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Sustainable Procurement Performance Makes The Difference

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SIEMENS





Siemens: Sustainable Procurement Performance Makes the Difference How the SCM Sustainability Platform supports buyers in driving sustainability



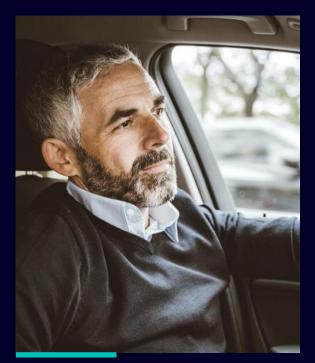
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We commute in cars designed with **Siemens software** ...

... built in factories running on **Siemens automation** ...





... and charged by a Siemens **smart grid**.



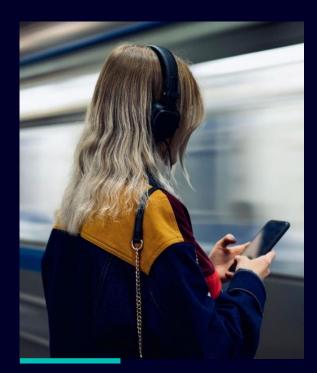
We work in smart buildings that **promote** our **health** and **safety**

... that use energy with maximum efficiency ...





... and connect the **physical** and the **digital** workplace.



We book our train tickets with **Siemens software** ...

... to travel on trains made by Siemens ...





... operated with Siemens infrastructure technology.



More than 90% of Siemens AG's business enables positive sustainability outcomes for our customers, by combining the real and the digital worlds





Sustainability in our own operations

Our DEGREE framework provides a 360° view on sustainability, ensuring that we lead by example fostering sustainability across our own operations and supply chain





Customer value propositions

Decarbonization & energy efficiency

Resource efficiency & circularity

People centricity & societal impact



Securing our supply chain by suppliers' commitment to our Code of Conduct and taking consistent steps toward a net zero supply chain by 2050

Impact through global supplier footprint



~67,700

Suppliers



~€37bn

goods and services purchased



~140

countries

Supplier engagement and collaboration as key enablers

Requirements for suppliers

Risk-based approach to identify and mitigate potential risks in the supply chain

Carbon Reduction Program

Collaboration with key suppliers based on insights about their decarbonization plans

Technology as the backbone to reach the sustainability targets

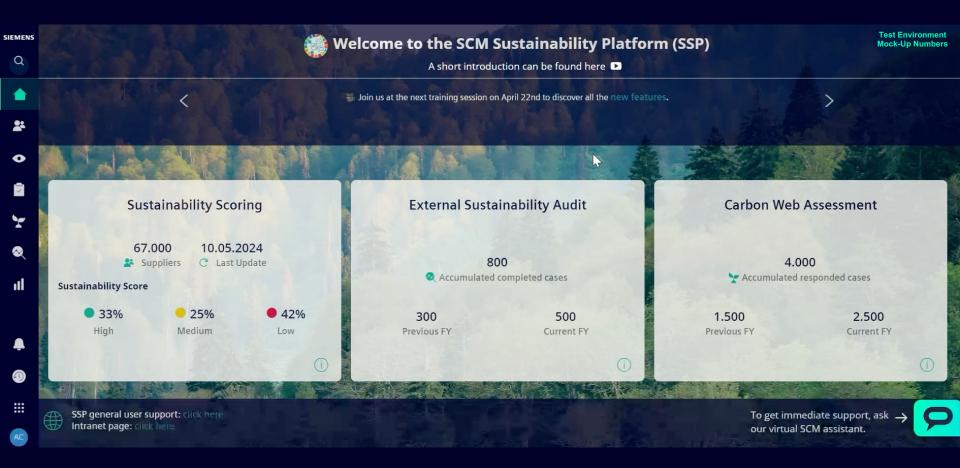






We can't do it alone - Supplier Engagement and a digital platform which supports us to improve the sustainability by triggering & monitoring appropriate measures





Sustainability data about our suppliers is hosted in the SCM Sustainability Platform, which enables us to gather information from diverse sources



Sustainable Sourcing

All procurement employees in Siemens' can access globally available supplier sustainability information. This enables sustainability to serve as evaluation factor throughout the purchasing process.



Embedded sustainability Processes

We conduct evaluations of suppliers that range from supplier self-assessments of their own sustainability practices to on-site sustainability audits conducted by external auditors.



Supplier Transparency & Development

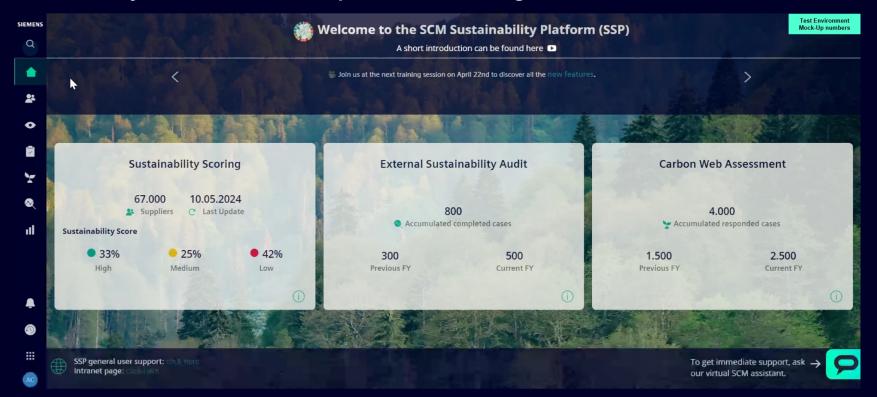
We remain committed to our supplier partnerships and these processes give us the basis to understand & discuss the sustainability **performance** and to help them improve.



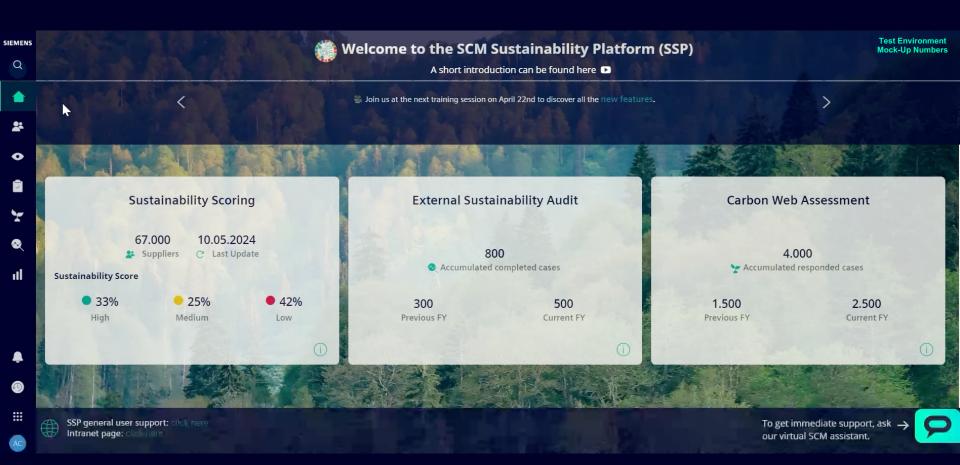




Sustainable Sourcing: The Sustainability Score indicates a Supplier's Sustainability Performance and is part of the sourcing decision.

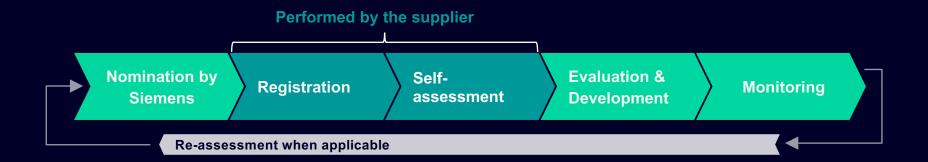








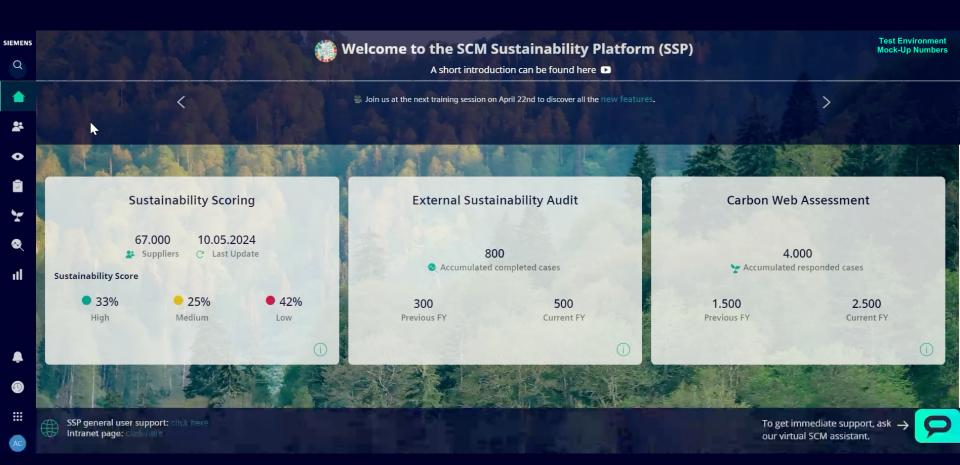
To achieve the required level of transparency, we have a decentralized Carbon Web Assessment process in place where our buyers and suppliers play a vital role



Highlights of this approach:

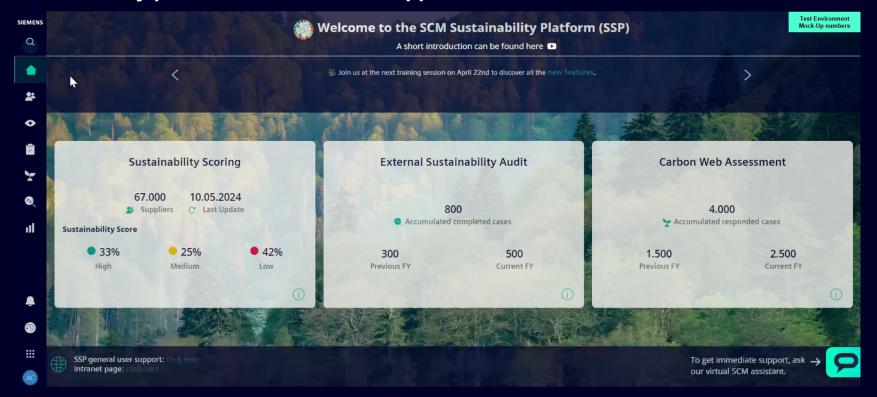
- Collaboration is key: Start the dialogue with your key suppliers and relevant cross-functions. Involve the buyers!
- Focus on hotspots & quick wins: Prioritize the highest emitting suppliers / commodities and build momentum with easy measures
- Anchoring in sourcing processes: Include the evaluation of supplier's decarbonization performance along the process

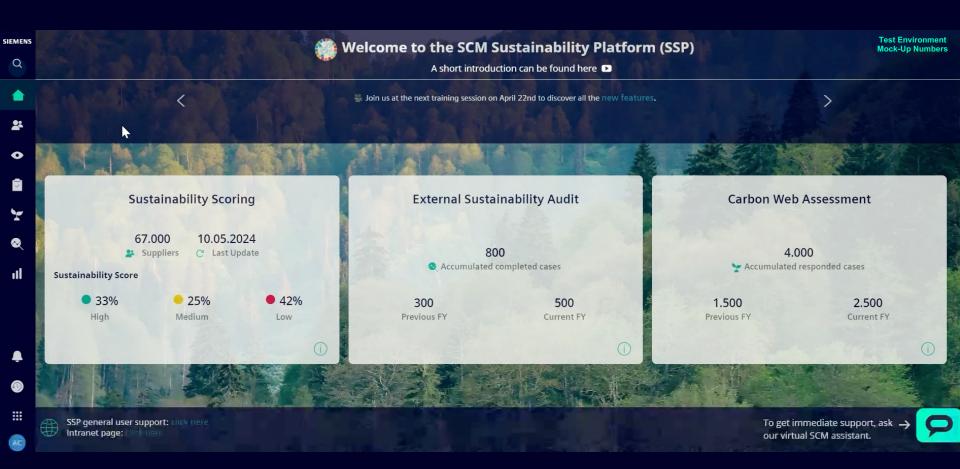






Supplier Transparency & Dialog - Understand & discuss the sustainability performance with our Suppliers





SCM Sustainability Platform



Roadmap & SCM Sustainability Platform Journey

Introducing 2022

- Initial sustainability scoring
- Introducing external Sustainability Audit & Carbon Web Assessment process
- Global rollout, 5.000 users across 65 countries & over 67.000 suppliers

Establishing

2023

- End to End implementation of External Sustainability Audit & Carbon Web Assessment process
- Integration in Siemens IT Ecosystem as well as with 3rd party sustainability providers

Enhancing

2024

- New module for Supplier development measures
- Functionality to engage deeper supply chain
- Sustainability target setting for suppliers

With our implementation Partner EVIDEN we started our journey in 2022





SCM Sustainability Platform is integrated in Siemens IT Ecosystem as well as with 3rd party sustainability providers

