

**SIEMENS**



AEB, In-house Counsel day, November 22, 2013

# Promoting Compliance

**Sustainability as the key to success:  
Siemens has been in business for 163 years**

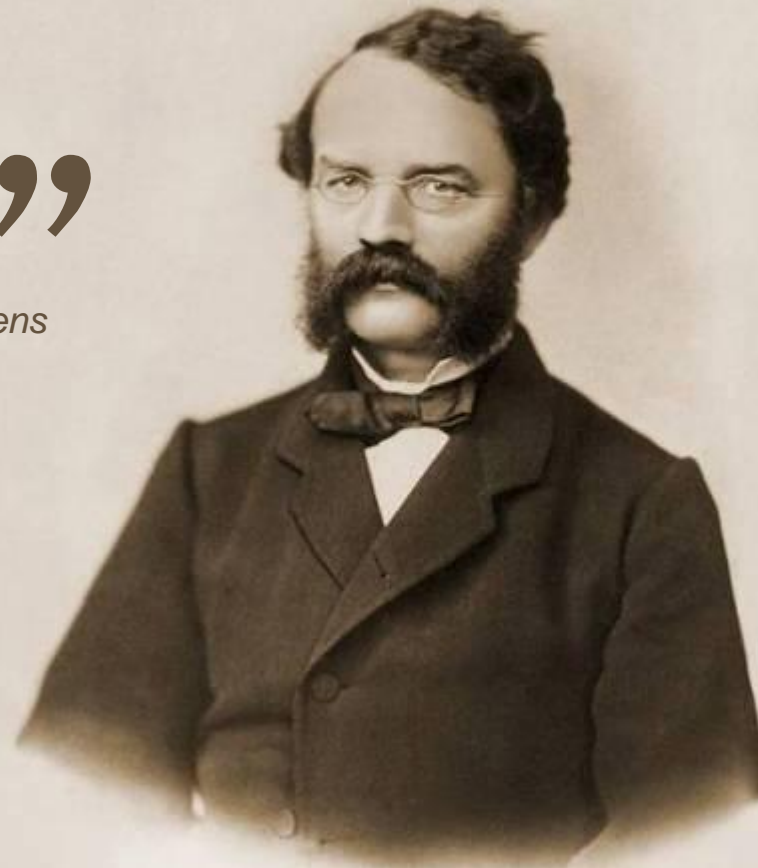
**“ I won't sell the future  
for short-term profit.”**

*Werner von Siemens*

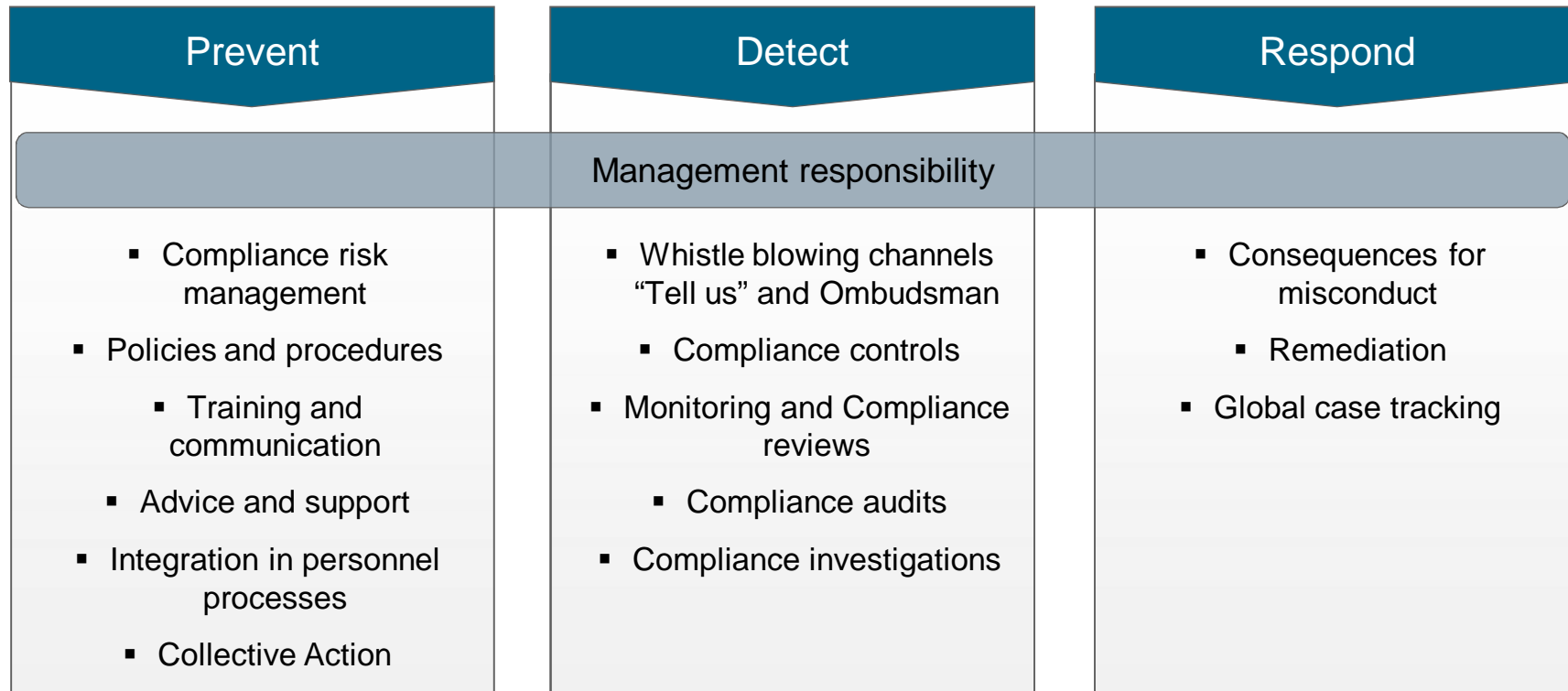
**Innovative**

**Excellent**

**Responsible**



# The Siemens Compliance System: Prevent – Detect – Respond



**If we join forces ....**

**... we can help to enable our markets to prosper**



**... and we can prevent that corruption keeps the poorest countries in the world from a fair chance on development**

## " Collective Action" fosters high compliance standards for all market players

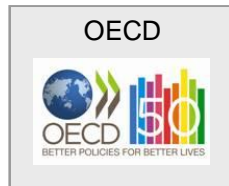
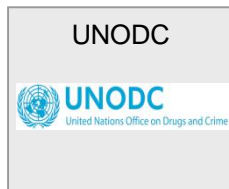
- Fight corruption in concert with competitors and other players
    - Create high compliance standards via a concept of prevention
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- Integrate an independent institution for promotion and monitoring
  - Define sanctions in case of violations



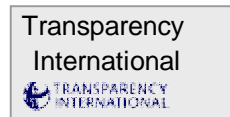
# Collective Action: Top Organizations are involved on all levels

## Top stakeholders

IO



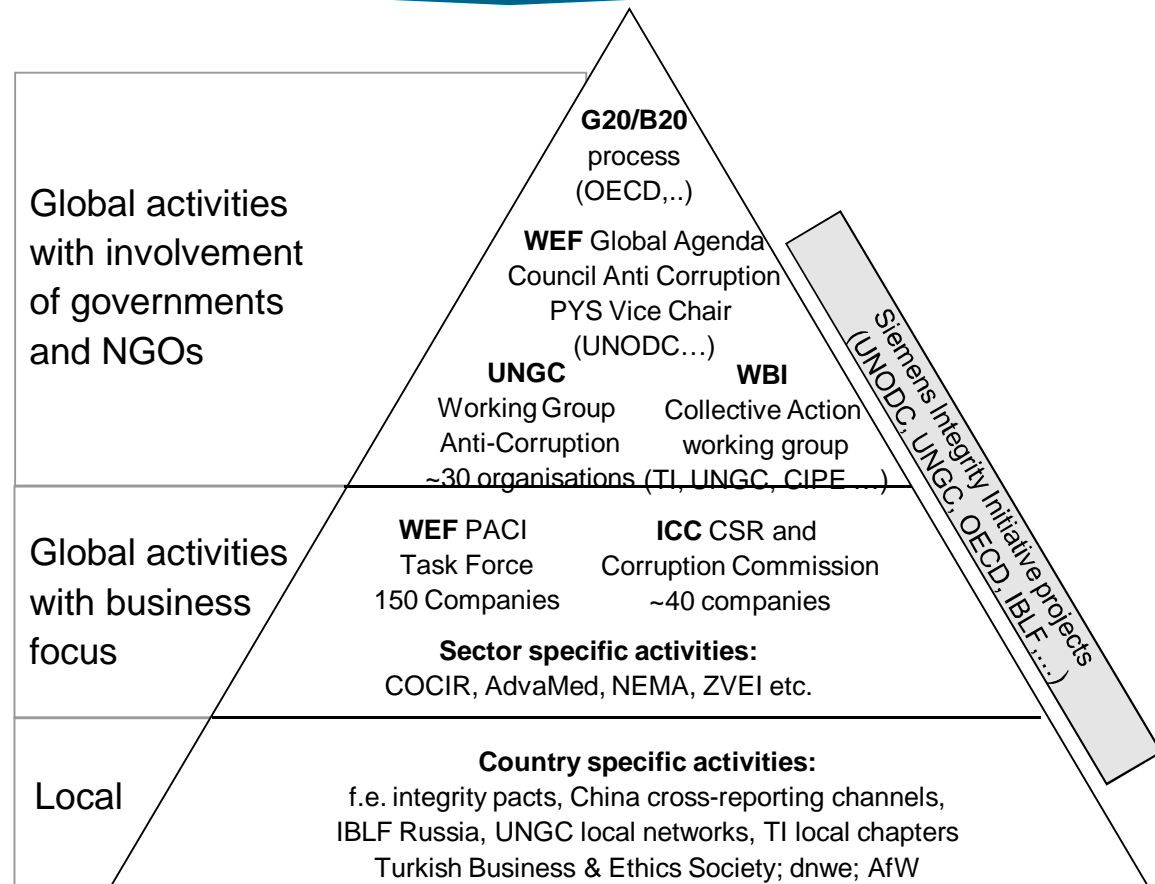
NGO



AfW: Anvenderrat Wirtschaftsethik



## Engagement on various levels



# Siemens Integrity Initiative – Overview

Objective: Fighting Corruption & Fraud through collective action, education & training

## Financial

- USD 100 Million over 15 years
- First funding round (December 9, 2009): ~USD 40 Million, 3-5 years
- Additional funding rounds will be announced separately
- Funding of up to USD 5 Million per project proposal, minimum of USD 50,000

## Content

- 2 project categories: Collective Action (2/3), Education & Training (1/3)
- Focus on clear business impact and Siemens markets and sectors
- Objective: Create fair market conditions for all market participants
  - Raise standards and create awareness on compliance and business integrity
  - Create a common platform for dialogue for the private and public sector
  - Strengthen the rule of law

## Process

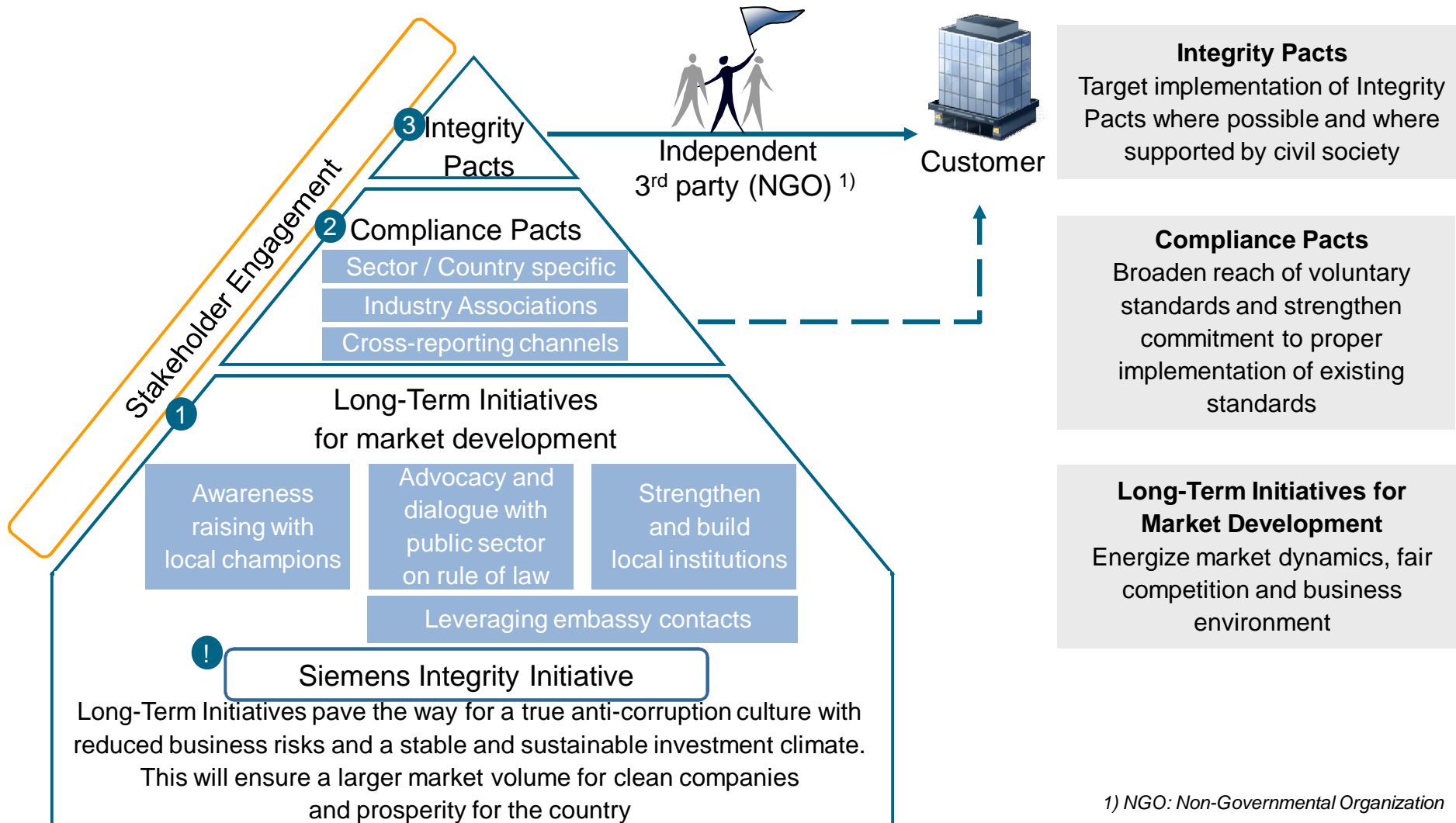
- Public invitation to submit proposals
- Open, competitive selection in two phases (expression of interest, full proposal)
- Payment of funds linked to achievement of milestones (Funding Agreement)
- Eligible organizations: non-profit organizations

## Role of World Bank

- Veto rights over selection of organizations
- Audit rights over use of funds
- Annual reporting obligation for Siemens (progress and financial reports, forecasts)



# Three channels to drive Collective Action: Priority on Long-Term Initiatives



1) NGO: Non-Governmental Organization



## Together with our suppliers we fight corruption throughout our supply chain

### Code of conduct for Siemens suppliers

- Compliance with laws and regulations
- **Prohibition of corruption and bribery**
- Respect for employees' fundamental rights
- Prohibition of child labor
- Employee health and safety
- Environmental protection
- Our suppliers' suppliers



## ... however, ultimately, controls are not enough. We need to continue fostering an integrity culture

Questions to guide Siemens employees towards compliant and responsible behavior

- 1 Is it the right thing for Siemens?
- 2 Is it consistent with Siemens core values and mine?
- 3 Is it legal?
- 4 Is it something I am willing to be held accountable for?

If the answer is YES to all of those questions,  
**DON'T WORRY, BE CONFIDENT**

