, exploitation, and human trafficking, nor employ any under-age workers. Please refer to the section 3(g) for documentation on the consequence of violations and actions taken.

e. Due diligence in customer projects

Siemens Energy conducts human rights due diligence on customer projects. This is mandatory in the sales phase for projects that meet defined risk criteria, and the process conforms to the UNGPs. The due diligence process includes a sustainability self-assessment and External Substantiality Audits for high-risk Suppliers. These processes are described in more detail below. Siemens Energy relies on ESG (Environmental, Social and Governance) databases focusing on country, customer, and project related risks. The findings from the due diligence process including recommendations for mitigation measures guide Siemens Energy's decision-making. Siemens Energy continuously strives to improve its due diligence process. Even for projects which do not meet the defined risk criteria, the Project Manager or Compliance Officer can submit the project for due diligence if they have a human rights concern.

f. Supplier assessment / Sustainability Self-Assessment

As part of the supplier registration process, suppliers are required to complete a sustainability self-assessment questionnaire. This questionnaire addresses several sustainability criteria, including legal compliance, whether there are policies in place addressing compliance with local human rights and employment law requirements, such as regarding the minimum age for employment, working hours and wage payments, as well as responsible mineral sourcing. The supplier qualification process is regularly reviewed and updated as necessary to reflect new standards and regulations. Potential new suppliers undergo a qualification process, while existing suppliers are re-evaluated every three years.

All cases of compliance violations are reported quarterly by the Chief Compliance Officer. The governance of Siemens Energy and Siemens Energy Canada mandates compulsory company-wide compliance with the Business Partner Compliance Tool. Moreover, it ensures the documentation of relevant information and actions. Siemens Energy continuously enhances the business partner due diligence process by systematically reviewing complex data sets, using dashboards, and harnessing analytics to improve risk management.

g. External Sustainability Audits

Siemens Energy sees ESAs (External Sustainability Audits) as the most effective means of reviewing suppliers' sustainability performance.

First, the complete list of global suppliers is analyzed on risk levels by a third party, taking into consideration factors such as location and commodity. If a certain risk score is exceeded, the supplier is subject to further evaluation which can lead into an in-person ESA, which provides valuable insight to the suppliers' business practices including the management of their sub-suppliers. In any case, the Project Manager or Compliance Officer will submit the supplier for due diligence if they have a human rights concern.

Focusing on quality and objectivity, external audit partners conduct the ESAs. Siemens Energy assigns repeat or follow-up audits if necessary. In the reporting period, Siemens Energy conducted 194 ESAs. This number increased from 167 audits in fiscal 2022. Furthermore, Siemens Energy accepted 71 ESAs of suppliers that were audited by other companies. Siemens Energy only accepts audits that fulfill the requirements and where the full audit documentation is provided. The on-site audits include inspections, employee interviews and review of employment documents to confirm, among other things, the age of employees.

Throughout the supplier assessment processes, Siemens Energy remains committed to partnering with suppliers and to help them improve. However, if problems persist and/or the suppliers do not show a willingness to take necessary corrective action, Siemens Energy removes them from the list of approved suppliers. All local instances of blocked suppliers are reported to Corporate Procurement, which discusses and decides on the need for a worldwide block. In the reporting period, no supplier was dismissed since any suppliers with negative results are collaborating and implementing corrective actions.

In addition to the processes described above, Siemens Energy has a Central Warning Message system in place. This facilitates a fast, efficient response to violations of the Code of Conduct requirements. The responsible procurement departments at Siemens Energy are authorized to agree on a series of remedial steps with the supplier. Potential misconduct can be reported via the whistleblower hotlines "Speak Up" at Siemens Energy and the "Integrity Hotline" at Siemens Gamesa.

To inform Siemens Energy employees, suppliers, and further external stakeholders, a web-based training course that explains Siemens Energy's approach to promoting sustainability in its supply chain is published on Siemens Energy's website.

h. Channels for reporting misconduct and forced labour violations

Siemens Energy Canada offers all employees and external third parties' various confidential channels for reporting potential violations. This helps identify and eliminate misconduct. It also protects whistleblowers and the company from damage that may result. Such channels include:

- Managers
- Group Compliance Officer
- Compliance department and Legal department
- Human Resources department
- "Speak Up" and "Integrity Hotline" whistleblower channels
- Ombudsperson
- Employee representatives

Information on possible violations can be given confidentially and anonymously. Siemens Energy Canada does not tolerate retaliation against complainants or whistleblowers, and any attempt at retaliation is treated as a compliance violation. The same principles apply to any reports of wrongdoing brought forward by third parties.

Siemens Energy Canada's Compliance department investigates relevant reports and takes appropriate action in accordance with formal company-wide processes.

i. Responsible minerals sourcing

Siemens Energy is committed to preventing the use of minerals from conflict-affected and high-risk areas in the supply chain that are affected by the risks defined in Annex 2 of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. To this end, Siemens Energy has adopted a Responsible Minerals Sourcing Policy to provide a uniform, company-wide supply chain management standard. To determine the use, sources, and origin of these minerals in the supply chains, Siemens Energy investigates the smelters involved. Siemens Energy is part of the steering committee of the Responsible Minerals Initiative (RMI), which provides an assessment program for smelters, the Responsible Minerals Assurance Process.

When surveying the approximately 1,400 relevant suppliers, Siemens Energy uses the RMI's Conflict Minerals Reporting Template to obtain the necessary information on smelters producing tin, tantalum, tungsten, and gold (3TG). Siemens Energy is actively involved in the Responsible Minerals Assurance Process by screening smelters for eligibility and encouraging uncertified smelters to take part in the RMI's assessment programs. All newly reported smelters are shared with the RMI.

Based on risk sources identified by the EU, which cover armed conflicts, weak governance, and human right abuses, Siemens Energy also conducts a specific mineral risk assessment to identify other relevant minerals apart from 3TG. After cobalt, copper, and rare earths, Siemens Energy added mica to the supply chain due diligence processes according to the 5-step framework of the OECD Due Diligence Guidance [OECD-Due-Diligence-Guidance-for-Responsible-Business-Conduct.pdf](#). In addition to Siemens Energy's RMI membership and strategic partnership with the European Partnership for Responsible Minerals, where Siemens Energy is a member of the governance board, Siemens Energy is actively engaged in Copper Mark, an assurance framework promoting the responsible production of copper [The Copper Mark](#).

j. Due diligence: blockchain traced copper supply chains

Building transparency in dynamic multi-tier supply chains is critical to continuously improving Siemens Energy's environmental and social footprints. All Siemens Energy products consist of raw materials, with the mining of minerals and metals coming with potential negative environmental and social impacts. Siemens Gamesa has initiated a pilot project which utilizes blockchain technology to improve the traceability of copper material flows within our supply chain. Blockchain technology can help build transparency for complex products and verify the chain of custody down to the mine from which the raw materials originate. The pilot project is being run in collaboration with our partners across the value chain to jointly build transparency along multi-tier supply chains.

k. Community Engagement

Siemens Energy Canada is committed to partnering with our suppliers. Siemens Energy will collaborate with the supplier to identify remediation plans where human rights risk are identified. Only if problems persist and/or the supplier is not willing to take corrective action, will Siemens Energy remove them from the global list of approved suppliers. Siemens Energy Canada actively supports initiatives that address specific societal needs in Canada, and Siemens Energy does so in the countries in which it operates, contributing to science, technology, engineering, and mathematics (STEM) and climate education projects as well as disaster relief in many communities. Societal engagement means more to Siemens Energy Canada than just charity. Siemens Energy Canada believes it creates shared value for society and a competitive advantage for business. The focus areas are:

- Driving the Energy Transition: Supporting clean energy research and sustainable development
- Access to Education: Promoting STEM subjects and climate education – especially for underrepresented demographics
- Sustaining Communities: Disaster recovery – especially related to electricity supply

Across the regions in which Siemens Energy operates, local managing directors develop local initiatives within these three global focus areas. The approach allows for 80% of donations to support the three focus areas, 10% to be discretionary – supporting causes aligned to customers and partners – and 10% to go toward activities in local communities where Siemens Energy has operations with a significant employment base.

Since societal engagement is often driven by individuals, Siemens Energy Canada encourages its employees to take social responsibility through its volunteering programs. Siemens Energy Canada has a volunteering framework in place that encourages employees to volunteer for company-endorsed initiatives. Siemens Energy Canada contributes to societal development at local levels through a range of projects in the designated focus areas.

“Child labour and forced labour are serious violations of fundamental human rights that rob individuals of their dignity, and their ability to lead a healthy, prosperous, and fulfilling life.

In this fight against the stain of child labour and forced labour in global supply chains, I am extremely proud of the systems and processes in place at Siemens Energy Canada.

As a corporate entity, we remain steadfast in our commitment to end child labour and forced labour.”

Dean Novak, Country Compliance Officer, Siemens Energy Canada

5. How we assess the effectiveness of these actions for Siemens Energy Canada

During the reporting period, Siemens Energy Canada did not identify any forced labour or child labour violations in its supply chain and therefore no remedies were required during the reporting period.

Implementing human rights due diligence is an integral aspect of our efforts to improve human rights along the entire global supply chain. This requires effective measures. A structured process is used to regularly review whether our risk management system and the measures implemented are effective. We continuously fine-tune our due diligence processes to adapt to the requirements of our global business and our approach to protecting human rights in collaboration with our stakeholders.

Signed and approved in accordance with resolutions of the Board of Directors of each of the following legal entities and having authority to bind that entity:

Siemens Energy Canada Limited

Siemens Energy Transformers Canada Inc.

Siemens Gamesa Renewable Energy Limited

ATTESTATION

This Report was approved pursuant to subparagraph 11(4)(b)(i) of the Act by the Board of Directors of each of Siemens Energy Canada Limited, Siemens Energy Transformers Canada Inc., and Siemens Gamesa Renewable Energy Limited.

In accordance with the requirements of the Act, and in particular section 11 thereof, we attest that we have reviewed the information contained in the report for the entity or entities listed above. Based on our knowledge, and having exercised reasonable diligence, we attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.”



Full name: Arne Wohlschlegel
Title: Chief Executive Officer and Director
Siemens Energy Canada Limited
Date: May 13, 2024
I (we) have the authority to bind, Siemens Energy Canada Limited.



Full name: Scott Luzzi
Title: Director – Siemens Energy Transformers Canada Inc.
Date: May 13, 2024
I (we) have the authority to bind, Siemens Energy Transformers Canada Inc.



Full name: Paul Van der Weg
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