

Siemens Rail Automation Holdings Limited (SRAHL)

**Modern Slavery Act Statement for the financial year ended
30th September 2017**

Introduction

This statement is made pursuant to s.54 of the Modern Slavery Act 2015 and sets out the steps that SRAHL has taken and is continuing to take to ensure that modern slavery or human trafficking is not taking place within our business or supply chain.

Modern slavery encompasses slavery, servitude, human trafficking and forced labour. Siemens plc has a zero tolerance approach to any form of modern slavery. We are committed to acting ethically and with integrity and transparency in all business dealings and to putting effective systems and controls in place to safeguard against any form of modern slavery taking place within the business or our supply chain.

As part of the worldwide Siemens group of companies, sustainable practices are firmly anchored in our corporate culture, based on our company values of being responsible, excellent and innovative. We apply globally-binding principles that require all employees and managers to behave in an ethical, law-abiding manner. We act responsibly to support economic, environmental and social progress.

Our business

Siemens is a global business focusing on the areas of electrification, automation and digitalisation and has been active in the United Kingdom for over 170 years. SRAHL is one of a number of Siemens legal entities trading in the UK and operates in various industry sectors from power generation, transmission and distribution to smart grid solutions and the efficient application of electrical energy – as well as in the areas of rail services, automation and traffic solutions. Siemens in the UK employs over 14,000 staff, located in various locations including sales offices, manufacturing plants and warehouses. Aside from the traditional business focus of revenue and profit, Siemens seeks to ensure that it also generates a lasting value for the societies in which it operates.

Our high risk areas

Compliance risk management is an ongoing focus in all aspects of business activity but every two years a deep dive review is undertaken by business management in the form of a risk workshop. The last workshop covering SRAHL was undertaken in early 2017 and did not highlight any significant areas of concern but certain improvement actions were noted in some areas and replicated globally. As such, a more robust due diligence process has been

introduced to consider Human Rights risk in relevant major projects. Similarly, training opportunities have been improved for staff working in project management and procurement roles to ensure a better appreciation of Human Rights risk, which includes modern slavery.

Our policies

We operate a number of internal policies to ensure that we are conducting business in an ethical and transparent manner. These include:

1. Code of business conduct:

All of our employees are required to comply with our Business Conduct Guidelines which commits each of them to respect the personal dignity, and personal rights of every individual, as well as to act with integrity and in accordance with the law.

Our Business Conduct Guidelines require that our employees recognise and apply globally-relevant anti-slavery principles specifically including the International Labour Organisation's Tripartite Declaration of Principles, and its Declaration on Fundamental Principles and Rights at Work, in particular with respect to the elimination of child labour, abolition of forced labour, prohibition of discrimination, and rights to freedom of association and collective bargaining.

Each employee is required to sign a statement that they have read and understood the Business Conduct Guidelines as part of our recruitment process.

Siemens also expects its suppliers and business partners to share Siemens' values and comply with all applicable laws as laid out in the respective code of conduct.

2. Compliance policy:

This policy, in the form of a globally binding all encompassing compliance circular, sets out the organisation's stance on Anti Corruption, Anti Trust, Anti Money Laundering, Data Protection, Human Rights and Export Control.

The circular specifically highlights the need to comply with local law and thereby the requirements of the Modern Slavery Act. The circular was recently updated to better reflect the focus of Human Rights in the company's compliance system as follows:

- the topic has been incorporated into 'integrity' sessions at management meetings in 2017 and in 2018 it will feature as a specific module in the 'in person' training landscape. This global offering will be enhanced in the UK to reference the specific requirements of the Modern Slavery Act;
- relevant projects now incorporate a specific set of due diligence questions in relation to Human Rights;
- the subject of Human Rights is now a mandatory topic in the biennial risk assessment deep dive;
- potential Human Rights violations are now subject to investigation as part of the formal compliance case handling process.

3. Whistleblower Policy:

Siemens has a compliance whistleblower hotline for reporting compliance violations in a secure manner, 24 hours a day, 7 days a week, in 13 languages, online or via telephone. Reports can also be made anonymously. The hotline can be used by employees and management as well as customers, suppliers and other stakeholders. It is managed by a third party supplier and all data supplied is maintained on secure servers in Germany. All reported content is handled exclusively by Siemens.

Siemens internal whistleblowers are protected by special regulations that protect whistleblowers who make good faith reports to the best of their knowledge. In addition, the Siemens Ombudsman is available for the reporting of compliance violations.

4. Recruitment Policy:

The company operates a robust recruitment policy, including conducting eligibility to work in the UK checks for all employees to safeguard against human trafficking or individuals being forced to work against their will.

Our suppliers

Siemens globally has a substantial and complex supply chain with around 90,000 suppliers across 160 countries. We have well established methods and processes to stay on top of this complexity under the governance of our Global Services Supply Chain Management function.

However, the basis of all our supplier relationships is the commitment of our suppliers to observe the principles of the "Code of Conduct for Siemens Suppliers and Third Party Intermediaries" and ensure that sub-suppliers in their own supply chain also adhere to them. As well as reflecting our Business Conduct Guidelines, our supplier code is also based, besides other things, on the UN Global Compact and principles of the International Labour Organisation.

The code specifically prohibits the use of forced labour and child labour by our suppliers, requires our suppliers to respect the employment rights of their workers and requires our suppliers to use reasonable efforts to promote compliance with the code amongst their own.

Suppliers commit to the code by signing the Corporate Responsibility contract clause, which is a mandatory part of all new and extended procurement contracts, via the Corporate Responsibility declaration or by acknowledging the Conditions of Purchase.

Prior to selection all suppliers undergo various due diligence checks including a Corporate Responsibility Self-Assessment (CRSA). This questionnaire enables suppliers to assess whether they meet the requirements of our Code of Conduct. This process raises awareness of these requirements, identifies potential risks in connection with sustainability at an early stage, and ensures that appropriate steps are taken.

Following selection, suppliers are continually monitored and risk assessed, particularly those operating in higher risk countries. Suppliers for whom certain potential sustainability risks have been identified or where there are suspicions of non compliance with the code of conduct are subjected to an in-depth assessment by audit experts on site. To ensure independent reporting, this assessment is carried out by external service providers.

As an affiliated company of Siemens AG, SRAHL conforms to these global supply chain principles.

Training

Employee Training

Siemens has developed two online training modules entitled "Sustainability in the Supply Chain" and "Supplier Qualification: General Approach". These trainings are mandatory for all employees with purchasing responsibility and highlight the importance of the Code of Conduct for Siemens Suppliers and Third Party Intermediaries.

In the UK circa 200+ employees have completed the online training since it was rolled out in 2016 and completion forms part of an employee's annual performance targets and therefore subject to formal monitoring.

Know-How Transfer and Building Competence

Our suppliers' commitment to comply with our sustainability principles is most effective when it is based on their own convictions. We are therefore increasingly committed to building their competence and intensifying knowledge transfers related to sustainability through sustainability.

Other information

Ensuring commitment to human rights at Siemens:

<https://www.siemens.com/global/en/home/company/sustainability/humanrights.html>

Sustainability in the Supply Chain:

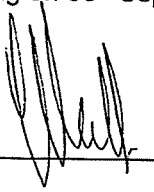
<https://www.siemens.com/global/en/home/company/sustainability/sustainablesupplychain.html>

Our commitment

We will continue to apply a zero tolerance approach to forced labour, slavery and human trafficking in any form, in our business and supply chain.

Approval for this statement

This statement was formally approved by the Board of Directors with respect to the Financial Year ending on 30th September 2017.



Name G. L. WAINWRIGHT (Director)

Date 16/1/18