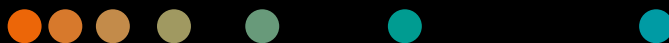


Sustainability Report 2021

siemens-healthineers.com/sustainability



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Foreword

Sustainable development is key. For us at Siemens Healthineers, for societies, for humankind.

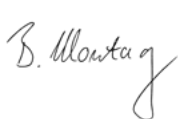
As Siemens Healthineers, we act both responsibly and innovatively – in other words, sustainably. Sustainability has always been a guiding principle for us. For more than a century we have been working to improve healthcare products, services, and solutions for the benefit of patients, medical professionals, and society. We will continue to do so as part of an unequivocal commitment to sustainability by all of us at Siemens Healthineers, and this will be permanently enabled by our unique culture and driven by our unique and unifying purpose:

*We pioneer breakthroughs in healthcare.
For everyone. Everywhere.*

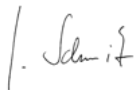
With this, we are an active part of the global endeavor formulated in the United Nations Sustainable Development Goals (UN SDGs). As one of the leading medical technology companies, Siemens Healthineers wants to make significant contributions to achieve these goals. We are therefore focusing our efforts on improving access to care and on environmental and social issues. We will do this in a comprehensive and transparent manner and disclose corresponding facts with our annual sustainability report.

The report covers our goals and plans, as well as baselines and actual facts, in line with the guidance of the Global Reporting Initiative. It documents the progress of our sustainability activities, which are based on the 17 SDGs, and reflects our ongoing support of the UN Global Compact. In February 2021, we released our plans for the first time in connection with our Annual General Meeting. With the Sustainability Report 2021, we are making even more details of our efforts transparent and have included the additional opportunities provided by the combination with Varian.

In line with our corporate culture of continuous improvement, we consider this report as a logbook of our learning journey in terms of sustainability. This year's report has a particular emphasis on access to healthcare and innovation, which is the first focus topic of our sustainability efforts. To better enable us to keep improving, we engage in continuous dialogue with our customers, patients, healthcare providers, partners, investors, and among ourselves. Our aim is to answer one question: How can we contribute even better to the goals of the United Nations? We would like to invite you to actively engage in this dialogue and to share your views on these topics through the multiple channels we offer.



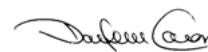
Dr. Bernd Montag
CEO



Dr. Jochen Schmitz
CEO



Dr. Christoph Zindel
M&M



Darleen Caron
CHRO

About this report

Sustainability is an integral part of our Company's strategy. We are pleased to be publishing our first sustainability report, which follows our sustainability communication of February 2021 and supplements our financial reporting in the annual report.

This report sets out our key sustainability challenges and opportunities and the many ways in which we are responding. Given the global differences across healthcare systems, which became especially visible during the pandemic, we made a conscious decision to focus this year's report on the issue of access to healthcare.

Reporting approach

This report informs our stakeholders – employees, customers, suppliers, investors, analysts, NGOs, governmental agencies, and the interested public – about our sustainability performance in the following areas:

- Access to healthcare and innovation
- Climate and environmental responsibility
- Social responsibility
- Corporate governance and compliance

It provides information on the company's sustainability targets and activities, is based on the Standards of the Global Reporting Initiative (GRI) and has been prepared in accordance with the Core option of the GRI Standards. The report also shows our contribution to the UN SDGs and our annual progress on the Ten Principles of the United Nations Global Compact.

Review period and reporting boundaries

The reporting period covers fiscal year (FY) 2021 (October 1, 2020, to September 30, 2021). In general, the Business Areas and Regional Units (Regions) of Siemens Healthineers are all covered by the report.

Unless indicated otherwise, all figures and all comparative figures reflect Siemens Healthineers without Varian¹. However, we want to move to a sustainable future together with Varian, so all texts reflect topics linked to our new Varian Business Area. All figures for this fiscal year refer to the continuing operations of Siemens Healthineers.

The Siemens Healthineers Sustainability report is based on our materiality analysis of FY 2020. It was reviewed and adjusted in FY 2021 to ensure that all material environmental, social, and governance (ESG) issues concerning Varian are also reflected.

Data collection

Given the size and global spread of Siemens Healthineers, data gathering must be done using a distributed IT and data environment. Non-financial data might adhere to local rules and regulations that potentially deviate from the company's reporting requirements. To ensure consistency in our non-financial reporting, input data is reconciled and adjusted to comply with the reporting requirements of Siemens Healthineers. All information presented in this report that is subject to significant data limitations is identified as

¹ In reference to our annual report the new segment Varian reports a revenue of €1,300 million and an adjusted EBIT of €221 million in FY 2021 (since the closing of the acquisition on April 15, 2021). The new segment had around 10,000 employees at the end of FY 2021.

such. This applies to specific nonfinancial figures, including, for example, the revenue attributable to the environmental portfolio. As a result, these figures might not be comparable with the data published under the same or similar designations by other companies. The nonfinancial data published in this report is collected from various internal reporting systems, which, for the most part, are different from those applicable to the financial information. In particular, they may be subject to less extensive internal documentation, data generation, and auditing requirements, including those relating to the IT systems used and the general control environment. To ensure data quality and maintain information value, we identify and evaluate data restrictions in accor-

dance with our internal guidelines. Where necessary and taking into account the need for consistency, this might include the exclusion of affected data sources. We report on certain sustainability key performance indicators (KPIs) over a multi-year period. You will find information about our core KPIs within the text, and all sustainability indicators are included in Annex A.3 (A.3 Our sustainability indicators (long-list)). Due to rounding, numbers presented in this report might not add up precisely to the totals provided, and percentages might not precisely reflect the absolute figures.

The Sustainability Report FY 2021 was approved by the Managing Board of Siemens Healthineers.

Independent assurance review

Ernst & Young has provided independent assurance on specific corporate sustainability data outlined in this report. The KPIs that are marked with ✓ were subject to a limited assurance engagement by Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft based on the International Standard on Assurance Engagements (ISAE) 3000 (Revised). For more detail, see the Independent Assurance Report in Annex A.6 (A.6 Independent auditor's limited assurance report)

Siemens Healthineers and sustainability

Page 6–24

1.1

Our purpose

When our health is at risk, we rely on physicians to make the best possible decisions – from quick, early diagnoses to the most effective treatments and follow-ups. Every individual expects and deserves high-quality and individual care – despite the growing cost pressures healthcare systems face today. What all healthcare systems have in common is their demand for high-value care – providing better outcomes at fewer resources. And while MedTech is a global business, healthcare is inherently local.

As a leader in the healthcare industry, this is our joint purpose: We pioneer breakthroughs in healthcare. For everyone. Everywhere. Therefore, going forward we will increase our efforts and provide access to care for those who do not currently have it. We expect Siemens Healthineers to become an even more central player in healthcare with the ability to shape global patient care and global healthcare.

Our products, services, and solutions help physicians, medical staff, and healthcare providers to prevent illnesses from occurring and to correctly diagnose and determine the right treatments for people who do become ill, helping them to recover faster.

We always evolve and never stand still.
We are raising the bar of what is possible today.

We continuously adapt to new challenges and constantly bring breakthrough innovations to market – for the benefit of patients, medical professionals, and society.

These challenges, while common to all humanity, affect different parts of the world differently:

- Fast-growing countries like China, India, or those in the Middle East and Africa need to build up professional, affordable, and accessible healthcare solutions, not only in metropolitan centers, but also in remote, rural areas.
- Developed countries have aging populations with a growing burden of chronic diseases, which means they need to balance a high quality of care with rising healthcare costs.

1.2

Siemens Healthineers at a glance

Siemens Healthineers is a global provider of healthcare solutions and services, with activities in numerous countries around the world, and about 14,000 granted patents. Siemens Healthineers Group (hereinafter "Siemens Healthineers", the "Company", "we" or the "Group") comprises the parent company Siemens Healthineers AG, a stock corporation under the laws of the Federal Republic of Germany, and its subsidiaries and Siemens Healthineers as a strong brand. Siemens Healthineers AG is incorporated in the commercial register in Munich, Germany, and has its headquarters in Erlangen, Germany. The Company's business operations are conducted by the direct and indirect subsidiaries of Siemens Healthineers AG. As of September 30, 2021, the Siemens Group owned just over 75 percent of Siemens Healthineers AG (previous year: around 79 percent). That time, Siemens Healthineers had about 66,000 employees, incl. Varian (September 30, 2020: about 54,300, without Varian) and generated revenue of €17,997 million and a net income of €1,746 million.

Siemens Healthineers has a strong presence and scale in an attractively growing market and is directly represented in more than 70 countries worldwide. Our main production sites are in the United States, China and Germany. With holistic system competence, we develop, manufacture and sell a diverse range of innovative diagnostic and therapeutic products and services to healthcare providers in more than

180 countries. We also provide clinical consulting services, complemented by an extensive range of training and service offerings. This comprehensive portfolio supports customers all along the care continuum, from prevention and early detection to diagnosis, treatment and follow-up care.

In the context our strategic procurement activities can make a significant and lasting contribution to our Company's success. This contribution is based on four pillars: productivity, quality, availability and innovation. We have a global network of app. 30,000 suppliers. In FY 2021 Siemens Healthineers purchased goods and services valued around €7,500 million (FY 2020: €6,600 million) from other companies from external party, which accounts for almost 40 percent of our total revenue.

Delivering high-quality, affordable healthcare, including in remote areas, requires scalable solutions to meet the needs of a broad spectrum of healthcare providers and related organizations. Siemens Healthineers is strongly positioned along this spectrum. It ranges from public and private healthcare providers, including hospitals and hospital systems, public and private clinics and laboratories, universities, physicians / joint medical practices, public health agencies, state-run and private health insurers, through to pharmaceutical companies and clinical research institutes. We offer different solutions tailored to the customers' needs in all market segments.

Our business operations are divided into four segments:

Imaging (IM)

- We are a market leader in diagnostic imaging with our systems for computed tomography, magnetic resonance imaging, molecular imaging, X-ray products, ultrasound systems, and imaging IT

Varian (VAR)

- We are dedicated to forging a new, more unifying, smarter standard of oncology – connecting us all through more intelligent data, insights, and solutions



Diagnostics (DX)

- We bring clinical and workflow excellence to laboratories of any size with our testing systems, automation, and IT
- With our point-of-care testing systems, we deliver lab-accurate, actionable, and timely results on the spot

Advanced Therapies (AT)

- We empower innovative therapy concepts to advance and transform how image-guided therapy will be delivered
- We strive to improve patient outcomes and reduce treatment costs by facilitation routine and complex minimally invasive procedures

Our **Imaging segment** provides imaging products, services and solutions. Our most important products within this segment are equipment, including magnetic resonance imaging, computed tomography, X-ray systems, molecular imaging and ultrasound. All our imaging and therapy systems are supported by shared software platforms. We offer a broad and scalable range of software solutions to support multi-modality reading and structured reporting of diagnostic images. We generate a significant amount of recurring revenues from our customer services business (services and spare parts) due to our strong installed base and long-term service relationships. These provide a stable foundation for profits.

The portfolio of our **Diagnostics segment** comprises in-vitro diagnostic products and services that we offer to healthcare providers in laboratory, molecular and point-of-care

diagnostics. Spanning a breadth of test settings, from centralized reference and hospital laboratories to clinical and physician office laboratories, our comprehensive portfolio covers a range of testing disciplines, including immunochemistry, hematology, coagulation, urinalysis, blood gas and molecular diagnostic testing. Siemens Healthineers provides laboratories and points of care with a range of PCR, antigen and antibody tests specifically designed to identify the SARS-CoV-2 respiratory pathogen. Diagnostics' product range also includes workflow solutions in laboratories and informatics products that are integrated in our offerings and improve provider efficiency and productivity. The bulk of Diagnostics' business model is based on long-term contracts that include an initial instrument placement followed by ongoing reagent sales, which results in a predictable and resilient revenue stream.

The **Varian business segment** provides innovative, multi-modality cancer care technologies as well as solutions and services to oncology departments in hospitals and clinics globally. Its portfolio is designed to enable clinicians to perform new, innovative radiotherapy and other oncology treatments. Varian's Radiation Oncology business serves the end-to-end needs of customers with integrated equipment and digital solutions, and applications that are designed to enable increased access to quality care as well as improved treatment planning and delivery.

High-quality imaging and digital solutions and applications enable image-guided, more precise cancer treatments. The Proton Solutions business utilizes conventional radiotherapy expertise to develop integrated solutions for proton therapy, the goal being to increase clinical utility and improve patient outcomes through increased radiation precision. Other offerings include technology-enabled optimized workflows, clinical services and consulting capabilities, and innovative digital solutions and applications for managing treatment and therapy. With a large installed base, Varian generates recurring revenue from services and spare parts.

Our **Advanced Therapies segment's** portfolio consists of highly integrated products, solutions and services across multiple clinical fields, which we provide to the therapy departments of healthcare providers. Our Advanced Therapies products are designed to support image-guided minimally invasive treatments, in areas such as cardiology, interventional radiology and surgery. Our most important products in this segment are angiography systems and mobile C-arms, including a robotic-assisted platform for endovascular coronary and peripheral vascular interventions. Our integrated business model provides a solid foundation for our business activities in this field, with recurring revenues generated through our strong installed base and our customer service business (services and spare parts).

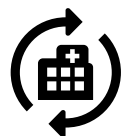
Within these four segments we provide comprehensive services all along the customer value chain, among them planning and design, maintenance, operational management, training and education services. Our service offerings include equipment performance management, clinical education and e-learning, asset management, managed departmental services for laboratories and healthcare facilities, consulting and digital health products and services.

Our company



Employees
66,000

Represented
in more than
70 countries
worldwide



Sell to healthcare
providers in
180 more than
countries



Net income:
1,746
million €



Revenue
17,997
million €

Adjusted
EBIT margin: **17.4%**

Siemens Healthineers has defined strategic priorities to ensure our competitiveness and market leadership beyond 2025. To deliver on this goal, we have established three phases of the Strategy 2025.

We were able to launch phase three of the Strategy, called New Ambition, at the start of fiscal year 2022. The goal of this New Ambition phase is to help fight complex diseases worldwide, while entering new growth markets and remaining successful in our core markets. Our businesses and regions have developed strategies to help us attain our New Ambition (or further information: [Siemens Healthineers Annual Report FY 2021](#)).

1.3

The COVID-19 pandemic

The ongoing coronavirus (SARS-CoV-2) pandemic is confronting healthcare professionals worldwide with unprecedented clinical and operational challenges. As they struggle to deal with these extraordinary circumstances, they must also continue to care for other patients.

At Siemens Healthineers, we are aware of the urgency and complexity of the situation. Our innovative potential has proven very effective during the pandemic. We are supporting governments and healthcare providers around the globe with our solutions in diagnostic imaging, digitalization, lab diagnostics, and process management.

We have developed a comprehensive testing portfolio (PCR², antibody², and antigen³) to diagnose infections and measure immune responses. In particular, our COVID-19 point-of-care diagnostic tests³ deliver quick results outside of central labs and increase access to testing worldwide. We were able to launch the CLINITEST Rapid COVID-19 Antigen Test^{3,4} at the beginning of FY 2021.

Testing for SARS-CoV-2 will remain critical for managing the pandemic during flu season. It is unclear how severe the 2021–2022 flu season will be as it converges with the COVID-19 pandemic. Siemens Healthineers offers the FLU/HRSV Assay³ for detecting influenza A, influenza B, and human respiratory syncytial viruses A and B. It is a flexible combination of respiratory tests that will help laboratories tackle this unprecedented flu season.

To help vaccine providers save critical time and make fast, confident decisions, we launched the end-to-end solution Vaccellent in FY 2021. Vaccellent supports vaccination centers, hospitals, and physicians with streamlined operations that reduce manual effort in day-to-day work, for example, through efficient planning of appointments via an online portal and an automatically synchronized vaccine inventory management system. Vaccellent also enables governments and health authorities to make confident decisions by managing vaccine distribution effectively with AI analytics.

² These tests have not been FDA cleared or approved. They have been authorized by FDA under an EUA for use by authorized laboratories. The molecular ("PCR") test has been authorized only for the detection of nucleic acid from SARS-CoV-2, not for any other viruses or pathogens. The serology ("antibody") test has been authorized only for detecting the presence of antibodies against SARS-CoV-2, not for any other viruses or pathogens. Both tests are only authorized for the duration of the declaration that circumstances exist justifying the authorization of emergency use of in vitro diagnostics for detection and/or diagnosis of COVID-19 under Section 564(b)(1) of the Act, 21 U.S.C. § 360bbb-3(b)(1), unless the authorization is terminated or revoked sooner. Product availability may vary from country to country and is subject to varying regulatory requirements.

³ Not available for sale in the U.S. Product availability may vary from country to country and is subject to varying regulatory requirements. Please contact your local representative for availability.

⁴ CLINITEST and all associated marks are trademarks of Siemens Healthcare Diagnostics Inc., or its affiliates. All other trademarks and brands are the property of their respective owners.

By providing CT scanners in containers, we have been able to support hospitals whose CT systems often run at full capacity. The containers mean that, in times of crisis, military and first responders can bring CT scanners to where they are desperately needed.

Teleradiology solutions have helped to cope with the growing burden on radiologists who are having to review and prioritize more and more patient chest scans each day, sometimes in the absence of qualified radiologists as a result of quarantine or sick leave. *syngo Virtual Cockpit* enables remote scanning assistance for imaging personnel.

Our AI solution for COVID-19 addresses the automatic quantification of airspace opacities associated with COVID-19 and pneumonia. The clinical performance is within inter-user variability (Pearson's correlation on percentage of opacity = 0.95). The collaborative project spanned the U.S., Canada, and Europe, with 18 partners deployed at 485 sites in over 50 countries. It processed more than 140,000 CT exams to achieve this performance a very short time.

In addition to all these efforts, Siemens Healthineers also donated equipment and services locally in nearly 20 countries. We lent out laboratory equipment, components for remote learning and working, diagnostic imaging systems, masks, tests, and more. This was in line with our donation concept that explicitly covers disaster relief.

1.4

Our sustainability strategy

Sustainability has always been a guiding principle for our Company. Drawing on our extensive history, we innovate sustainably to provide healthcare that allows people all over the world to live dignified lives. In other words: We pioneer breakthroughs for everyone, everywhere.

Innovation – coupled with responsibility – has always been at the heart of our Company's activities. For example, radically reducing the recording time of our systems with X-ray applications has been a top priority for us ever since the Company was founded. In pursuing this goal, we were able to reduce the average recording time for a human hand from 20 minutes to between 0.25 and 0.5 seconds in 1913. Today, it takes just a few milliseconds. Similarly, we are making steady progress in magnetic resonance imaging (MRI). In one of our first experiments in 1979, an MRI scan (of a green pepper) took several hours. The first MRI system sold worldwide, Magnetom, still needed eight minutes for a head scan in 1983. Today, the time required is down to just 47 seconds, a reduction of more than 90 percent.

We have also been contributing to a regenerative and healthy environment by improving the efficiency of our production facilities and the products themselves. In 1993, for instance, we reduced the amount of wastewater produced by our plant in Rudolstadt by 94 percent. In 2003, the Axiom Iconos R200 X-ray machine was designed to allow 99 percent of the material to be reused. It also dramatically reduced radiation exposure by up to 93 percent and achieved significant power savings. Shortly after Reiniger, Gebbert & Schall was founded in 1886, the Company began offering machine rentals. Since 1998, Siemens Healthineers has been refurbishing medical systems, thereby saving resources and creating opportunities

for sustainable and low-cost use of standard medical technology. Moritz Reiniger, one of our founders, began systematically training young employees as early as 1877. This meant he was a driver of personal growth among the Company's employees from the very beginning. In the 1930s, Reiniger, Gebbert & Schall and its successor Siemens-Reiniger-Werke were among the first companies to appoint a female board member. Responsible leadership has become an integral part of life of our Company in many ways. Today, this is reflected in our corporate policies and in our corporate culture, which is characterized by our ability to act rapidly and sustainably in adapting to new trends and in driving developments to help people live longer and healthier lives.

In order to sustainably enable healthcare for everyone, everywhere, sustainable innovations are needed both now and in the future. We believe that digitalization and the use of AI offer considerable opportunities for innovation. This applies in several areas of our sustainability concept and can enable us to

- make healthcare more humane by giving staff more time to interact with patients;
- tailor healthcare to the needs of each patient, thereby boosting precision and effectiveness;
- provide adequate healthcare anywhere in the world;
- achieve significant efficiency gains and reduce healthcare costs;
- unlock the potential of our diverse workforce.

We are of course already working on these issues – sustainably and in line with our values. In doing so, we are learning something new every day.

Materiality assessment

What do we understand by sustainability at Siemens Healthineers? The materiality analysis carried out in FY 2020 and updated after the acquisition of Varian provides the basis for our sustainability reporting. The material topics in our report are structured according to their relevance for environmental, social, and governance (ESG) issues. Integrating the perspective of how Siemens Healthineers is helping to achieve the SDGs has also enriched our assessment of the most important issues. Our materiality analysis was divided into three phases.

Step 1: Identifying potential topics

We began by creating an extensive collection of potential sustainability topics, taking into account our business model. We based the topics on the SDGs, trend and competition analysis, global reporting standards (e.g., GRI, SASB), requirements from sustainability rating agencies, internal sources, and internal workshops involving representatives from our key stakeholder groups.

Step 2: Identifying how relevant the topics are to our stakeholders, and our ability to impact them

We evaluated each potential topic using the following two questions:

1. How relevant is this topic to our stakeholders when assessing our Company or making decisions?
2. How significant is our impact on this topic? To answer the questions, we conducted structured interviews with stakeholder representatives (question 1) and internal experts (question 2).

We then prioritized topics according to the interviewees' assessments.

Step 3: Validation

We then validated the prioritized topics. In particular, we clustered topics according to content. Representatives of our various stakeholder groups were involved in the validation phase. The results were presented to the Managing Board.

Results of the analysis

The materiality analysis yielded 14 material topics, which can be grouped into four focus topics and are the key points of our sustainability reporting. The materiality analysis complies with GRI requirements.

Focus area	Material topic
 Access & innovation	> Improve access to care Increasing access to care, strategy for emerging markets
	> Innovate through responsible digitalization and AI Responsible digitalization, cybersecurity, data (customer) privacy, innovation management
	> Personalized healthcare Personalized healthcare (precision medicine)
	> Transform towards preventive care From healthcare to wellcare
	> Leverage partnerships for innovation Partnerships and collaboration with global institutions, clinical studies
 Environment	> Combat climate change by reducing emissions Energy efficiency, decarbonization
	> Transform towards a circular economy Circular economy
 Social	> Invest in our people Jobs and job creation in a dynamic environment, developing people/attracting and retaining talent
	> Expand diversity and inclusion Employee engagement, diversity and inclusion
	> Respect human rights Human rights
 Governance	> Product quality and safety Product quality and safety, regulatory compliance for medical devices
	> Clear leadership commitment Leadership commitment (for sustainability)
	> Apply best business ethics through compliance Compliance and integrity, ethics
	> Responsibly grow long-term business value Business model resilience/portfolio transition, growth in adjacent market fields

Our commitment to the United Nations Sustainable Development Goals

The UN SDGs were created in 2015 and form a globally accepted and widely used framework for public and private sustainability ambitions. The 17 UN SDGs should be achieved by 2030. We are committed to supporting all SDGs so that we can create a better future for our planet and its inhabitants. As a healthcare provider, we can do this with our products and solutions, our business operations, our leadership, and more. The degree to which we can help achieve the UN SDGs varies significantly. Accordingly, we have identified three core SDGs.

The core goals are “good health and well-being” (SDG 3), “gender equality” (SDG 5), and “responsible consumption and production” (SDG 12).



SDG 3: Good health and well-being “Ensure healthy lives and promote well-being for all at all ages”

We are contributing to this goal with our products, solutions, and innovations, and by helping to establish universal health coverage. We are also helping to fight both noncommunicable and communicable diseases. These efforts are reflected in the focus topic “Improve quality of life through access to healthcare and innovation.”



SDG 5: Gender equality “Achieve gender equality and empower all women and girls”

As an employer of 66,000 people, we are convinced that diversity is crucial to helping our employees unleash their full potential. We focus on gender equality at multiple organizational levels, from senior management to our talent pipeline. Accordingly, we want to play our part in ending all forms of discrimination against women. These efforts are reflected in the focus topic “Advance diversity and inclusion and drive employee engagement.”



SDG 12: Responsible consumption and production “Ensure sustainable consumption and production patterns”

We are contributing to this goal by focusing on sustainable handling of our resources, and on circularity. Our efforts cover the entire value chain. They include responsible sourcing of raw materials, and reusing and recycling our products at the end of their useful life. As we work toward SDG 12, we also strive to be a role model for our suppliers. These efforts are reflected in the focus topics “Contribute to a regenerative and healthy environment” and “Create sustainable value through responsible business and leadership.”

In addition to the three core SGDs where we can contribute the most, we have identified six other SDGs (regarded as primary SDGs) that we support through our business.



SDG 8: Decent work and economic growth “Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all”

Our growth ambitions are reflected in our Strategy 2025 and in the Upgrading phase of the strategy. These ambitions enable us to contribute to economic growth, secure productive employment and decent work, and safeguard labor rights.



SDG 9: Industry, innovation and infrastructure “Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation”

Innovation is key to our company. We invest significant resources in researching and developing new innovations.



SDG 10: Reduced inequalities “Reduce inequality within and among countries”

We are contributing to this goal by fostering an inclusive culture among our employees – one that embraces people irrespective of age, sex, disability, race, ethnicity, origin, religion, or economic or other status. We are also reducing inequalities by enabling access to healthcare with our products and solutions.



SDG 13: Climate action “Take urgent action to combat climate change and its impacts”

We are committed to tackling climate change by reducing emissions in our value chain. Our work here includes discussing emissions reduction with our suppliers, increasing energy efficiency in our own operations, and lowering energy consumption in the use phase of our products.



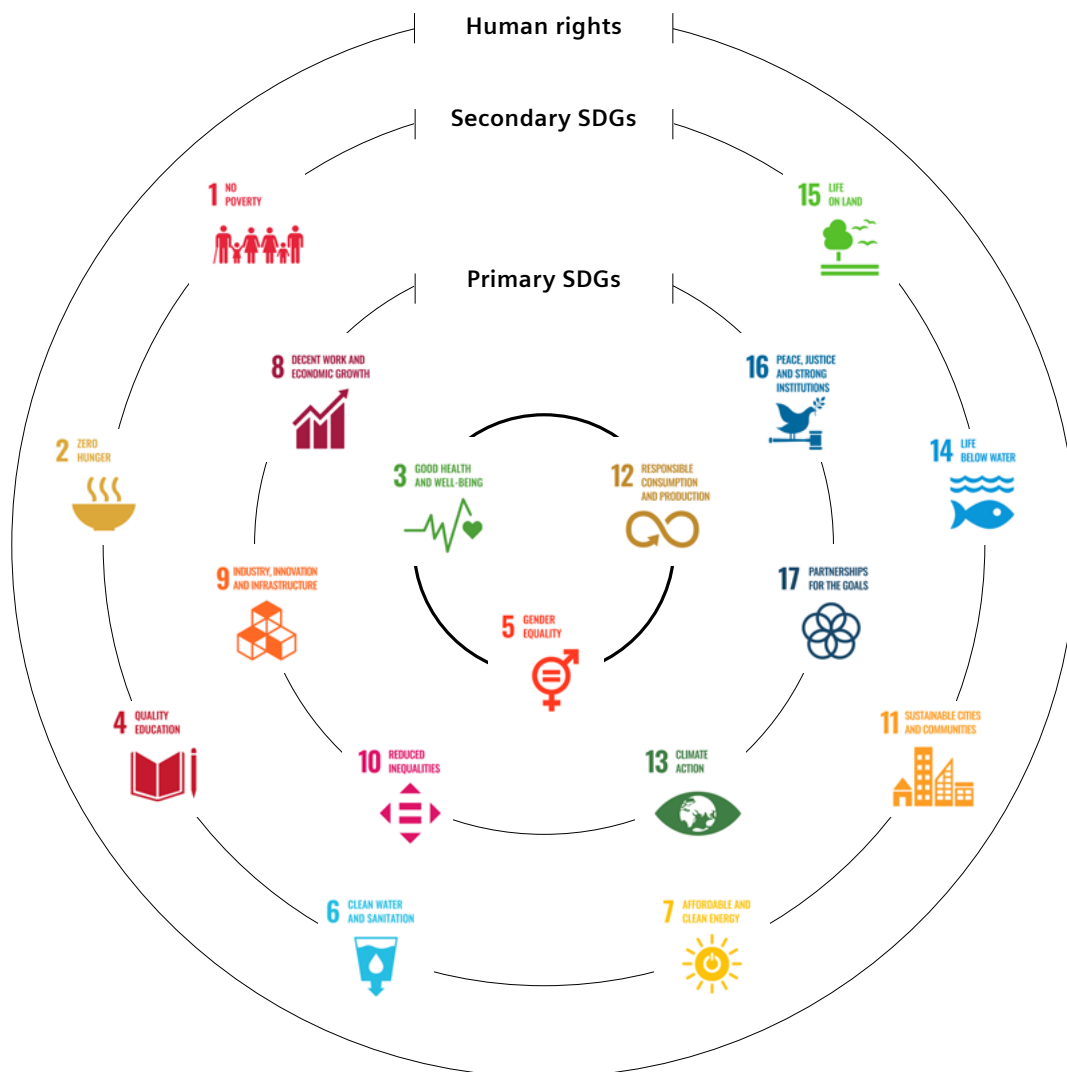
SDG 16: Peace, justice and strong institutions “Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels”

We have a robust compliance framework that is designed to reduce corruption and bribery. Strong leadership commitment at all levels of our Company supports the development of strong institutions.



SDG 17: Partnerships for the goals “Strengthen the means of implementation and revitalize the global partnership for sustainable development”

As we believe that partnerships will accelerate the achievement of the SDGs, we are involved in numerous scientific and technological partnerships, joint ventures for start-ups, and partnerships with customers. We strive to foster these collaborations by being a reliable and dependable partner.



In dialogue with our stakeholders for sustainability

Sustainable business success is based on trusting partnerships and networks that bring mutual benefit. Therefore, close collaboration and ongoing dialogue with our stakeholders are particularly important to our efforts to tackle sustainability challenges. Our stakeholders include investors, customers, suppliers, employees, employee representatives, scientists, communities, federations, policymakers, regulatory agencies, the media, NGOs, business organizations, academia, competitors, and sales and business partners. Through the partnerships with some of these stakeholders, we contribute to SDG 17.

Given the diversity of the needs and topics of our stakeholder dialogue, we use many different channels – such as stakeholder surveys, subject-specific conversations, roundtable discussions, and knowledge exchange forums like conventions, conferences, and congresses. We aim to maintain and improve health by enabling healthcare providers to deliver high-value care and increase access for patients through innovations. We therefore uphold a global collaboration network with more than 2,400 leading clinical and academic partners. (For more details, see section 2.6 Leverage partnerships and collaboration for innovation).

We regularly participate in major international industry and scientific conferences and exhibitions, as they allow us to engage with many different stakeholders. This year we participated in the following:

- EUROSPINE Annual Meeting 2020 (online)
- Annual Congress of the European Association of Neurosurgical Societies 2020
- PCR London Valves 2020
- Radiology Society of North America 2020 (online)
- J.P. Morgan Healthcare Conference
- Hospital Management Asia 2020 (online)
- Healthcare Business International 2020 (online)
- Siemens Healthineers Shape 21 ECR Experience (online)
- The Beryl Institute's Patient Experience Conference 2021 (online)
- International Society for Magnetic Resonance in Medicine 2021 (online)
- EuroPCR 2021 (online)
- Annual Meeting of the American Society of Clinical Oncology 2021 (online)
- Annual Meeting of the Society of Nuclear Medicine and Molecular Imaging 2021 (online)
- Arab Health 2021 (online)
- XXIX Congress of the International Society on Thrombosis and Haemostasis 2021
- European Society for Radiotherapy and Oncology 2021 (hybrid)
- Cardiovascular and Interventional Radiological Society of Europe 2021 (online)
- American Association for Clinical Chemistry 2021

In addition, Siemens Healthineers initiated industry forums, summits, and think tanks in FY 2021:

- Precision Medicine Leaders Summits 2020 (online)
- Hemostasis Science Weeks (online)
- Medlab Middle East (online)
- External Innovation Think Tank Exhibition 2021
- HIMSS 2021 (hybrid)

The **Precision Medicine Leaders Summits** (held between September and December 2020) are conferences that bring together industry leaders from across the globe to share ideas about how to better implement precision medicine in healthcare systems worldwide. The summits include presentations, panel discussions, and opportunities for networking with thinkers and innovators committed to expanding precision medicine so that every patient receives the right treatment at the right time.

The **Hemostasis Science Weeks** (March/April 2021) are free, online scientific events that connect lab and clinical experts from around the world so that they can share scientific insights into current clinical practice, what's new, and what's on the horizon for hemostasis testing.

Medlab Middle East 2021 (May to July 2021) gives laboratories an opportunity to exchange ideas, build relationships, interact with our expert resources, and see the latest solutions from Siemens Healthineers. Participants learn how they can leverage the power of intelligent analyzers, diagnostics IT applications, and automation for faster workflows. They also discover new innovations for the point of care.

Innovation Think Tank (July 2021) is an external exhibition that focuses on open innovation, cocreation, and disruptive

innovations in the field of healthcare.

We present best practices at our various ITT locations and collaborations, along with applicants from other institutions, start-ups, and industries. Nearly 200 Innovation Think Tank Fellowships* are awarded to participants from universities and research institutions, giving them the opportunity to work on interdisciplinary projects at ITT locations worldwide.

At **HIMSS 2021** (August 2021) we showcased a comprehensive collection of platforms and solutions for integrating large amounts of data from disparate sources and leveraging it to make more effective decisions in diagnosis, therapy, and follow-up. The collection included a vendor-neutral, secure digital health platform, diagnostic and therapeutic companions that turn data into insights, and remote care management solutions that connect patients with care teams.

Close collaboration with stakeholders allows us to address complex and intertwined sustainability challenges.

We regularly review and where needed adjust to trends and specific requirements in response to this constant dialogue with our stakeholders. Our management and the corresponding specific units with governance are in charge of this task. The overall responsibility for dialogue with policymakers and government officials lies with the Managing Board of

Siemens Healthineers. With the business, the respective head of the unit is responsible for coordinated dialogue. The Managing Board has tasked the Governance Affairs department to coordinate the dialogue with policymakers in close collaboration with the Managing Board. This engagement with our stakeholder groups creates mutual value through exchange of knowledge and information, and through creative partnerships. It helps us to improve business conditions, provide transparency, and reduce both external and internal risk.

As examples of key topics and concerns for our stakeholders, we publish this report as a response to the requests of investors and analysts to transparently communicate our activities and achievements on sustainability.

With our Brand Perception Survey, we regularly access the evolution of our Employer Brand awareness and attractiveness for our customers. It complements the Net Promoter Score (NPS), which we use to measure customer satisfaction and the quality of our partnerships.

In order to regularly and directly capture the most important key topics and concerns of our employees, we conduct bi-weekly survey rounds using the Healthineers Forum tool. Based on the responses, managers initiate the discussion within the teams and corresponding measures for improvement. For measures on a global level, the Siemens Healthineers Managing Board is involved. As an example, we derive concrete measures for Siemens Healthineers growing together with Varian.

In dialogue with politics and society

As a global company, we work with our customers to find innovative solutions to some of the most pressing issues facing healthcare systems around the world. These issues include cardiovascular diseases, access to care, and the fight against cancer.

Dialogue with policymakers is critical to our success as a company and within the scope of our social responsibility. We set priorities for our political activities based on our business strategies and innovation fields. Our advocacy activities focus on the following topics and policy areas, among others: indications such as oncology; innovation through digital health and AI, access to care; precision medicine; environmental and social sustainability; circular economy; research and innovation; trade policy; and international cooperation.

We are politically neutral and take a zero-tolerance approach to corruption, violations of fair competition principles, and other breaches of laws and internal regulations. Siemens Healthineers does not make political donations or contributions (e.g., to politicians, political parties, or political organizations). Our internal guidelines prohibit all forms of support for purely political purposes or for the representation of political interests such as events within election campaigns.

Siemens Healthineers is a member of numerous business associations and similar organizations, some of which advocate for the interests of their members in the political arena.

Selected examples:

- AdvaMed USA
- APACMed for Asia
- CAMDI (China Association for Medical Devices Industry)

- COCIR (European Coordination Committee of the Radiological, Electromedical and Healthcare IT Industry)
- DITTA (Global Diagnostic Imaging, Healthcare IT & Radiation Therapy Trade Association)
- European Chamber of Commerce
- MedTech Europe (European trade association for the medical technology industry including diagnostics, medical devices and digital health)
- ZVEI (German Electrical and Electronic Manufacturers' Association)

Siemens Healthineers also engages in regular dialogue with

- UN organizations such as WHO, UNICEF, UNOPS, and UNDP;
- NGOs such as the Bill & Melinda Gates Foundation, the Clinton Health Access Initiative, and FIND;
- International finance organizations such as the World Bank Group and development banks.

Siemens Healthineers has engaged in projects and partnerships with

- the World Health Summit;
- the World Economic Forum;
- the International Atomic Energy Agency;
- National development organizations like the German Gesellschaft fuer Zusammenarbeit und Entwicklung (GIZ) in Germany.

For environmental issues, we support the United Nations Framework Convention on Climate Change (UNFCCC) and are part of the Science Based Targets initiative. Siemens Healthineers is a member of the UN Global Compact.

Our sustainability management, governance, and organization

Sustainably driving healthcare is at the heart of our strategy and a key element of the corporate culture that our global workforce inhabits every day. We set ourselves ambitious targets for protecting the environment and investing in our people, and for maintaining stable business growth and profitability to safeguard our ability to finance our healthcare innovations in the long term. To manage the inherent complexity of sustainability, we have applied a stringent materiality approach to identify material ESG topics on which to concentrate our activities. For these topics (see section 1.4.1 Materiality assessment), we have defined clear and measurable targets and a comprehensive set of indicators to track our progress. In addition, ESG criteria have been an integral element of the compensation system for members of the Managing Board and for senior managers since FY 2020. Our annual report contains detailed information on our Board structure, the diversity of the members, and their responsibilities.

To do justice to the enormous importance of sustainability, Siemens Healthineers created a Sustainability Office in June 2021. As part of the Company's Board Office, this central team is fully supported by our senior management and governance structures. The Head of

Sustainability reports to a member of the Managing Board and reports on sustainability progress to the entire Board on a monthly basis. The Head of Sustainability defines our corporate sustainability strategy and leads the integration of sustainability in the entire Company. The Sustainability Office works closely with experts in Business Areas, Regions, and central Functions (e.g., Human Resources, Environmental Health and Safety, Procurement, and Legal) to drive the implementation of our sustainability strategy.

Some Functions have assigned dedicated teams or experts to promote sustainability in their fields (e.g., Procurement, and Environmental Health and Safety), in alignment with and under the guidance of the Sustainability Office.

In FY 2021, the Head of Sustainability established the Sustainability Committee that oversees progress on the defined targets and steers critical decisions on sustainability. The committee is led by the Head of Sustainability and consists of a member of the Managing Board and senior leaders from various Functions and Business Areas. The committee meets every second month.

Our sustainability targets

We have set ourselves ambitious targets for FY 2025 and beyond. Our sustainability goals are built on the mission and vision of Siemens Healthineers. By highlighting six

core key performance indicators (core KPIs) as targets for our business behavior, we have developed a clear and measurable roadmap for moving toward a more sustainable future.

Our six core KPIs reflect our goals across three different pillars for FY 2025.

Improve quality of life through access to healthcare and innovation



- **220 million** patient touchpoints in underserved countries
- **≥ 35% revenue** from innovations brought to market in the last three years
- **110 AI-supported products** on the market

Contribute to a regenerative and healthy environment



- **130 kt net CO₂e emissions** from Scope 1 and 2

Advance diversity and inclusion and drive employee engagement



- **26% women** in senior management
- **8.5 employee engagement index**, maintaining top 25% industry benchmark

We closely monitor and review these KPIs and report them directly to the members of the Managing Board on a quarterly basis.

Please find further information about our Core-KPIs and their detailed definition in section A.2 ESG reporting principles.

Improve quality of life through access to healthcare and innovation

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2.0

Improve quality of life through access to healthcare and innovation

Globally, healthcare is facing critical challenges. Every two seconds, someone aged between 30 and 70 dies prematurely from noncommunicable diseases: cardiovascular disease, chronic respiratory disease, diabetes, or cancer. And billions of people live in fragile settings that present a significant challenge to health due to severely limited access to basic health services.

Our commitment to sustainability drives us to play a leading role in using innovations to improve access to care.

To **improve access to care**, we aim to increase the number of installed systems from our Imaging and Advanced Therapies portfolio, coupled with our Varian linear accelerators. We are also increasing the number of diagnostic tests we provide. We support this with specially designed training to ensure high standards of service.

Our value-based innovation aims to use **responsible digitalization and AI** to improve the quality of care for individuals and to streamline efficiencies at all levels of the healthcare delivery system. New AI-based approaches generate valuable, individualized patient insights and more targeted and personalized patient interventions while also enabling delivery of the high-quality care to remote and underserved regions of the world. To strictly follow a value-based innovation path, we assess all new solutions and features in terms of the value they provide for our customers regarding clinical, operational, and financial performance. This approach safeguards the increase of customer value throughout the product realization, as it starts during the product definition phase. The managers of every Business Line are responsible for

deciding on the functional scope and thereby on the specific customer value within the product development process.

By expanding precision medicine, we are advancing personalized medicine. We do this by improving diagnostic accuracy, reducing unwarranted variations, personalizing treatment when it matters most, and advancing therapy outcomes. Tailoring treatment starts with a highly specific diagnosis. Based on data integrated from existing sources, adding genomics and radiomics enables a holistic understanding of the individual. Their unique characteristics steer the personalization of treatment. Gaining a precise understanding of a patient's condition is the most effective way to deliver outcomes that are favorable to all stakeholders. In cancer care, personalized treatment is about precise treatment planning followed by individualized treatment using radiation therapy, radiosurgery, or proton therapy.

In **preventive care**, Siemens Healthineers actively promotes awareness for early diagnosis and disease prevention, and offers dedicated solutions for both radiology and the laboratory. These solutions are increasingly being supported by innovative AI solutions to enable preventive care such as breast, prostate, and lung cancer screening.

Healthcare is becoming more interconnected, more complex, and is generating knowledge faster than ever. To increase the value in healthcare, we actively **partner** with providers, top universities, and other leaders. We also actively listen and incorporate feedback from all partners and customers to help us continually improve our services and solutions.

2.1

Improve access to care

With at least 50 percent of the world's population having no access to safe, affordable, and timely healthcare services⁵, creating healthcare for all is an urgent task. There are large discrepancies between when and where care can be accessed both within and between countries. And when access is limited, it can create a dangerous and costly cycle where late diagnosis and therapy lead to suboptimal health outcomes. The growing world population is increasing the pressure on healthcare systems and aggravating these problems. People everywhere should have access to healthcare; they should be able to easily receive the right care in the right setting at the right time. This need has led to various legal and international frameworks being established. For instance, Article 35 of the EU Charter of Fundamental Rights states that "everyone has the right to timely access to affordable, preventive and curative healthcare of good quality." Universal health coverage includes the full spectrum of essential health services, from health promotion to prevention, treatment, rehabilitation, and palliative care. UHC can be achieved by, inter alia, increasing health financing, training the health workforce in underserved countries, as well as promoting the development and transfer of technologies to underserved countries on favorable terms⁶.

Underserved countries have made great progress in combating communicable diseases. Africa, for instance, was declared free of wild polio in August 2020.⁷ Whilst the importance of diagnostic testing is clear in lower resource settings (primary care),⁸ recent trends also indicate an increasing demand for diagnostic imaging and image-guided interventions for inpatients. In recent decades, the disease burden of noncommunicable diseases and injuries resulted in a triple burden for healthcare systems.⁹ This challenge is amplified by fast-growing and ageing populations in underserved countries. It requires a collaborative approach and dedicated measures by all stakeholders. We are committed to taking a leading role here. It is contributing to following SDGs:

3 GOOD HEALTH AND WELL-BEING



SDG 3:

Good health and well-being

17 PARTNERSHIPS FOR THE GOALS



SDG 17:

Partnerships for the goals

⁵ <https://www.who.int/news-room/detail/13-12-2017-world-bank-and-who-half-the-world-lacks-access-to-essential-health-services-100-million-still-pushed-into-extreme-poverty-because-of-health-expenses>

⁶ WHO regarding UHC

⁷ <https://www.bbc.com/news/world-africa-53887947>

⁸ https://www.who.int/health-topics/in-vitro-diagnostics#tab=tab_1

⁹ [https://www.thelancet.com/journals/langlo/article/PIIS2214-109X\(18\)30036-6/fulltext#](https://www.thelancet.com/journals/langlo/article/PIIS2214-109X(18)30036-6/fulltext#)

The challenge of making care more affordable, acceptable, and available

At Siemens Healthineers, we aim to maintain and improve health by enabling healthcare providers to deliver high-value care. Our solutions help physicians, medical staff, and healthcare providers to increase access for patients and to address challenges linked to affordability, availability, and acceptability.

- **Affordability** means people's ability to pay for state-of-the-art diagnostics and treatment without financial hardship. It refers to the price of the health services and the indirect costs. Affordability can be improved through innovative, flexible financing solutions.
- **Acceptability** means people's willingness to seek services or the extent to which care professionals and patients perceive the benefits of technological innovations. Acceptability is low when patients perceive services to be ineffective or when the side-effects outweigh the value of the health services. Acceptability can also cover social and cultural factors such as when a patient or provider's language, age, sex, ethnicity, or religion discourages the patient from seeking services. Innovative solutions address people's concerns about care and offer safer services (including personal privacy). This focus on a high-quality patient experience results in higher levels of confidence in healthcare professionals and services.

- **Availability** means people's ability to obtain health services when needed. This is about health services being within reasonable reach and efficiently organized, and about the healthcare provider having the requisite resources, such as personnel and technology. Availability can be improved by using telehealth solutions, reimagining the role of hospitals, empowering primary care services, and maximizing use.

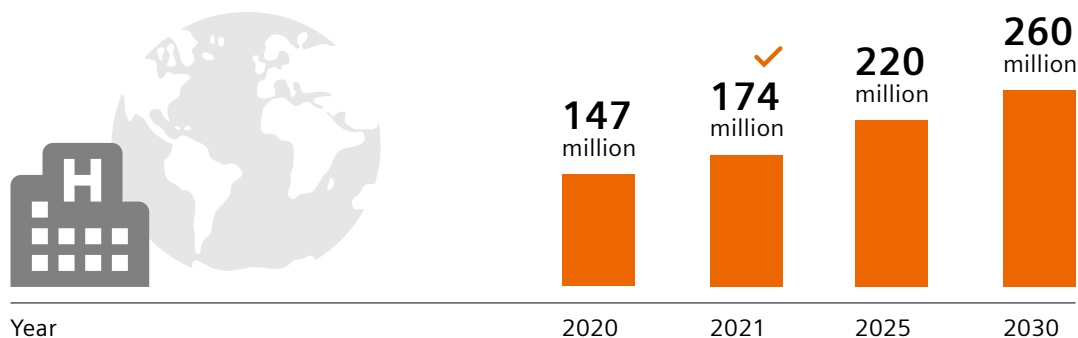
The following sections state the goals and actions that are helping Siemens Healthineers to improve access to care.

Our ambition to further increase access to high-quality care

We measure our success in increasing access to care in underserved countries by the number of patients our products and solutions reach. Patient touchpoints therefore result from the number of people diagnosed and/or treated with our in vivo products in Diagnostic Imaging, Advanced and Cancer Therapies, and from individuals receiving in vitro diagnostic tests in clinical laboratories or at the point of care. More details on the KPIs and their reasoning can be found in A.2 ESG reporting principles.

We have succeeded in raising the availability of our Imaging and Advanced Therapies solutions in underserved countries from approximately 8,500 installed systems in 2015 to more than 11,000 in FY 2021.

Patient touchpoints



Overall, we aim to increase patient touchpoints in underserved countries by more than 75 percent, from approximately 147 million in FY 2020, 220 million in FY 2025 to 260 million in FY 2030. In FY 2021 we already reached 174 million patient touchpoints ✓ and with this we are well on track to reach our target.

In addition, activities to achieve these targets are a central part of strategic planning at Siemens Healthineers. They complement sales and growth targets and dedicated initiatives to increase access to care for patients globally.

The achievements are measured and monitored on a quarterly basis and reported to members of the Managing Board. Our global sustainability report describes our sustainability performance on an annual basis. The Sustainability Office, established in FY 2021, coordinates the tracking and reporting. Our commitment is reflected in the fact that target achievement has now been incorporated into the Managing Board's compensation (as of FY 2020).

Our approach to improving access to care

With our Upgrading Strategy, we aimed to push our position as a leading medical technology player in developed countries and to foster our activities in growth markets such as India and Africa so as to increase our impact in underserved countries. Our strategy for emerging markets is dedicated to developing solutions and services that address the specific needs of these markets. We use various methods to resolve the lack of access to care, including collaborations with stakeholders, financing solutions, new business models, innovation across the health continuum, and digital solutions. We invest in developing innovative medical devices that have fewer infrastructure requirements – for instance, they require less space, are lighter, or consume less energy. These efforts will continue in the future, with access to care being embedded in our global and local strategic plans. While our KPIs focus on underserved countries, our Company's efforts to provide access to care through affordability, acceptability, and availability are global and also cover developed countries.

Our partnerships with stakeholders to foster access to care

We build effective partnerships based on trust and commitment that help employees and customers overcome obstacles in creating healthcare solutions together. Our goal is to support healthcare leaders, stakeholders, and providers with holistic solutions for the complex challenges in the dynamically evolving healthcare environments, based on long-term partnerships. With our Value Partnerships, we develop enduring, performance-oriented relationships that provide innovative business models that offer choices of payment patterns and risk transfer so that our customers can make care more affordable. We support our

customers plan and operation of their medical facilities and enable them to focus on the essential core of patient care. Treatments become more accessible and less expensive, and patient outcomes are maintained or improved.

More details on the definition and management approach of partnerships at Siemens Healthineers are given in chapters "1.4. In dialogue with our stakeholders for sustainability" and "2.7 Leverage partnerships and collaboration for innovation".

In FY 2021, we worked in a variety of these partnerships. Here are some examples:

→ The Medical University of South Carolina

In a strategic partnership to reshape care delivery with the Medical University of South Carolina, we designed a pathway for stroke patients. As a result, a significantly reduced door-to-groin time allowed faster and more effective interventions, and a 33-percent higher throughput for PET-CT improved access to care for pediatric patients.

→ The Ethiopian Ministry of Health

Siemens Healthineers and our business partner, Elsméd Group, have established a collaboration with the German government to support the Ethiopian Ministry of Health in its screening of COVID-19 patients. This is part of the DeveloPPP program that was developed by the German Federal Ministry for Economic Cooperation and Development. By donating high-end ultrasound units, we are helping up to ten different hospitals efficiently scan and diagnose many more patients. The customized virtual education plan is designed to ensure that the end users become self-sufficient over time. This includes biomedical engineers, who will receive preventive maintenance training.

→ The Ministry of Health in Uganda

Varian engaged the U.S. Trade and Development Agency and the University of California San Diego to deploy a training program as part of a deal with the Ministry of Health in Uganda. The program provided training and remote mentorship to upskill the radiation oncology department at Uganda Cancer Institute. By working with a variety of partners, we brought quality treatment to patients in the country and increased our competitiveness as the government's provider of choice.

→ The Hanoi Medical University

In Vietnam, Varian collaborates with Hanoi Medical University and its partners to support fast-track training programs for radiation therapists and medical physicists. This involves developing syllabi and training materials, training local trainers, and delivering clinical and technical training courses and workshops. To extend the reach to students in provinces outside of Hanoi City, the two courses will now be offered remotely. The training programs will allow Vietnam to increase in numbers of professionals and hence plan, build, and operate new radiation therapy centers, even in rural areas. Furthermore, safer and more effective treatments will result in higher patient throughput and better treatment outcomes.

→ The Global Access to Cancer Care Foundation

Varian is a founding partner of the Global Access to Cancer Care Foundation (GACCF). GACCF partners with clinicians and universities to provide critical technology and training in countries that are struggling with 80 percent of the world's cancer burden and only 5 percent of the resources needed to control it. GACCF programs focus on bringing healthcare professionals in need of advanced clinical training in oncology to regional training centers

around the globe. GACCF is currently training more than 280 people on the ground and over 600 through our webinar series. For example, clinical educators in Cape Town, South Africa, teach teams of three health professionals from countries such as Ethiopia, Kenya, Tanzania, and Ghana using a virtual treatment device and donated computer workstations and software to simulate patient care. In Ghana, GACCF has partnered with academic centers to host cancer awareness days with free cancer screening and has ensured that those diagnosed with cancer receive appropriate therapy. In 2020, we screened over 1,000 women and are now providing treatment to over 300. We are continuing these efforts and will be offering further screening and treatment programs in FY 2021.

→ Partners in education and training in Africa

Education also plays a crucial role in improving access to care in Africa. Cancer care is one example. Cancer mortality rates in Africa are substantially higher than the global average, which might be partly due to a lack of both radiotherapy access and skilled professionals. The Access to Care Cape Town radiotherapy training program – which is a collaboration between Varian Medical Systems, the University of Cape Town, and the Cape Peninsula University of Technology – addresses the growing need for radiotherapy training in Africa¹⁰ and hosts participants in 14 African countries. The program partnered with GACCF to fund teams to attend training at the facility.¹¹ After the outbreak of the COVID-19 pandemic, the platform was completely virtualized so that teaching and training could continue without the need for travel. A new course on pediatric radiotherapy in low- and middle-income countries will be added at the end of 2021.

¹⁰ <http://link.springer.com/article/10.1007/s13187-021-02010-5>

¹¹ <https://www.businesswire.com/news/home/20190806005592/en/Global-Access-To-Cancer-Care-Foundation-GACCF-Advances-Hands-On-Physician-Training-To-Treat-Patients-In-Low-And-Middle-Income-Countries>

→ The Fundación Acrux in Chile

Siemens Healthineers has recently lent equipment such as point-of-care blood gas systems and donated reagents to Fundación Acrux. This was to provide access to laboratory diagnostics for the first time on the Juan Fernandez Islands, which are located 670 km off the coast of Chile.

Our product portfolio for delivering quality care worldwide

With our unique portfolio of both in vitro and in vivo solutions across the entire healthcare continuum – from prevention to diagnostics, therapy, and aftercare – we support clinical decisions around the world with the aim of improving access to quality care.

We set a goal of expanding in vitro diagnostic testing by approximately 10 percent per year in underserved countries by the end of 2024, in order to better meet their respective health needs. By developing point-of-care products (blood gas, coagulation, cardiac, and diabetes) that support the decentralization of health services, we are increasing regional coverage and availability of care. The DCA Vantage Analyzer, for example, helps to manage diabetes in rural, decentralized settings at the point of care in a simple way and without the need for sample or reagent preparation. It delivers actionable results in seven minutes or less.

Our ecoline solutions help to make great technology more affordable. All ecoline systems are pre-owned systems from Siemens Healthineers that have been refurbished for customers worldwide. (see section 3.2 Transform toward a circular economy) Improving access to care also means improving care delivery for vulnerable patient groups. Scanners that use Compressed Sensing and AI, for example, achieve tremendous reductions in acquisition time and provide new capabilities for 3D imaging, especially in the depiction of dynamic processes or moving organs. This reduces the need for severely ill patients to hold their breath during the scan.

Our digital offerings for enhanced access to care

By providing new ways to deliver care, digitalization offers great possibilities for underserved countries and remote areas. In FY 2021, we worked on various topics in this field. Here are some examples:

→ eHealth Virtual Visit

An estimated 20 percent of emergency room visits and 24 percent of office and outpatient visits could be shifted to virtual care delivery using telehealth solutions from Siemens Healthineers. Our eHealth Virtual Visit helps healthcare organizations to bring the best care to regions that lack specialists and access to care. This reduces the pressure on hospital emergency departments and helps to allocate healthcare resources more efficiently. It also increases appointment availability for patients and reduces the time they spend in waiting rooms. Patients in remote locations can avoid the cost and stress of traveling to their appointment, and have broader access to doctors and specialists.

In the United States, 11 percent of patients used telehealth solutions in 2019. During COVID-19, that number jumped to 46 percent – and 76 percent are now interested in using virtual health solutions such as telehealth.¹²

→ syngo Virtual Cockpit

Many healthcare markets suffer shortages of radiologists, and not all care locations will have the appropriate experts on hand for scanning patients with complex medical issues. With *syngo* Virtual Cockpit, experts can remain in their own location while simultaneously guiding colleagues at up to three scanners in other locations via chat or video functions. The ability to deploy experienced technologists across multiple locations helps healthcare providers to transform care delivery and provide access to high-quality care for patients.

¹² <https://www.mckinsey.com/industries/healthcare-systems-and-services/our-insights/telehealth-a-quarter-trillion-dollar-post-covid-19-reality>

→ **AI-Rad Companion**

The AI-Rad Companion¹³ family from Siemens Healthineers uses AI to support radiologists, radiation oncologists, radiotherapists, and medical physicists with automated postprocessing of MRI, CT, and X-ray datasets.

→ **Cancer Treatment Services International (CTSI)**

In the radiation oncology space, CTSI's comprehensive clinical physics and dosimetry services support clinical workflows around the world and offer remote treatment planning for rural locations. This gives underserved populations in rural and lower income countries the opportunity to obtain the highest level of treatment without travelling.

→ **Multidisciplinary oncology solution with Varian's Noona**

Our MDO multidisciplinary oncology solution helps developing countries with limited access to expertise and a trained workforce. This can include hybrid onsite and cloud-based remote technological and professional services, with machine commissioning and radiation treatment planning. In future, this might translate into automated treatment planning and remote delivery support at a lower cost and with cloud-based shared infrastructure and efficiencies. Another service is remote monitoring for patients from rural areas, which reduces the cost of travelling to access services. This is enabled by Noona, Varian's patient outcomes management solution. Noona allows patients to actively engage with their cancer care team and report outcomes so that oncologists can analyze the data and use it to change research and treatment protocols in real time.

→ **syngo Carbon**

Stanford Medicine's 2017 Health Trends Report, "Harnessing the Power of Data in Health," noted that 153 exabytes (one exabyte = one billion gigabytes) of data were produced in 2013 and that this figure was expected to increase by at least 48 percent annually between 2013 and 2020. The volume of data generated in clinical workflows is off balance, and the situation is getting worse. syngo Carbon can help by bringing all relevant data into one location – the Open Patient Data Model – to generate actionable insights that provide more certainty in decision making and enable AI that will elevate clinical routines.

→ **Corindus**

Robotics in healthcare is all about improving quality, safety, and access. In 2018, at the Apex Heart Institute in India, Siemens Healthineers performed the first telerobotic coronary intervention using Corindus technology with a remote connection. It allowed 5 elective percutaneous coronary intervention (PCI) procedures to be performed from 32 km away. This showed that performing remote procedures is feasible. This technology could both improve access to care and patient outcomes by reducing the incidence of geographic miss.¹⁴

→ **Electronic Health Record**

With our eHealth Electronic Health Record (EHR), we provide secure access to a patient's medical history, data, and treatment information, and facilitate information sharing with other healthcare professionals. The patient can view and upload documents and define access rights. This gives patients better access to their medical history and information and helps them to understand and address their health issues.

¹³ AI-Rad Companion consists of several health products and medical devices in their own right, and products under development. AI-Rad Companion is not commercially available in all countries. its future availability cannot be guaranteed.

¹⁴ Remote Technologies are under development. Not available for sale.

→ PEPconnect and TCmanager

To provide high-quality care continuously, lifelong learning is essential. At Siemens Healthineers, we are implementing digital training concepts with our digital platforms PEPconnect and TCmanager. The aim is to increase the number of virtual training hours conducted for products and services in underserved countries by 300 percent. During the COVID-19 pandemic, we redesigned various onsite trainings and converted them into virtual sessions. In India for example, we doubled the number of completed virtual learning courses in FY 2020 compared to the previous fiscal year in only seven months by introducing new blended learning programs, such as radiology upskilling and specialization, for allied health science students and technologists. We successfully trained more than 2,500 students during the pilot, which was offered free of charge. These virtual training concepts help us include people who would be unable to participate in our onsite training programs.

→ teamplay Fleet

With teamplay Fleet, Siemens Healthineers provides solutions to optimize and maintain our customers' fleets. If incidents arise, we follow up thoroughly and, if possible, remotely. Smart Remote Services (SRS) is a fast, secure, and powerful data link that connects medical equipment to service experts. With data transfer via SRS, the performance and condition of the equipment can be monitored in real time. In addition, our customers benefit from a broad range of proactive and interactive services enabled by SRS – which means less down-time and more access to care for patients.

2.2

Innovate through responsible digitalization and Artificial Intelligence

The digitalization of healthcare means that clinicians must deal with exponentially increasing volumes of granular patient data, which can overwhelm human decision-making. In response to this, we are developing innovative digital products to capture, aggregate, and transform data into actionable insights that help clinicians make critical care decisions faster and more easily. Advances in digital connectivity and the Internet of Things (IoT) have increased our ability to exchange and combine data from different devices, sensors, and systems, which increases the need for AI and big-data processing tools.

Siemens Healthineers uses responsible digitalization and AI to increase the quality, efficiency, and effectiveness of care at all levels of the healthcare delivery system. It also uses them to automate and improve internal design, development, production, and logistics processes. Digitalization also decreases the time-to-market for new ideas, which creates opportunities that we intend to leverage.

AI is deployed across our portfolio, from diagnosis and treatment to patient follow up, in order to automate routine clinical processes and generate important actionable insights from the data as it becomes available. It enables conditional automation of our products and services, predicts the outcome of a therapy or intervention, provides support for making therapy decisions, and helps to manage chronic diseases.

All our imaging and therapy systems are driven by shared software platforms. We offer a broad and scalable range of software solutions to

support multimodality reading and structured reporting. We are committed to expanding our AI-based digital portfolio so that we can make healthcare delivery more personalized and increase the number of remote-controlled devices. This will contribute to SDG 3 (good health and well-being) and SDG 9 (industry, innovation and infrastructure). Within our Imaging segment, the focus on continuously innovating in the core business, expanding our diagnostic offerings, and taking a leading role in using AI for conditional automation and clinical decision-making. In our Diagnostics segment, the main task is to exploit the opportunities offered by the market trend toward automated, AI-driven workflows in laboratory diagnostics, and to bring the segment up to market-growth level in the midterm. We are also planning to continue expanding our point-of-care business. The Advanced Therapies segment is focusing on further developing innovative technologies and services that advance and improve image-guided clinical procedures.

AI to drive broader access to care and health for all

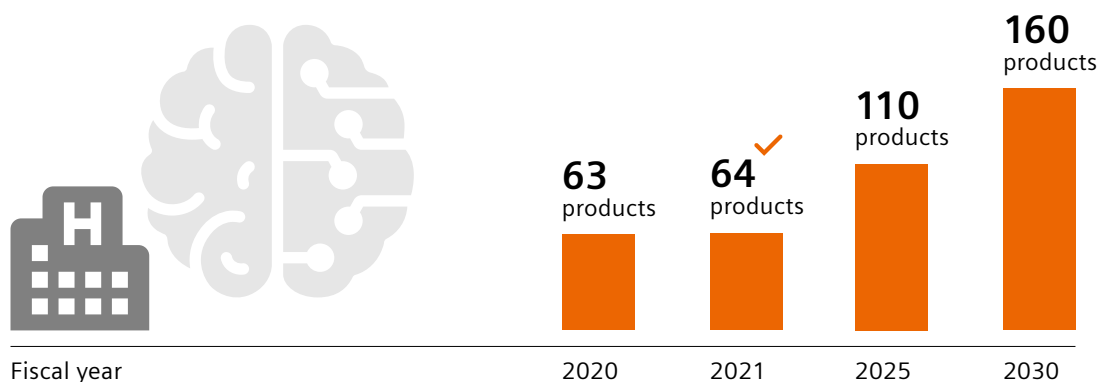
As well as being an important tool for lowering the cost of care through standardization and automation, AI is also essential for enabling access to high-quality care in remote and underserved regions of the world. Digitalizing our portfolio allows us to serve regions where expertise is lacking. We do this by delivering remote clinical support, including the operation of medical devices by skilled clinicians, aided by AI, sensors, and robotics (our key technologies).

Combining the strengths of humans and machines

Combining the strengths of people, data, and technology means that tasks can be completed more comfortably, more easily, more accurately, and potentially more safely. Our portfolio of remote-controlled devices, aims to reduce waiting times for treating medical emergencies such as heart attacks and strokes, and to improve the overall cost effectiveness of treatment.

Since AI is such an essential tool for achieving this, we are setting goals and tracking the number of AI-enhanced products and solutions. As of September 30, 2021, we had 64 ✓ AI supported products in our portfolio (September 30, 2020: 63 products). Our goal is to increase this number to 110 by FY 2025, and to 160 by FY 2030. For details on the definition of AI-enhanced products and solutions see section A.2 ESG reporting principles.

AI-Products



Innovation management

As a MedTech company, research and development (R&D) and innovation are the cornerstones of our success in groundbreaking technological developments and trends. In FY 2021, we reported R&D expenses of €1,546 million (2020: €1,342million). The resulting R&D intensity, defined as the ratio of R&D expenses to revenue, was 9 percent (2020: 9 percent). We focus on three key technologies to create innovative technologies, products, and services, and pioneering business models. These digital twin insights help us internally to digitalize our factories and products, and our human digital twins help our customers and clients to digitalize healthcare. The key technologies cover three areas of innovation in our products and services:

→ Artificial Intelligence

for data analysis and interpretation, decision-making, intelligent robot control, and automation based on digital twins.

The AI-Rad Companion¹⁵, our family of AI-powered, cloud-based augmented workflows, aims to help the radiologist by providing augmented workflows that support radiologists in their diagnostic tasks. In FY 2021, AI-Rad Companion released new MDR compliant product versions to enable on premise deployments for its existing cloud based multiorgan product portfolio. Following AI-Pathway Companion¹⁶ Prostate Cancer we also received market approval for the EU (CE mark) for our second pathway, the AI-Pathway Companion Lung Cancer, a digital companion that supports and provides recommendations on diagnostic or therapeutic options throughout the clinical treatment pathway for lung cancer.

For our In Vitro segment in FY 2021, we started using AI-based technology for sample handling and classification in our Atellica Solution laboratory system.

AI options for the Atellica Solution enable the evaluation of up to 7,500 features of a sample or sample carrier and ensure the robustness of the sample characterization (trained on 60,000 data points).

→ Sensor (detector) technology or sensing

This is used for imaging-based biomarkers, in vitro biomarkers, optical perception in humans and machines, vital signs, and the integration of wearables. In FY 2021 we launched several new products that incorporate new sensing (detector) technology, such as the high-end single-source CT system SOMATOM X.cite, the mobile head CT scanner SOMATOM On.site, and the YSIO X.pree radiography system.

→ Robotics

We use robotics for laboratory assistance, radiation delivery, patient handling, and robotic imaging devices. Corindus developed the CorPath GRX System, which is the only robotic system on the market for percutaneous coronary and vascular procedures. The system is designed to improve the precision of interventions, standardize treatment, and make procedures safe for both patients and medical staff.

The process of innovation management follows a staged approach at Siemens Healthineers. Each operational unit in the Business Areas has its own innovation process, which is described in their quality system and forms part of our overarching R&D process. Responsibility for creating an innovative product or solution that aligns with the Company strategy lies with the heads of the Business Area and Business Horizontals (Customer and Enterprise Services) and the heads of the subsequent operational units. As head of the Technology Excellence entity, the Chief Technology Officer (CTO) is responsible for the enabling technology and process innovation.

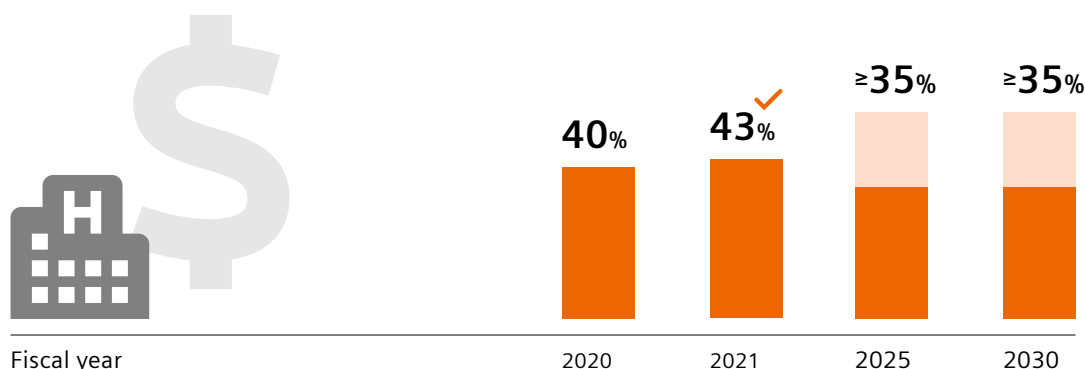
¹⁵ AI-Rad Companion consists of several health products and medical devices in their own right, and products under development. AI-Rad Companion is not commercially available in all countries. its future availability cannot be guaranteed.

¹⁶ AI-Pathway Companion consists of several health products and medical devices in their own right, and products under development. AI-Rad Pathway is not commercially available in all countries. its future availability cannot be guaranteed.

It is our goal to create ≥ 35 percent of our revenue from innovations brought to the market in the last three years until FY 2025. In FY 2021 we were again able to reach about 43 percent of our revenue

from innovations ✓ (FY 2020: 40 percent). For details on the definition of revenue from innovations see section A.2 ESG reporting principles.

Innovations



Technology Excellence (TE) is a central entity that actively supports the operational units using a cocreation-based approach with all activities that can be better performed centrally. Central innovation management is an essential part of TE. It fosters networking and focus between the groups and keeps an eye on our core technologies and the latest trends and innovations. Other teams within TE aim for

- a uniform user experience;
- increased speed and efficiency of product development through targeted reuse that creates maximum customer value at the lowest life cycle costs using Baukasten¹⁷ components;
- a company-wide logic for total cost of ownership;
- an integrated digital tool landscape, including streamlined and end-to-end supply chain management that uses digital processes;

- advancing technological and production competence for medical electronic components, power electronic and vacuum components, and mechatronic components and subsystems (e.g., additive manufacturing and IoT-based production);
- nearshoring and offshoring of software development and development of core software-led technologies for digitalization and innovation.

This enables a connection between innovation in our products and innovation in the Company. For example, with our SOMATOM go. product family, the Baukasten methodology allowed us to reduce service costs by as much as 50 percent and to launch four new systems within 12 months.

¹⁷ Baukasten refers to the set of all elements (hardware and software) required to build products in a portfolio and the architectural concept for connecting these elements.

Technology & Innovation Management (TIM)

is at the heart of systematically organizing innovative practices throughout Siemens Healthineers. It supports a creative culture in which breakthrough ideas are generated continuously across Business Areas, and makes it easier to break down complex, large-scale innovation objectives into manageable goals.

TIM manages the long-term technology of Siemens Healthineers. It focuses on future technology and innovation trends across our strategic key technologies and innovation fields.

In close collaboration with the R&D teams around the globe, the TIM team manages, investigates, and develops early technologies and new applications through research projects and prototyping.

To keep up with the accelerating pace of innovation, the TIM team engages early with start-ups to gain early access to technology and identify opportunities for investment and cocreation. Funnel opportunities from interactions with start-up ecospheres, VC investors, and internal sources at Siemens Healthineers resulted in 17 collaboration projects that have been started or are in progress. They range from cocreation and digital point-of-care to opportunities for supplier swaps. Currently, over ten opportunities are in the preparation phase, while four have been completed and transferred to the relevant operational units.

Innovation Think Tank (ITT), which is part of TIM, maintains and expands its global infrastructure of think tanks with our operational units, collaboration partners, and customers.

In FY 2021, we engaged with over 100 opinion leaders globally and over 1,000 external ITT event and project participants (caregivers, researchers, professors, and students) from over 100 institutions (universities, hospitals, and start-ups). We also engaged with over 1,000 employees of Siemens Healthineers in over 200,000 virtual and in-person touch-points. Since 2005, Professor Sultan Haider, founder and head of the ITT on invitation from the host institutions, has established 60 activity locations (ITT Certification Programs, Labs, etc.) worldwide: e.g., Fakeeh University Hospital (September 2021), Wakemed Health and Hospitals (August 2021), Engineering Health (EnHealth) and the Engineering Medicine (EnMed) program at Texas A&M University (June 2021), Era's Lucknow Medical College (March 2021), Western University, Canada (August 2021), Imperial College London (August 2021), German Jordanian University (September 2021).

The TIM approach is based on the innovation dialogue with all operational units from all segments. Here, the various R&D and Product-Lifecycle-Management (PLM) teams identify overarching joint activities and evaluate and propagate them. The moderation and propagation of cross-functional opportunities is performed by the TIM team and the CTO.

Intellectual property management is an essential part of our business. Taken together, our Intellectual Property (IP assets are of material importance to our current and future business. We protect our technology and innovation base, products, systems, services, and brands (and other marks) by, for instance, filing patents, utility models, designs, trademarks, and copyrights, and by registering domains with appropriate regional coverage. As of September 30, 2021, we held 13,737 granted patents.

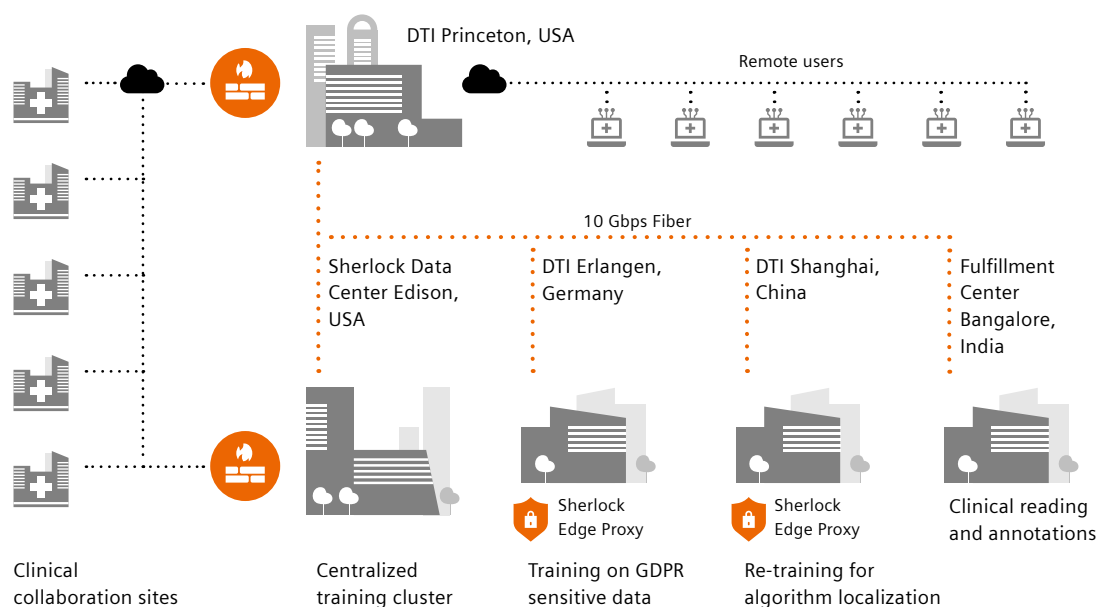
To bring AI into clinical routine, we have the following:

- **A high-quality database** that can potentially access more than 750 million curated images, reports, and clinical and operational data, which are used to train algorithms.
- **Powerful infrastructure**
Our array of regional Digital Technology & Innovation (DTI) centers includes the supercomputer Sherlock, which operates

at 20 petaFLOPS (floating-point operations per second). In FY 2021, we switched the electricity supply for Sherlock to 100 percent solar and wind.

- **Strong partners**
Our partners are well-respected healthcare providers who work with our team of hundreds of talented, award-winning AI and data scientists. Our data collaboration network has over 140 partners with 1.23 billion images, reports, and pieces of clinical, and operational data.

AI Factory 2.0 – Powerful infrastructure



Scalable infrastructure to optimize AI performance and expand Sherlock to geographically distributed sites

Managing innovation within the segments is covered by the quality gate system used within the standard product development process.

The business impact of TE support on the segments' achievement of their goals through innovation is evaluated in terms of productivity and maturity. As part of the annual strategic

planning (following the Hoshin Kanri methodology), target agreements are made and continuously monitored during the year. This monitoring process includes quarterly reviews of the activities with the operational business leadership. In cases of deviation or mitigation, structured problem-solving processes run by cross-functional teams are set up temporarily.

Cybersecurity

Since we work in healthcare, the products, solutions, and services of Siemens Healthineers are exposed to a particularly high cyber risk. For example, ransomware attacks pose a significant risk to healthcare delivery organizations, with interruption of service threatening patient treatment and possibly leading to breaches of sensitive patient data.

Large amounts of patient information and other sensitive data are kept within the interconnected networks. The privacy of these data and the safety of the patients treated with our products are of the utmost importance. Furthermore, the devices used in healthcare are increasingly connected with many interfaces through which criminal hackers might succeed in accessing either a single device or a complete network.

In December 2020 (FY 2021), this strategy and the effectiveness of our measures were acknowledged when Siemens Healthineers received ISO 27001 and 27701 certifications covering our governance and assurance for our global business. We are now further enhancing our organization, our cyber risk management, our impact assessments, and the related controls in order to achieve recertification at the end of 2021.

We have started to integrate Varian into this enterprise-wide certification. Varian already has ISO 27001 certification for its Noona application. Currently, we are combining our teams, management systems, and measures for information security and product and solution security aiming to provide state-of-the-art cybersecurity for our customers and ourselves.

Siemens Healthineers therefore places a strong focus on cybersecurity to protect our customers, their patients, and ourselves from cyberattacks.

We have established a centralized organization to govern cybersecurity, and our strategy is to embed resources within our Business Lines and geographic Regions to provide central support that includes cybersecurity training, processes, and tools.

Data privacy

As technology and innovation company in the healthcare space, data privacy is of utmost importance for Siemens Healthineers.

We have implemented a comprehensive Privacy Information Management System that runs across the entire Group Company and ensures that data privacy requirements are met in our business operations.

The Privacy Information Management System is certified according to ISO/IEC 27701 (extension to ISO/IEC 27001 and ISO/IEC 27002) and comprises various controls to effectively protect personal data of our customers, business partners and employees. Internal regulations, such as our Business Conduct Guidelines, obligate every employee to comply with data protection requirements. Our employees are regularly trained in specific functions and target groups.

Intragroup data transfers are assured through so-called Binding Corporate Rules (BCR), the Standard Contractual Clauses (SCCs), or other internal agreements and measures.

We review and document the purpose, criticality and security standards used for all processing activities within the Company in a central database (records of processing activities). Furthermore, we conduct regular and risk-based data privacy audits of our processing activities, products, and services. Our suppliers and partners are assessed in advance with regard to data privacy laws and are contractually bound to data privacy standards as well as regularly audited on a risk basis.

For Siemens Healthineers, Privacy by Design and Default means that data privacy is already taken into account during the development of functions and services in order to ensure lawfulness, transparency, informational self-determination, data economy and data security. Privacy by Design and Default is strongly integrated into our product development processes.

We have introduced a global process through which data subjects' rights can be asserted and responded centrally. We also implemented a global data privacy breach process that ensures central reporting channels and, where necessary, timely information of authorities and affected parties.

2.3

Personalized healthcare

Every person is unique, and every treatment should be tailored to an individual's own needs, lifestyle, and medical history. Gaining a precise understanding of a patient's condition is therefore the most effective way of improving patient outcomes.

The goal of personalized healthcare is to provide the right treatment at the right time for every patient. Tailoring treatment starts with a highly specific diagnosis without unwarranted variation and then integrating all relevant patient-specific information and insights to enable a holistic understanding of the individual. These unique characteristics steer the personalization of treatment.

For example, our SOMATOM go.Open Pro CT scanner shows how unwarranted variations during a scan can be reduced. The scanner intelligently adapts to the patient's breathing in real time, which can potentially result in more targeted radiation therapy planning. With regards to the patient-specific information, Siemens Healthineers offers an Enhanced Liver Fibrosis (ELF) test¹⁸, which uses a formula based on multiple markers to assess the likelihood of progression to cirrhosis and liver related events in patients with advanced fibrosis (F3 or F4) due to non-alcoholic steatohepatitis (NASH). As drugs come onto the market to treat nonalcoholic steatohepatitis, ELF will be a key prognostic test to see which individual patients with advanced fibrosis are most at risk of progressing to cirrhosis or

liver-related outcomes. Siemens Healthineers contributes to SDG 3 (good health and well-being) by having personalized healthcare as one of its key value promises.

Personalized healthcare is a material topic for Siemens Healthineers, since it contributes significantly to improving patient outcomes.

The leadership of Siemens Healthineers has also initiated a program aimed at improving outcomes in critical disease areas: stroke, CAD, and cancer (lung and liver). The efforts focus on improving the patient pathway in these four conditions and offering more precise and personalized treatment. Innovations for improving care along the pathways for these conditions are created in cross-functional teams and are integrated into R&D roadmaps of our business segments. Our segments then take decisions on these innovations. The decisions are based on factors such as how well they fit into one or more of our value promises.

To further advance personalized healthcare, Siemens Healthineers innovates with its customers by partnering with them on quantification of imaging. Image quantification provides insights for tumor analysis and about tumor growth, which enables clinicians to tailor the treatment for every patient.

¹⁸ Atellica, ELF, and all associated marks are trademarks of Siemens Healthcare Diagnostics Inc., or its affiliates. All other trademarks and brands are the property of their respective owners. Product availability may vary from country to country and is subject to varying regulatory requirements. Please contact your local representative for availability.

The combination of Siemens Healthineers with Varian in FY 2021 is also a step toward the development of personalized healthcare solutions. At Varian, the development of patient-centric, personalized radiotherapy includes adaptive radiotherapy. This clinical technology can view daily changes in patient anatomy and adapt the radiotherapy plan according to those changes in each individual patient. This allows treatment to be adapted according to response during a course of radiotherapy and potentially reduce the early and late side effects of treatment for patients.

To manage the topic of personalized healthcare, Siemens Healthineers has a dedicated team in the global marketing organization that focuses on expanding precision medicine.

The team works with the various Businesses to map their products and corresponding features to this value promise. The team communicates to customers our advances in personalized healthcare and the value they bring to treatments and patient outcomes.

The degree to which the requirements placed on our systems by the expansion of precision medicine are being fulfilled is assessed in the regular quality gates of our product development process. This assessment regularly includes direct feedback from our customers. Further details on how Siemens Healthineers manages the topic of personalized healthcare are available on our homepage¹⁹.

¹⁹ <https://www.siemens-healthineers.com/insights/expanding-precision-medicine>

2.4

Transform toward preventive care

The current reactive approach to healthcare is costly and unsustainable, as is evident from the fact that healthcare spending continues to grow faster than GDP globally²⁰. To make the healthcare system more sustainable by improving the cost and quality of care, the transition to a preventive care model needs to be achieved.

When diseases are detected earlier, treatments become more effective in line with the paradigms of value-based healthcare. When use is expanded beyond the field of diagnostics and into prevention and therapy, this can play a significant role in lowering the costs of healthcare on a global scale and in supporting the sustainability of healthcare systems. Siemens Healthineers provides both in vivo and in vitro diagnostic solutions that enable the transition to a more preventive healthcare model in most clinical fields by detecting abnormalities earlier, which contributes to SDG 3.

Imaging systems such as SOMATOM CT scanners (for lung cancer screening), mammography systems (for breast screening), and MRI coils (for prostate cancer screening) are all preventive in nature. They are also enhanced with digital health solutions that help uncover “incidental” findings during imaging exams.

Blood tests are the most common screening method used in preventive care. With more than 70 percent of care decisions relying on laboratory results, our comprehensive in vitro diagnostic portfolio plays a vital role in detecting early disease states and identifying patients who are at higher risk.

Through collaboration and partnerships, we aim to provide healthcare systems with holistic

solutions to help them transition to a preventive care model. This way, preventive care becomes more accessible to the population and to individuals who may be deemed at risk. For example, in the UK, Siemens Healthineers has partnered with Cobalt Health to provide mobile lung cancer screening services across the National Health Service. The initiative delivers easily accessible screening for people at high risk of lung conditions. Siemens Healthineers supported Manchester University NHS Foundation Trust with its lung cancer screening service. Our staff worked closely with the trust to understand its requirements, and with Cobalt Health and Lamboo Medical to offer a tailored solution that could meet the customer's needs. The service detected one cancer case in every 23 people screened. Eighty percent were at an early stage (I+II) and 89 percent received curative-intent treatment, which is only possible with early detection. These results highlight the potential and the belief that preventive care can save lives and lower the cost of healthcare.

Going forward, the topic of preventive care will be owned and driven by the Business Lines, and we as Siemens Healthineers are taking initial steps to implement preventive care as a core topic. Product definition teams give special consideration to preventive care workflows when planning and investing in product and technology development. They continuously look for opportunities that anticipate and fulfil market needs, expand boundaries, and drive the advancement of healthcare. The innovation teams go beyond the boundaries of what is technically possible today so that we can respond to the healthcare needs of tomorrow. To monitor our progress, we will track the number of in vitro diagnostic tests shipped globally that have value in preventive care.

²⁰ WHO, *Health Expenditure Global Report*, 2019

2.5

Leverage partnerships and collaboration for innovation

Siemens Healthineers is dedicated to preserving and improving health by enabling healthcare providers to deliver high-value care and increase access for patients through innovations in healthcare.

Innovating healthcare together

The breadth and depth of patient needs and regional differences mean that innovative solutions cannot be developed and implemented in isolation. To become a viable product, they require contributions from many different specialties and a wide range of research.

At Siemens Healthineers, we have therefore established a global network with leading clinical and academic partners to collaboratively drive innovation and translation. Many of these partnerships span more than a decade. They are supported by a large network of scientists working within Siemens Healthineers.

The act of engaging and partnering with healthcare organizations²¹ is often described as a “collaboration”. These projects are strategic tools and an integral part of the business strategy. They aim to advance the performance and usability of products and services, to extend access to markets, to drive new innovations and technologies, and to support scientific research.

Collaborations must not be used to directly or indirectly influence procurement decisions of the collaboration partner. Collaboration contracts must therefore clearly state the legitimate business interest (e.g., the purpose of the engagement), describe the milestones in detail,

and specify the expected deliverables. Contracts with healthcare organizations, which are often government entities, are subject to compliance approval and must adhere to all applicable laws and requirements, especially with regard to regulatory, tax and transfer pricing, export control and customs, data privacy, transparency laws, and intellectual property rights.

At Siemens Healthineers, we manage a large, global network of more than 2,400 collaborative partnerships, some of which are with world-leading institutions. They are conducted in a complex landscape of compliance, regulatory requirements, tax, and intellectual property rights. To effectively manage these complex structures and processes, a dedicated internal directive (Directive_1_D_103: Stipulations for Collaboration Management) and dedicated tools (Contract Lifecycle Management Application, Power BI Dashboards, Fair Market Value Sheets) are in place to mitigate risks and ensure compliance with the applicable global and local requirements throughout Siemens Healthineers. This approach also simplifies and standardizes the conduct of our collaborative projects within our partnerships.

While compliance with all these laws and requirements is certainly the main concern, standardizing the collaboration process also makes it easier to conduct projects as it optimizes timelines, resources, and financial risks. Therefore, Directive 1_D_103 serves two purposes: to mitigate risks associated with collaborations, and to regulate the collaboration process in terms of roles and responsibilities, approval processes, and administration.

²¹ and other publicly funded organizations or private organizations which received a so-called research grant by a government entity

The directive is valid for all employees, in particular but not limited to research, development, marketing, and collaboration personnel concerned with planning and/or implementing collaborations. It is binding for all Business and Regional Units worldwide.

The heads of the Business and Regional Units are ultimately responsible and accountable for collaborations within their remit. This includes ensuring that the decisions regarding collaborations and collaboration partners are based on objective criteria, and that appropriate resources are allocated to guarantee compliance with the directive.

In order to ensure the correct handling of collaborations, we have established specific bodies, dedicated teams, and roles. These will be described in what follows.

Governance and Collaboration Office (global)

The ownership of governance of collaborations at Siemens Healthineers lies with the CTO. The Collaboration Office supports the governance owner in the definition of guidelines, execution, and monitoring of compliance with the directive.

The Collaboration Office is responsible for the operational governance of collaborations throughout Siemens Healthineers including but not limited to assistance, training, reporting, and guidance on collaboration topics. Any operating procedure supplementing the directive must be aligned with the Collaboration Office before it takes effect. The Collaboration Office arranges regular meetings of the Collaboration Council and hosts the International Healthcare Collaboration Conference. The Collaboration Office also facilitates and moderates cross-business unit collaboration projects and partnerships.

Collaboration Council

The Collaboration Council is a consultative panel composed of Collaboration Officers from Business and Regional Units, Legal, Tax, Compliance, Quality Management, the Collaboration Office and/or their respective designees. The head of the Collaboration Office, the Siemens Healthineers Collaboration Officer, leads the Collaboration Council, arranges the meetings, and provides documentation and information.

The purpose of the meetings is to share ideas and best practices, exchange information, support all Business and Regional Units involved in collaborations, improve and harmonize the process, and drive initiatives.

Members of the Collaboration Council distribute the outcome of the meetings to their Business or Regional Units.

Collaboration Team within Business or Regional Units

Collaborations are handled within the Collaboration Team – by a Collaboration Officer or a Collaboration Manager. Every member of the Collaboration Team must ensure that there are no violations of laws, industry association codes of conduct, or internal regulations within their area of responsibility that proper supervision could have prevented. Team members remain accountable even if they delegate tasks. The roles of the Collaboration Officer and

Collaboration Manager must be

- separate from any sales function or sales-related departments;
- dedicated to managing collaborations.

Exceptions to these requirements are subject to approval by the management of the respective Business or Regional Unit, the respective HR representative, and the Head of Compliance for collaborations.

All collaborations with healthcare organizations or other entities that are either publicly funded or receiving a research grant from a government entity worldwide must observe the four basic compliance principles: the separation principle, the fair market value principle, the transparency principle, and the documentation principle.

Review meetings on process quality are held quarterly and are managed by the Collaboration Office. The review meetings are owned by the governance owner, who invites the respective Collaboration Officers of the Business and Regional Units. Participants review, follow up on, and reach decisions about the current status and measures to tackle identified deficiencies.

In addition, the SHS audit team conducts regular audits and reports any deficiencies to the SHS board, along with the requested mitigation measures.

Clinical studies

As well as complying with legal and regulatory requirements, the ethical principles corresponding to the Declaration of Helsinki, and good clinical practice standards, clinical studies that evaluate the performance and safety of a medical device or an in vitro diagnostic device also follow this strict internal directive and associated processes. These clinical studies are generally handled as “special” collaborations and are managed in close consultation with our Clinical & Regulatory Affairs team (see section 5.1 Product quality and safety).

Contribute to a regenerative and healthy environment

Page 50–65

3.0

Contribute to a regenerative and healthy environment

By making our operations carbon neutral by FY 2030, achieving the science-based targets by FY 2030, and strengthening our own circular economy, Siemens Healthineers is contributing to a regenerative and healthy environment.

We at Siemens Healthineers know that there is no Planet B – a finding that is true for all scientifically explored planetary boundaries.²² Even if there might be some uncertainty about how close we are to the tipping points, we know we have to act now on all relevant issues to protect our environment and quality of life. This is why we have to focus on efforts to address resource scarcity and tackle climate change. In the Paris Agreement, national governments pledged to limit global warming to well below 2°C and continue efforts to limit warming to 1.5°C. We support these global efforts and are pursuing measures of our own and following a long-term strategy as a responsible company. Following the urgent call from scientists to decarbonize the global economy, we aim to be carbon neutral in our

own operations by FY 2030. To further demonstrate our commitment, Siemens Healthineers joined the Science Based Targets initiative in October 2021 and agreed on ambitious targets that now include all relevant value chain emissions. What is more, in view of the increasing global demand for raw materials, which is being exacerbated by a scarcity of natural resources, we believe that the take-make-dispose model is no longer an appropriate framework for production and consumption. We are working toward a circular economy as a way of proactively preparing for upcoming challenges (such as material shortages) and of harnessing cost benefits by increasing the proportion of reused, repaired, refurbished, and recycled parts, components, and products.

We are convinced that our efforts in the areas of decarbonization, resource efficiency, and resource conservation are a sustainable response to societal expectations, a promise to future generations, a lever to increase our customers' competitiveness, and a crucial component for our own resilience and future viability.

²² Planetary boundaries – Stockholm Resilience Centre

3.1

Combat climate change by reducing emissions

The climate crisis is one of the biggest environmental challenges we face in the 21st century, and it is also one of the most serious threats to human health and life. As one of the leading medical technology companies, Siemens Healthineers has an impact on the climate through our global operations, materials procurement, company fleet vehicles, production, transport, and products that emit CO₂. Moreover, Siemens Healthineers anticipates growing sustainably while also contributing to a sustainable planet by reducing our carbon footprint and therefore climate-related health risks.

Siemens Healthineers is taking responsibility on the Paris Agreement and is supporting the global effort by taking specific action and pursuing a long-term climate strategy and goals in alignment with the Science Based Targets Initiative (SBTi). The SBTi is a joint initiative of the Carbon Disclosure Project (CDP), the United Nations Global Compact (UNGC), the World Resources Institute (WRI), and World Wide Fund For Nature (WWF). It has developed a framework for companies to set targets for reducing carbon emissions in line with the Paris Agreement. Following the urgent call from scientists for a decarbonized global economy, we are also aiming to reduce our CO₂ emissions and achieve carbon neutrality in our own operations by FY 2030.

Siemens Healthineers is taking account of the need to minimize the impact of CO₂ emissions along its whole value chain. This includes

upstream and downstream activities taking place at our suppliers, and the impact from customers using our products. These areas make up the vast majority of our CO₂ emissions (which are Scope 3 greenhouse gas emissions).

In FY 2021, Siemens Healthineers took its next ambitious step on the journey toward decarbonization. To consistently follow the Science-Based Target pathway, our Combat Climate Change program is supported cross-functionally and by our executive members. As a growing company, we see the need for decoupling business growth from negative climate impacts by deploying innovative and future-proof processes, products, and solutions, and by supporting the green energy transition.

We address the following SDGs:

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



SDG 9:

Industry, innovation and infrastructure

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



SDG 12:

Responsible consumption and production

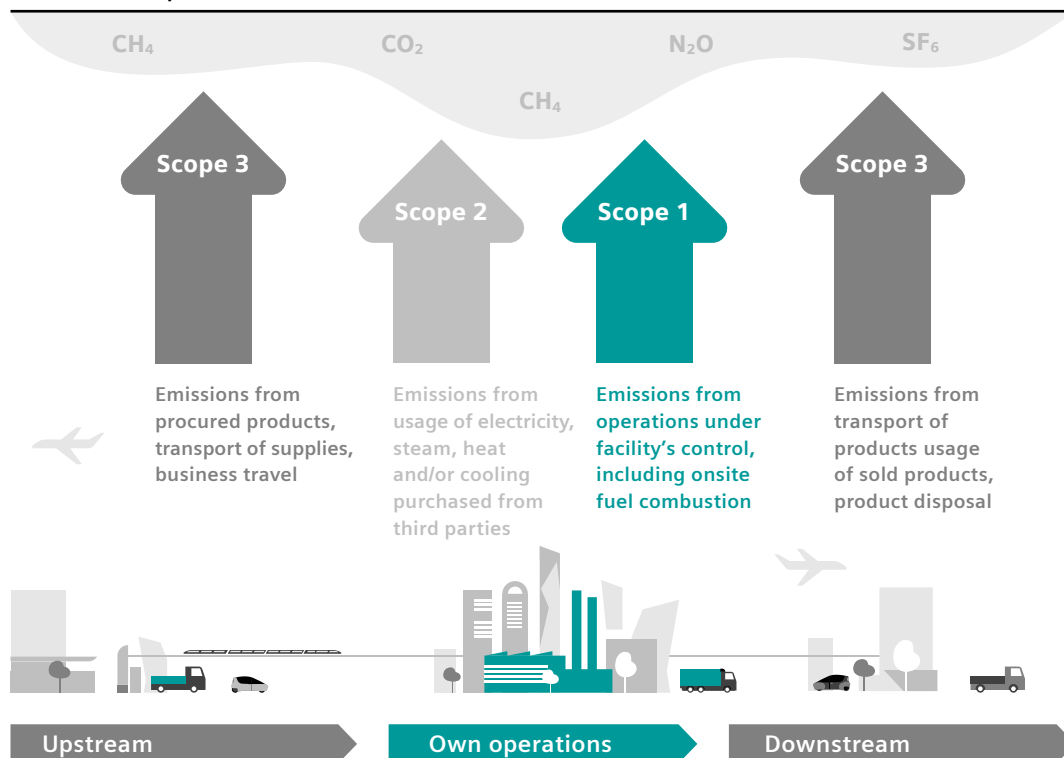
13 CLIMATE ACTION



SDG 13:

Climate action

Overview Scope 1, 2 and 3



Our Greenhouse Gas (GHG) Scope 1 and 2 emissions account for about 6 percent of our total carbon footprint. They are caused by our internal operations, which we directly control, and include among others energy consumption at our sites, purchased this energy, and operating our own fleet vehicles. By analyzing the adverse effects, we can explore levers and introduce appropriate measures. Adverse effects mainly relate to energy inefficiencies in our heating and cooling systems. Therefore, increasing energy efficiency is a major lever we apply. Using renewable energy and electric fleet vehicles also significantly contribute to reducing our Scope 1 and 2 CO₂ emissions.

Nearly 94 percent of our climate impact occurs along our value chain, including both upstream and downstream activities. The main sources of CO₂ emissions are purchased materials and services, and the use phase of our products.

The following list provides additional details about each Scope 3 category according to the Greenhouse Gas Protocol:

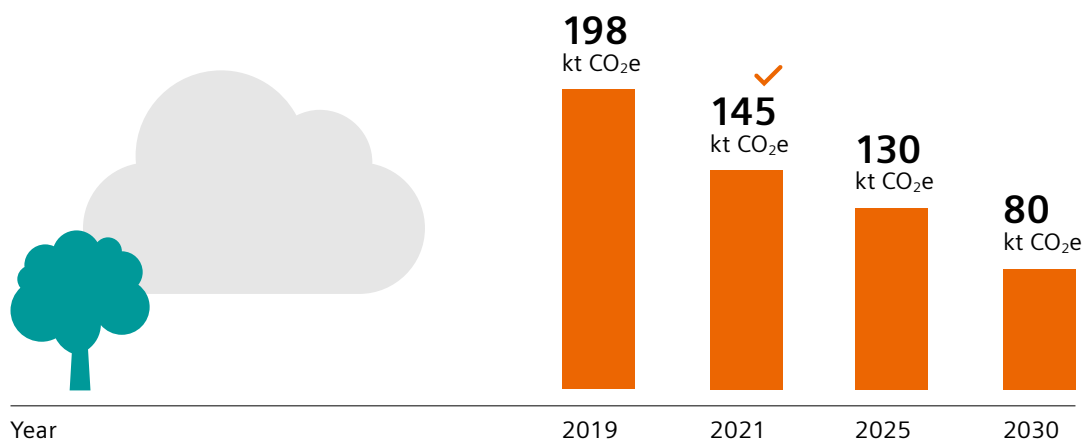
- **3.1 Purchased goods and services:** Production, extraction, processing, and transportation of purchased goods and services that are not included in other categories
- **3.4 Transport and logistics (upstream activities):** Transportation and distribution of purchased goods
- **3.6 Business travel:** Business travel by our employees using modes of transport which are not part of our own fleet
- **3.11 Use phase of products:** Emissions caused by the use of our products at customer sites during their expected life cycle, for products sold in the reporting year

Purchased goods and services (Scope 3.1) are responsible for up to 47 percent of all emissions, followed by the use phase of products (Scope 3.11) with 32 percent. Transport and logistics (Scope 3.4) and business travel (Scope 3.6) have a comparatively low share of emissions, with 9 percent and 5 percent respectively.

As a leading medical technology company, Siemens Healthineers is setting ambitious goals on its journey to carbon neutrality by

FY 2030. We are focusing on carbon reduction rather than offsetting. For our own operations, over which we have the most influence, we have therefore committed to reducing absolute Scope 1 and 2 GHG emissions by more than 50 percent by FY 2030 (80 kt remaining). The goal for FY 2025 is 130 kt and in FY 2021 we are at 145 kt ✓. The baseline year is FY 2019 (198 kt). From FY 2030 on, we will remain carbon neutral, also by using offset to compensate for unabated emissions.

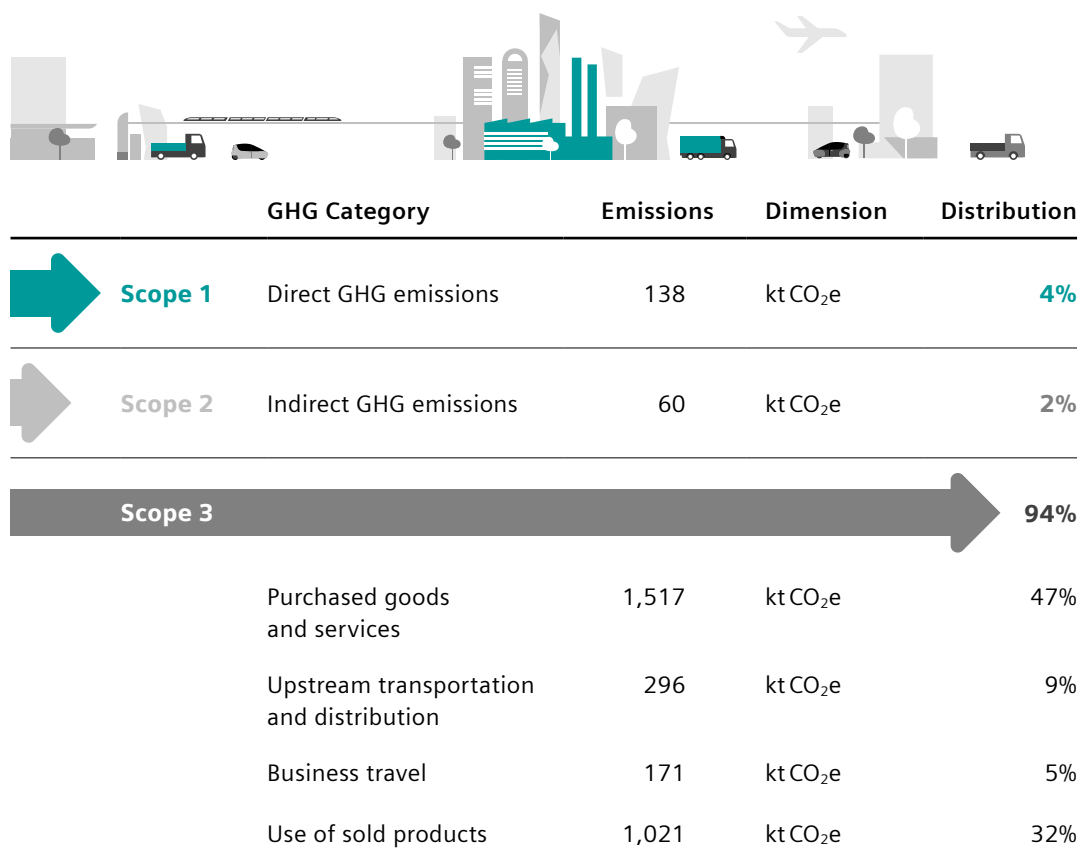
CO₂e Emissions



Siemens Healthineers has also committed to reducing absolute Scope 3 GHG emissions from purchased goods and services, the use of sold products and business travel by 13.5 percent by FY 2030. Again, FY 2019 is the baseline year.

Given the importance of climate action and the urgent need to act now, the Board members have committed to nonfinancial targets as part of their individual long-term incentive. The targets began in FY 2020 and include an ambitious carbon reduction component.

GHG emissions Scope w/o Varian



In the materiality analysis, decarbonization, and energy efficiency were identified as relevant factors for our environmental priorities. An additional analysis was carried out in FY 2021 with a clear focus on carbon emissions, which are particularly relevant for us as a medical company. As a result, the climate strategy agreed by Siemens Healthineers will also include Scope 3 emissions.

In FY 2021 Siemens Healthineers developed a climate strategy that is in line with the science-based targets. The details will be continually developed within the defined framework and in close consultation with the business, functional departments, suppliers, customers, and NGOs.

To achieve our long-term goal of decarbonization and carbon neutrality, Siemens Healthineers is adopting a holistic approach and has defined the following priorities for climate action:

- **GHG emissions from Scope 1 and 2, sites:** Primary and secondary energy used for own buildings and manufacturing processes
- **GHG emissions from Scope 1, vehicle fleet:** Fuel for leased service fleet and company cars
- **GHG emissions from Scope 3, purchased goods and services:** Energy used for the production and transportation of sourced materials and services
- **GHG emissions from Scope 3, use phase of products:** Energy consumption (electricity) for operating our medical devices at customer sites
- **GHG emissions from Scope 3, business travel:** Business travel by air, rental car, or train

Siemens Healthineers has already made great progress in cutting CO₂ emissions with various company-wide initiatives: our Serve the Environment Program optimizes the environmental aspects of our business activities at our sites, while our “Product-Related Environmental Protection Program” focusses on the environmental aspects of the entire product life cycle. The “Serve the Environment Program” is about implementing energy efficiency programs at individual sites, switching to renewable electricity, and accelerating the electrification of the company’s vehicle fleet.

The “Product-Related Environmental Protection Program” has been running since 2005 and addresses the whole product life cycle. A dedicated team of experts across all business areas and relevant functions defines the relevant requirements, conducts company-wide and/or business projects, and shares best practices to help implement innovations across the Company.

Both of these programs and their measures were the foundation of our previous environmental strategy. In FY 2021, we increased our ambition by joining the Science Based Targets initiative, and we will press ahead with the company-wide Siemens Healthineers Climate Strategy in FY 2022.

Siemens Healthineers has initiated the following measures so far, and we will continue to specify and implement concrete measures in the future:

Products and customer engagement

- **Environmental Product Portfolio:** Only products which reduce energy consumption by more than 20 percent compared to previous or comparable product lines will qualify for our environmental product portfolio. In FY 2021, the portfolio contains 38 energy-efficient products that help our customers reduce their environmental footprint and life cycle costs, thereby improving their environmental performance. This makes up 20 percent of our revenue in FY 2021.

Further information see here:
[siemens-healthineers.com/eprp](https://www.siemens-healthineers.com/eprp)

- **Recording of product ingredients, life cycle assessments (LCAs) and environmental product declarations (EPDs):** Since 1995, we have been systematically recording and tracking our product ingredients to determine their carbon emissions, recycling rate, and the number of valuable materials. In 2005, we implemented a process to perform life cycle assessments for all major product lines and product families. These involve evaluating the product’s environmental impact across its entire life cycle. In 2006, we began systematically publishing EPDs, which summarize the main customer and environmental benefits. EPDs provide details about a product’s environmental impact, materials, and recycling rate. They also contain packaging information and other operating information

such as energy consumption and encourage users to run the device in an environmentally friendly and carbon-conscious way.

- **Energy-efficiency targets:** For the product lines that significantly contribute to carbon emissions during their use phase (such as MRI systems and CT scanners), we are planning to define internal targets in FY 2022 to reduce energy consumption by 2030.
- **Reducing SF6:** For our radiotherapy division, we will investigate technical solutions for reducing emissions of SF6, which is used as an isolation gas.
- **Enhancing education:** We provide our customers with instructions, training, and education on energy-efficient use of our products.
- **Increasing customer awareness of using green electricity:** We recommend using renewable electricity to make the use phase carbon neutral and to uncover further CO₂ reduction potentials.

Sites and operations:

- **Carbon-neutral operation** has been introduced as a global standard for all new buildings. Our three new sites in Forchheim (Germany), Bangalore (India), and Oxford (UK) are part of this commitment already. Some sites are already carbon neutral: 40 Liberty Boulevard in Malvern, Pennsylvania (U.S.); Cary, North Carolina (U.S.); Erlangen, all buildings except Henkestrasse 127, which consumes a small amount of natural gas (Germany); Shenzhen (China).
- **Identification and implementation of energy-efficiency measures** for existing sites: For the following two fiscal years we have planned investments to reduce approximately 10,000 tons CO₂ emissions produced by our own sites. Examples of previous energy-efficiency projects at Varian sites in FY 2021 include: (1) installation of a refrigerant economizer and replacement of HVAC units at our Palo Alto site; (2) installation of rooftop HVAC units and a new chiller system

at our Las Vegas site; (3) air compressor upgrade at our Beijing site; (4) implementation of controller systems for our HVAC and lighting system in the Jundiai site in Brazil.

- **Shadow carbon price:** Varian applies a uniform shadow carbon price to support energy efficiency, its greenhouse gas emissions reduction strategy, and target achievement. In collaboration with Corporate Finance, Varian developed and set a shadow price at US\$15 per metric ton for Scope 1 and 2 GHG emissions in FY 2021, based on market trends. For energy-efficiency projects, this price was built into Varian's innovative financial modeling tool, which measures economic profit that drives long-term value creation (Varian Value Added). Varian Value Added views R&D as an investment rather than expense, with cumulative R&D spend treated as an asset on which management must make a return on investment in excess of the cost of capital. Introducing carbon pricing for the other Business Areas is currently under evaluation.
- **Use of renewable energy:** Siemens Healthineers has switched to green power in recent years. In FY 2021, we sourced 93 percent of our electricity from renewable sources (FY 2020: 93%). Varian achieved 87 percent renewable electricity in 2020, thanks to green tariffs and green-certified renewable energy certificates purchased from the City of Palo Alto in an equivalent amount to its consumption. We are enhancing the transition to renewable energy sources globally.
- **Reduction of nonrecyclable waste:** We achieve this by promoting relevant activities in our sites.
- **Vehicle fleet:** We encourage and incentivize the use of electric and other low-emission vehicles.
- **Financial incentives:** We offer these for carpooling, bike riding, using electric vehicles, and taking public transportation.

- **Reduction of business air travel:** Digital collaboration has allowed us to reduce this by between 30 and 50 percent compared to FY 2019.
- **Awareness raising among employees:** This is about encouraging them to reduce electricity consumption and use of operating resources in their day-to-day work.

Supply chain

- **Implementation of a Supplier Carbon Assessment and Reduction program:** This covers our suppliers and their whole value chain.
- **Dedicated program for our top 1,000 suppliers:** With their value chain, these suppliers account for the vast majority of our upstream emissions. The aim is to decouple growth from emissions using either circular or less-carbon-intensive materials and production, and low-emission modes of transportation.
- **Developing a new process for making sourcing decisions that includes CO₂ costs and values suppliers' CO₂ reduction activities.**

The measures set out by Siemens Healthineers can be divided into short- and medium-term measures. Final targets should be reached by FY 2030, with interim targets being set until FY 2025. Detailed measures are set out and are either in the evaluation, planning, or implementation phase.

Moreover, Siemens Healthineers acts as an engaging member of COCIR²³ and MedTech Europe²⁴ by playing a leading role in developing the future of healthcare. Being a member of COCIR includes studying the environmental impact of medical devices to improve their environmental footprint. As an example, the COCIR SRI (Self-regulatory

initiative) was implemented in 2008. The SRI complements other COCIR activities, such as the EU GPP (Green Public Procurement) criteria for medical devices. Siemens Healthineers was also actively involved in creating the IEC 60601-1-9 (Environmental Conscious Design for Medical Devices). These activities demonstrate our ambition to meet our role in promoting eco-friendly products that encourage human and environmental health. The responsibility for developing our climate strategy and for managing its cross-functional implementation lies with the Combat Climate Change program team, which is part of the Environmental Protection, Health Management and Safety Function and is supported by representatives in the Business Areas and Regions.

All identified carbon-reduction measures are evaluated frequently and planned in detail. They are prioritized in alignment with the decisions made by the Combat Climate Change Steering Committee. The committee consists of a member of the Managing Board, the leads of Sustainability, Quality, Procurement, and Real Estate, and the Heads of the Business Areas. This ensures that all affected internal areas are taken into account and aligned on a common strategy, considering climate targets, corporate strategy, economic efficiency and innovation strengths.

Monitoring and checks are also carried out by the Combat Climate Change Program team, using individual data collection systems in the relevant areas. Data consolidation and evaluation processes are supported by a modern environmental data dashboard. The data management and key figure calculation is carried out in accordance with the GHG protocol.

All our sites are included in our climate management strategy and our database is continually expanded to improve site management. In April 2021 the combination with Varian

²³ European Coordination Committee of the Radiological, Electromedical, and Healthcare IT Industry

²⁴ European trade association for the medical technology industry including diagnostics, medical devices and digital health

started. Over the course of 2021, Varian's emissions data, goals, and measures were re-evaluated and integrated into our calculations and systems. Siemens Healthineers aims to improve the efficiency of the annual data reviews in the future. Deviations will then be identified at the operational level and corrective action can be taken immediately.

This effort is supported by our global Environmental Health and Safety (EHS) management system and by our company wide EHS policy. The EHS management system is externally registered with ISO 14001:2015 and ISO 45001:2018. The certificates issued by SGS SA, our external accredited registrar, confirm that our global EHS management system conforms to these international standards. This provides us with an additional selling point for our products and services and ensures adequate management of EHS-related risks and opportunities. We continually update our internal regulations and will do this again in FY 2022 to fully integrate the new Combat Climate Change structure and governance into our EHS Management System processes.

To fulfill the requirements of a proper climate-complaint process in the future, we are planning to expand the general compliance process in FY 2022. This will be one way in which Siemens Healthineers can engage with interested stakeholders on tackling climate change and adapting our products in line with climate-related issues.

3.2

Transform toward a circular economy

Supporting the transition from a linear to a circular economy is a crucial aspect of our sustainability approach, and an essential step toward creating a regenerative and healthy environment.

To think and act in a way that benefits the circular economy is important to proactively prepare for upcoming global challenges, such as resource and material shortages, which will impact our Businesses, customers, suppliers, and the healthcare industry overall.

Our understanding of a circular economy is based on the following principles:

- Designing products to allow circular approaches
- Keeping our installed products in safe and reliable use by servicing, maintaining, updating, and upgrading them regularly
- Reusing resources, material, parts, components, and products by, e.g., refurbishing them
- Eliminating waste, and recycling
- We aim to incorporate these principles into our products, services, and processes.

By continuously leveraging circular practices and business models at Siemens Healthineers, we are contributing to:

8 DECENT WORK AND ECONOMIC GROWTH



SDG 8:

Decent work and economic growth

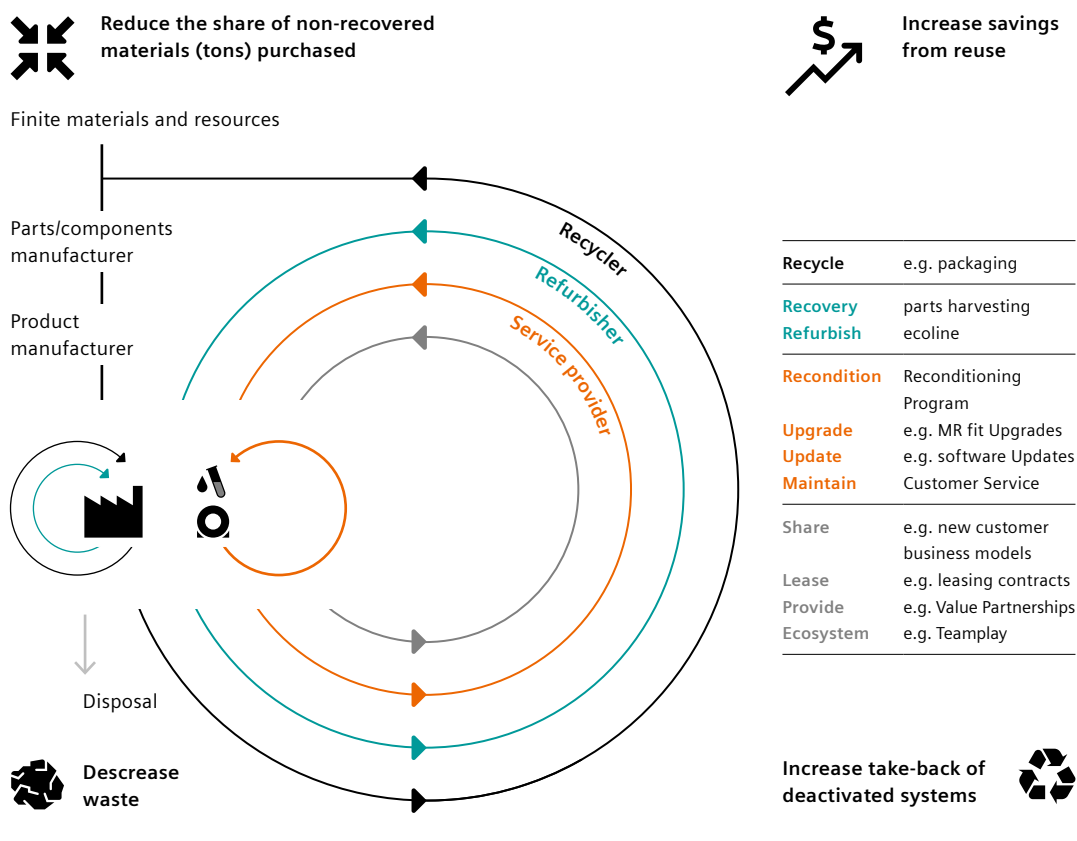
12 RESPONSIBLE CONSUMPTION AND PRODUCTION



SDG 12:

Responsible consumption and production

Our understanding of the circular economy



Designing products to allow circular approaches

The Siemens Healthineers Baukasten program provides a solid basis on which we design circularity into our product portfolio. The modular product design makes it possible to strategically use identical components (e.g., computers or power supply) both within product families and across different product families. As well as optimizing product life cycle costs, this approach also enables easy and efficient maintenance, repairs, upgrades, updates, and refurbishment. The Baukasten approach is applied not only to product hardware development but also to software and to transporting solutions (returnable packaging). Our most recent example of a platform-based product is MAGNETOM Free.Max, which we launched in FY 2021.

Keeping our installed products in safe and reliable use by servicing, maintaining, updating, and upgrading them regularly

→ **Service and maintenance:** Our hardware products are manufactured for longevity and reparability. Performing service and maintenance keeps the products and their materials safe and reliable for a long time. We offer digital and personal support through Customer Services, which is available 24/7 in over 150 countries and takes care of an installed base of about 600,000 medical systems and laboratory devices. More than 114,000 of these devices are already supported by Smart Remote Services and ready for remote updates. In FY 2021, we successfully performed 42,000 remote updates (Link Customer Service). This does not yet include the Varian portfolio.

- **Software solutions for servicing:** Varian offers the SmartConnect® system, a remote monitoring solution for linear accelerators. While customers benefit from higher clinical availability, service technicians have to make fewer customer visits, which reduces travel and therefore carbon emissions.

As another example, Service Software ONLINE enhances remote service, with the aim of increasing the average uptime of medical devices from Siemens Healthineers. Pre-analyzed machine data is presented in a simple and user-friendly interface to support Customer Services experts during incident management. Success of the approach is determined by monitoring the gain in efficiency, with the aim of continually raising it. In FY 2021, we launched two new functionalities: tube companion (for monitoring X-ray tubes) and coil companion (for monitoring MRI coils).

- **Service parts cycle:** Handling service parts is a key element for securing a return cycle for our products. In FY 2021, over 325,000 used parts were returned to our logistics department, and a considerable portion (over 50 percent) are repaired and/or reused, depending on economic factors.

For example, X-ray tubes which are used in Computer Tomography and other radiographic and fluoroscopic imaging systems go through a reuse process in the Technology Center Power & Vacuum Products. Many parts and components from the X-ray tube assembly (such as housings, oil pumps, and motors) and even parts from the X-ray tube itself (such as beam-forming elements or isolators) can be reused in the service parts cycle. In this context, we follow very strict requirements that specifically apply to the reuse of X-ray-emitting products and components. In FY 2021, net savings of €20 million were achieved by reusing parts and components for service.

Similarly, around 1,000 handheld blood gas analyzers were refurbished for the Diagnostics segment.

The Varian segment operates a service parts refurbishment program with an initial focus on higher value and higher volume service parts such as PC boards, power supplies, and computers. Although the total number of parts currently makes up a small percentage of total volumes, the aim is to continue methodically scaling the program while maintaining our high-quality standards.

All these activities also have a considerable cost-saving potential. As part of our circular economy activities, we are planning to increase the benefits from repairing, refurbishing, and reusing service parts sourced from returned systems, parts, and components.

- With its **Asset Lifecycle Development** approach, Siemens Healthineers is combining several business models to create a comprehensive solution for planning, improving, and replacing medical imaging equipment. It includes the possibility of upgrading a system or adding new hardware and software solutions during the system's life cycle, as well as our consultative Asset Planning Session and the refurbishment of medical imaging devices. All elements contribute to a circular economy as they are an investment in the longevity of medical equipment.

(More information on: [siemens-healthineers.com/medical-imaging/asset-lifecycle-development](https://www.siemens-healthineers.com/medical-imaging/asset-lifecycle-development))

- **System Upgrades:** Comprehensive system upgrades extend the life span of our products and keep them state-of-the-art by moving them to the latest generation of hardware and software while keeping some components in use and recovering those parts that need to be exchanged. Our recent BioMatrix Fit Upgrades can, for

example, reduce carbon emissions from MRI by up to 28 percent. This is possible because the MRI system becomes more energy efficient after the upgrade, with key components such as the magnet remaining in use while new components with the latest technology are built around it. In FY 2021, more than 65 BioMatrix Fit Upgrades were performed globally.

(More information on: [siemens-healthineers.com/magnetic-resonance-imaging/options-and-upgrades/upgrades](https://www.siemens-healthineers.com/magnetic-resonance-imaging/options-and-upgrades/upgrades))

- **Hardware and software solutions:** Medical imaging devices from Siemens Healthineers are manufactured in such a way that state-of-the-art hardware and software solutions can be added to them at any stage in their life cycle. For example, when customers decide to invest in new clinical fields, the installed system can be configured with the required clinical applications, thereby preventing the need for an early replacement and extending the life of the installed system. For example, MAMMOVISTA B.smart²⁵ software was introduced in FY 2021. It covers the full spectrum of multimodal breast reading diagnostics with fast, AI-powered tools.

(More information on: [siemens-healthineers.com/molecular-imaging/options-and-upgrades](https://www.siemens-healthineers.com/molecular-imaging/options-and-upgrades))

Reusing resources, materials, parts, components, and products, for example by refurbishing them

- **Refurbishment of medical imaging devices:** Another key element of our commitment to the circular economy is the refurbishment of medical imaging devices. This maximizes the use of our products and components while keeping resources and raw materials within their functional and economic life cycle. Our refurbished devices, known as the ecoline product

portfolio, include magnetic resonance, computed tomography, molecular imaging, X-ray, ultrasound, and angiography systems. Around the globe, over 6,300 refurbished system from Siemens Healthineers are installed at customer sites. The refurbishment is conducted at the manufacturing sites in Germany and the U.S. The refurbished devices in the ecoline portfolio contain components that have been refurbished using processes that comply with the relevant standards for medical devices (ISO 13485²⁶), including the international refurbishment standard (IEC 63077²⁷). This means the quality of the refurbished devices is comparable to new. In FY 2021, two newly refurbished system types were introduced into the ecoline portfolio: SOMATOM Drive eco (CT system) and Artis Q eco (fixed C-arm system). By refurbishing an Artis Q floor eco, over one ton of material can be reused on average per system.

(More information on: [siemens-healthineers.com/refurbished-systems-medical-imaging-and-therapy/ecoline-refurbished-systems](https://www.siemens-healthineers.com/refurbished-systems-medical-imaging-and-therapy/ecoline-refurbished-systems))

- **Refurbishment of blood gas testing devices:** In our point-of-care business, the handheld devices for blood gas testing (EPOC) are refurbished. The refurbishment process employs documented internal procedures that include a thorough inspection of the equipment for cleanliness and functionality, decontamination and cleaning, and replacement of any damaged parts with new components. Factors such as test card utilization and age of the equipment are then reviewed to determine whether additional components such as motors, switches, or the battery need to be replaced with new parts. The equipment is then upgraded with any necessary components such as hardware, firmware, or software to comply with the requirements

²⁵ MAMMOVISTA B.smart is currently pending 510(k) clearance and is not commercially available. Its future availability cannot be ensured. Please contact your local Siemens Healthineers organization for further details.

²⁶ ISO 13485:2016: Medical devices – Quality management systems – Requirements for regulatory purposes

²⁷ IEC 63077:2019: Good refurbishment practices for medical imaging equipment

of the current manufacturing specifications. Every year more than 1,000 refurbished handheld EPOC blood gas devices are provided to our customers. In FY 2021, that figure was 1,400.

- **Trade-in of used devices, and spare parts recovery:** By offering to our customers to trade in used devices, Siemens Healthineers receives the necessary supplies for refurbishing medical devices and can recover parts and components that can be further maintained and reused.

(More information on: [siemens-healthineers.com/refurbished-systems-medical-imaging-and-therapy/tradein](https://www.siemens-healthineers.com/refurbished-systems-medical-imaging-and-therapy/tradein))

Eliminating waste

- **Improving water quality and reducing waste:** Our diagnostic testing devices process billions of patient results annually across the globe and are offered with a comprehensive wastewater treatment system. This wastewater treatment solution performs liquid waste management in a single unit and is a comprehensive method for improving water quality, reducing contaminants, and minimizing waste. Siemens Healthineers also helps customers to meet regional and local liquid waste effluent regulatory requirements as necessary. These innovative solutions also help customers to optimise their operations and ultimately reduce spending on environmental solutions and disposal costs.
- **Responsible waste disposal:** In the case of products that can no longer be comprehensively upgraded or refurbished, we actively promote – wherever possible – their responsible disposal and recycling according to the rules and regulations that apply in the country where they were in use last.

Our Serve the Environment program, which aims to reduce global environmental impacts, involves site-specific goals for reducing volumes of nonrecyclable and packaging waste, minimizing freshwater consumption, and optimizing manufacturing and logistic processes.

For instance, we introduced a new sustainable packaging solution for our cold chain laboratory deliveries in New Zealand in collaboration with the logistics partner, DHL Supply Chain, in June 2021. It is a wool-based, reusable, compostable packaging solution that maintains a 2–8°C cold chain temperature that is suitable for the New Zealand delivery network. This initiative will help to minimize the ecological impact of supply delivery.

- **Regulatory compliance:** All products of Siemens Healthineers, including the Varian business, are subject to materials declaration requirements, meaning any requirements concerning the disclosure of hazardous substances contained or used in any product, component, material, or part. This includes those in the EU directive on the restriction of hazardous substances, the EU directive on waste electrical and electronic equipment (WEEE), and any other similar environmental or materials declarations, laws, directives, regulations, or requirements.

These core circular economy elements have already been embedded into our portfolio and product development, and into the optimization of production and service processes.

Circular Economy across Siemens Healthineers

Since 2021, responsibility for further developing the circular economy within Siemens Healthineers has been situated in a program managed by a cross-functional team and steered by those managers from the Businesses and Functions with the most touchpoints for the circular economy. The Circular Economy program is embedded into the Sustainability program at Siemens Healthineers. The Circular Economy program is aligned with our EHS policy, which aims to minimize our impact on the environment and contribute to a sustainable future.

The Managing Board of Siemens Healthineers is committed to strengthening the organization's focus on the circular economy. The corresponding KPIs are monitored on a quarterly basis. The heads of the affected units are responsible for achieving their target contribution.

Across the units, global networks exist to facilitate exchange and sharing of best practices. Examples include the Green Teams and the community for product-related environmental protection (PREP). The cross-functional management approach provides a holistic, strategic view of the organization and supports the setting of ambitious targets for the organization.

The review of the overall target setting and the effectiveness of the management approach, and their adjustments will take place in the overall strategy approach of Siemens Healthineers.

KPIs supporting Circular Economy, such as water and energy consumption and the amount of waste per site, are transparently shown in a dashboard that every employee can access. This dashboard lists all reported measures by site and country to help the community identify new measures.

Advance diversity and inclusion and drive employee engagement

Page 66–83

4.0

Advance diversity and inclusion and drive employee engagement

More than 66,000 employees (incl. Varian) work for Siemens Healthineers and are committed to reach the goal of sustainably improving healthcare.

Just as we place people and their well-being at the center of our work, the societies in which we operate, and our employees are equally important to us. They are our most important asset and the key to our long-term success as a company. As an employer, we strive to be attractive to talented individuals regardless of race, ethnic origin, gender, disability, religion, beliefs, age, or sexual orientation. Our inclusive work culture is designed to encourage each of our employees to make the best use of their talents for Siemens Healthineers. As a diverse company, we are closer to our customers and their challenges, more innovative, and more economically resilient. A particular focus of our strategy for a culture of diversity, equality, and inclusion is to increase the number of women in senior management positions.

Leave no one behind

In addition, it is vital that employees are involved in the Company's decision-making and that we promote a culture of healthy dialogue. In recent years, we have therefore bolstered communication between managers and employees with our People & Leadership Practices. Furthermore, we invite all employees to contribute their opinion and tell us what they need to do their best work using the Healthineers Forum, our platform for regular employee feedback.

Given the changes that the Company is undergoing externally and internally, and how they will affect our future work, it is important to take all employees with us on this path of joint development. We focus on continually expanding an active learning culture that is supported by a broad range of training and development programs. Each employee is given the opportunity to create an individual professional and personal development plan according to their specific capabilities and goals. As a company, we are determined to leave no one behind when it comes to technological change, especially as it relates to digitalization.

As a result of our activities in numerous countries around the world, we also bear a responsibility for their societies. Our behavior, as well as that of our local suppliers and partners, determines how we are perceived as a company. We seek to lead by example. Our business dealings and relationships are informed by a fundamental respect for human rights – an integral part of the Company's Business Conduct Guidelines, from which we derive our code of conduct and ground rules for collaboration.

As a leading MedTech company, Siemens Healthineers has a particular duty not just to improve people's lives with innovations, but also to set a special example for how we treat each other.

4.1

Invest in our people

Jobs and job creation in a dynamic environment

We strive to create a world free of the fear of cancer and other diseases. Together, we are working to make the path between diagnosis and treatment faster.

Our cooperation in FY 2021 was based on shared values – as expressed in Principles of Healthineers and Varian's cultural beliefs. We believe that every employee wishes to contribute to the success of the Company, to be treated equally, to learn, and to take responsibility.

In our work culture, we offer every employee the possibility to bring flexibility to their work routine, depending on their individual workplace. This will help them to realize their potential and contribute their diverse talents to their teams.

We are very proud that this commitment to the well-being of our employees has helped us to drive innovation and support our customers – despite the challenges of the COVID-19 pandemic.

Defining future workforce requirements in a fast-changing world is one of the key challenges that businesses face. Today, digitalization supports many processes in everyday clinical life, and will play an even more important role in our future technology. Siemens Healthineers has therefore begun to redefine the requirements of new job profiles worldwide so that they reflect regional and new technological demands.

We will strengthen open innovation and collaboration in research, development, and production globally. The Innovation Center in Shanghai opened in September 2021, and another one will be part of our newly developed campus in Bengaluru, India. In addition, we plan to expand our global innovation ecosystem with innovation centers in Europe and the Americas.

To test and evaluate new approaches to digitalization on a global level, we have introduced the DigiLab, a small team of experts covering different fields of digitalization. The goal is to support the Company on its digitalization journey – via coaching, support for use cases, and training for tools and methods. As well as expanding research activities to develop more digital applications, we are also strengthening our training options to equip our employees with enhanced digital skills.

The digital future also demands new ways of working and leading, and Varian has invested in developing future-ready leadership by strengthening skills in agility, resilience, innovation, and collaboration.

To ensure we bring the best talent on board, we build on a consistent standard across our Businesses and Regions. In FY 2021, we received over 380,000 applications worldwide. Of those, ~225,000 were reviewed and ~50,000 were shortlisted. In total, our HR colleagues conducted more than 14,000 job interviews and hired more than 5,600 new staff. Our global average time to offer acceptance is 63 calendar days. In turn, more than 4,400 employees left the Company during the same period.

As an employer that strives to attract the best talent, we attach great importance to providing our employees with the best possible support from the time they join the Company until they leave. As we operate in many different countries, the measures and benefits vary according to local needs and social circumstances. We provide, for instance, various onboarding programs, a global employee assistance program, health and welfare plans, risk insurance policies, and various retirement and savings plans – e.g., the Siemens Occupational Pension Plan or a partial retirement scheme in Germany, a 401k plan in the U.S., and an enterprise annuity plan in China.

Attracting and retaining talents

After the spin-off from Siemens AG and the initial public offering, we established our first Employee Value Proposition (EVP) program. Since then, we have focused on building our brand reputation as an employer for internal and external talent from the ground up. Our goal is to become the employer of choice in the MedTech industry, and a company that talented employees will enjoy working for. In the process of establishing our EVP, we conducted research into the key attraction drivers. This included running several internal focus groups with, for instance, staff from marketing, sales, communications, and HR. In addition, we included our top talents and our catalyst network in the discussion on our strengths and weaknesses. Since then, we've put in place a combination of internal feedback mechanisms and independent external assessments to track our progress. In 2021, we acquired Varian Medical Systems. Our integration roadmap includes plans to update and integrate our EVP.

In addition to bimonthly opportunities for employee feedback (through the Healthineers Forum), we have invited leading organizational culture experts, such as the Great Place to Work™ Institute, to evaluate our workplace culture and provide an independent assessment of how we are doing as an employer.

As of June 2021, we are a certified Great Place to Work in eight countries and have been listed in national rankings of the best workplaces in four countries. An additional four countries are currently in the process of pursuing their 2021 certification/recertification. On average, we receive over 50 applications for every job we post. We also monitor our employee retention regularly, and our retention rates generally compare favorably with those in the countries with our largest employee populations. When retention concerns arise, we use a variety of means (e.g., exit interviews) to understand the root causes and take corrective action. The Healthineers Forum, launched in 2020, allows employees to give regular feedback to the Company on specific issues. The rapid rate of change in our markets, in our technologies, and in Siemens Healthineers itself makes it essential to seek feedback at short intervals. The Healthineers Forum provides the necessary platform to maintain dialogue, monitor employee engagement, and deliver up-to-date information on the best ways for employees to deploy their talents.

Being one of the top employers in MedTech has long been a focus of the Siemens Healthineers management team.

Our management team has made concerted efforts to truly create the kind of company that attracts great talent. This commitment has shaped our response to the COVID-19 crisis and our Siemens Healthineers Way of Working. This new approach to working allows each member of a team to decide for themselves where they can perform best in terms of overall team performance. We also believe that a more individualized working environment is a basic prerequisite for attracting talented people from all over the world.

On social media, our Company's executive team makes our internal work visible to the outside world. Like many things, this is an ongoing journey of continuous improvement.

Our senior management team has communicated its support internally for an open internal job market, where opportunities are posted, and qualified internal applicants receive preferential consideration. We believe that it is important for retention to make internal career opportunities transparent. To support flexible career opportunities across Siemens Healthineers and Varian, emphasis has been placed on making job opportunities visible internally before advertising on recruitment platforms. In addition, we make employees of both legacy organizations aware that we welcome the movement of talent and see it as a key accelerator of cultural integration.

Furthermore, as part of our People & Leadership Practices (PLP), employees can nominate themselves for programs and positions. It is also possible for each employee to produce a personal development plan in collaboration with their manager.

PLP also requires a regulated succession plan for each managerial position. Here, too, special consideration is given to talented individuals.

Our Chief Human Resources Officer (CHRO) and HR Leadership Team, in cooperation with senior management, share the responsibility for monitoring progress on achieving our goals for creating the kind of work environment and culture that we aspire to. A modern corporate culture that puts the employee at the center and creates a trusting working environment allows us to retain talent and attract high-quality applicants on the external market. Employer Branding, as part of Corporate Communications, is responsible for marketing to the external talent markets and monitoring our employer brand strength vis-à-vis our competitors. The CHRO and HR Leadership Team is responsible for ensuring that our Talent Acquisition teams are capable of attracting and hiring the talent we need.

HR departments have resources dedicated to shaping the organization's culture and working environment, and its recruitment. Corporate Communications has resources dedicated to building the Employer Value Proposition and employer-brand awareness and attractiveness in collaboration with the HR Talent Acquisition teams.

For Siemens Healthineers worldwide, we offer the option, provided by Compliance, to anonymously raise concerns via the "Share with us" channel. In addition, HR consultants, employee representatives, the workers' council, and social counselors are available for confidential discussions, depending on the regional or local organization.

A section of the annual Brand Perception Survey is dedicated to monitoring the evolution of our employer-brand awareness and attractiveness. These results are shared annually with the Managing Board of Siemens Healthineers, the CHRO, and other important stakeholders.

People development

Continuous learning is an important aspect of our lives – both for personal and professional development. Through our PLP, all employees are empowered to shape their own career paths in a more personal and self-determined manner. This concept enables employees to take responsibility for their own careers. For example, all Siemens Healthineers employees have the opportunity to apply for various development programs themselves, such as the Siemens Healthineers Top Talent program. All lateral and vertical movements are no longer linked to seniority, but to the individual's value creation. A further development possibility is our Internal Job Market initiative. It provides insights into the options available to employees of Siemens Healthineers and Varian alike. Siemens Healthineers has committed itself to making open positions more transparent to all colleagues. We aim to publish open Senior Management positions and Non-

Senior Management roles on our internal job board. This approach supports the practice of self-nomination and expands our opportunities for further development. Furthermore, it is a key accelerator of cultural integration between Siemens Healthineers and Varian.

In addition to greater self-determination of employees' career paths at Siemens Healthineers, the focus is on the continuous expansion of an active learning culture supported by a broad range of training and development programs.

This gives each employee the opportunity to create an individual professional and personal development plan according to their skills and goals. These expanded learning opportunities support our goal to be THE learning company in the MedTech market by FY 2025.

In the past fiscal year, a total budget of more than 58 million euros was spent on continuing training at Siemens Healthineers. In total, more than 1.7 million training hours were completed. On average, this represents 31.4 hours per employee. In terms of gender, this translates into 29.3 hours of training for women and 32.9 hours for men. Looking at the type of employment, employees in manufacturing invested an average of 36.4 hours and those working in administration 31.1 hours. This is a key contribution to UN SDG 8 "Decent Work and Economic Growth".

4.2

Expand diversity and inclusion

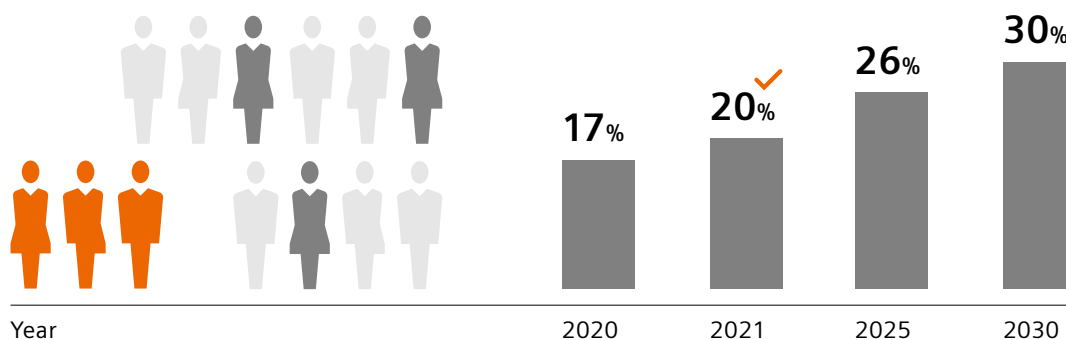
Diversity and an inclusive culture are firmly anchored in our corporate principles. Our goal is to make Siemens Healthineers a company where everyone has equal opportunities to develop their talents and contribute to the Company.

Diversity and an inclusive culture are company-wide topics that are spearheaded by the management. The CHRO (Chief Human Resources Officer), a member of the Managing Board of Siemens Healthineers, is responsible for diversity and the inclusive culture within the Company. The HR function manages the design and implementation. The management sets an example by actively promoting diversity and an inclusive culture, and our managers worldwide are closely involved in defining and implementing these goals. In addition to globally focused topics that are decided centrally, the Regions of Siemens Healthineers can also set their own priorities according to their specific needs and challenges. Therefore, we are all working toward the centrally defined

goals and supplementing them with individual topics. These processes enrich the overall diversity and inclusive culture at Siemens Healthineers.

A central goal pursued by Siemens Healthineers is to increase the number of women in senior management positions (for a definition see section A.2 ESG reporting principles). To improve gender equality, the proportion is to be increased to 26 percent by FY 2025, and to 30 percent by FY 2030, these goals were externally communicated in February 2021. In FY 2021 we already reached 20 percent women in Senior Management positions ✓ (FY 2020: 17 percent). Other targets include increasing the number of international employees in management positions and promoting an inclusive culture. Understanding our employees' perceptions of the inclusive culture is already part of the biweekly feedback opportunities offered through the Healthineers Forum. We want to create a working environment that makes us one of the most attractive companies in the MedTech industry.

Women in senior management positions



As central topics, diversity and inclusion (D&I) are anchored in the corporate strategy. The business units are responsible for implementing D&I. The relevant HR units provide advice and support for achieving the targets. The D&I teams in the Regions work with the local management to determine the focal points and coordinate these with the global D&I team. Corporate Communications uses its channels for comprehensive internal and external communications, highlights best practices, and links the central and regional measures with activities of individual employee resource groups. This reinforces efforts and collaboration at the central, regional, and local level.

The global D&I team is supported by representatives of central functions such as Communications and Legal. There are also topic managers in the business units and Regions. The CHRO is responsible for the topic within the Managing Board. In addition to their leadership role, managers have a duty to be the point of contact for behavior that goes against our inclusive culture. This is a management-focused subject, so managers are important role models for translating our belief in diversity and an inclusive culture into a positive experience for all our employees.

For the global topic of increasing the proportion of women in management positions, progress on achieving the target is reviewed regularly and recorded centrally. The global D&I team is responsible for tracking this, and the Sustainability Office reports the numbers quarterly in its sustainability reporting to the members of the Managing Board.

No adjustments are currently planned for this management approach.

Management and employee structure

Siemens Healthineers is led by a four-member Managing Board and overseen by the Supervisory Board, which consists of ten people. There are three women and eleven men on the two boards in total. Twelve members are over 50 years old, and two are between 30 and 50.

The proportion of female employees is 31 percent. Thirteen percent of our employees are under 30, while 59 percent are in the 30–50 bracket and 28 percent are older than 50. The median age in the year under review was 42.2.

The countries with the most Healthineers are the USA, Germany, China, India, the UK, and Japan. More than two thirds of our employees are based in these countries.

4.3

Employee engagement

Our work and leadership cultures are based on cooperation and dialogue on equal terms at all levels of the organization. We consider regular feedback as essential. Within our PLP scheme, we have created a forum for routine feedback on an individual level to foster personal development during the discussions of mutual expectations between managers and employees. Moreover, the Healthineers Forum gives employees the opportunity to provide direct feedback and engage in dialogue with their own team.

The Healthineers Forum was launched in October 2020, at the start of FY 2021, with the aim of strengthening dialogue between employees and managers. As part of the Healthineers Forum, each employee can give feedback directly to their manager and help initiate changes in the working environment. To do this, they can answer standard questions with scores and write free-text comments on every question in the employee feedback tool. Instead of asking all employees all the questions at the same time, the questionnaire is distributed over several biweekly survey rounds and the questions are repeated after a certain period. This allows us to keep surveys short, but still gives us high-quality feedback and the possibility to track changes over time. The questions relate to topics such as individual job design, personal development, diversity in the Company, and how meaningful employees feel their work is.

The Healthineers Forum is not only a long-term opportunity for exchange between employees and the Company but can also be used as a short-term pulse check. After the combination with Varian, for example, four additional

questions were added about the collaboration, the shared culture, the cooperation, and the state of integration. The questions are included in the respective survey options at Varian, too. After a certain period, the questions can be compared directly, and concrete measures can be initiated within the units to help both companies grow together.

The task of managers is to initiate discussions of the results within the team, jointly decide on areas to be addressed, and initiate corresponding measures for improvement. Results can be accessed in real time via a dashboard. Results are available for each team with six or more responses and include suggestions for improvement and concrete actions to achieve further progress. Feedback from teams with fewer than six answers are aggregated into the results of the next higher level. This approach to regular employee feedback provides a consistent and up-to-date picture of the mood across the entire Company. The results of the Healthineers Forum are also the subject of Managing Board meetings, during which appropriate global measures are determined.

The general Business Conduct Guidelines of Siemens Healthineers also apply when using the Healthineers Forum. Special aspects of the Healthineers Forum are outlined in the specific terms of use, ensuring compliance with, for instance, data privacy aspects. The Healthineers Forum meets all the requirements listed in our company agreements and was approved by the workers' council in Germany.

As a company, we are committed to providing employees with a way to give feedback anonymously. Our commitment is to take this

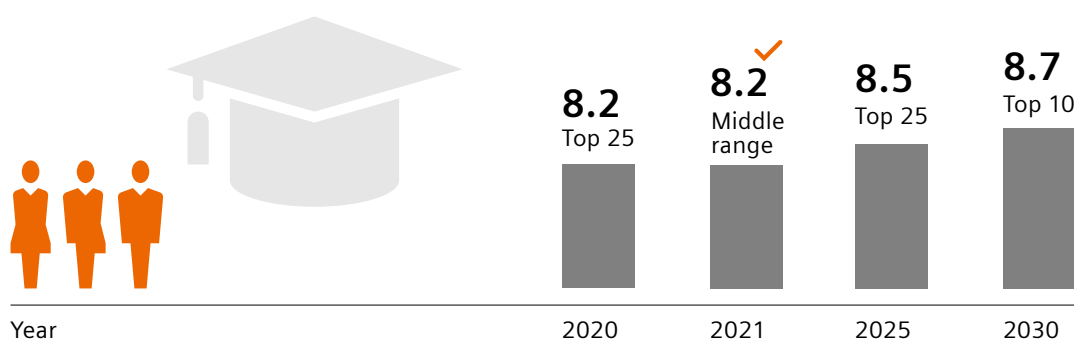
feedback as a starting point for regular discussions and for actions to improve employee engagement at a team level as well as at the company level.

Managers have the task of using the results for the further development of their teams and therefore to further advance Siemens Healthineers. The short-term process makes it possible to quickly identify specific issues related to things like workload, growth, or support from management, and to develop concrete measures that will improve employee satisfaction and enable everyone to grow personally. All employees of Siemens Healthineers are asked to use their voice regularly.

Our goal is to be one of the best in class regarding employee engagement.

We set ourselves the ambitious target to achieve an employee engagement index of 8.5, maintaining top 25 percent industry benchmark and in long term to be in the top 10 percent of the Peakon benchmark for the healthcare sector. In FY 2021 we scored an employee engagement index of 8.2 ✓ (middle range); FY 2020: 8.2 (top 25 percent industry benchmark). For more explanation of the employee engagement index see section A.2 ESG reporting principles.

Engagement



Human Resources has governance responsibility for this approach to employee engagement and provides managers with advice and guidance to improve the working situation in the units. Each team manager is responsible for driving employee engagement in their team. The CHRO is responsible for fostering dialogue and for taking action on global results together with the senior management.

We use Peakon as a platform to send out questions to all our employees. The results are analyzed automatically via the algorithms in

the tool. The platform also indicates areas of improvement for each team (e.g., workload, growth, management support), based on divergences from the benchmark, and highlights the impact of these improvements on employee engagement. The global HR team dedicated to the Healthineers Forum is responsible for all global approaches (strategy, change management, training and information material, consultancy on general topics). Corporate Communications regularly communicates about the Healthineers Forum and makes best practice examples visible.

The Healthineers Forum operates on a voluntary basis. Each employee can decide whether to participate or not.

All teams are encouraged to hold a quarterly deep-dive session on the results – in addition to their regular team discussions. The purpose of this session is to discuss and agree on concrete actions to address areas identified as needing improvement or to evaluate and adjust actions decided in previous sessions. The results from the Healthineers Forum are also an integral part of management meetings and management events at all levels. Updates on results and measures at a global level are part of the quarterly information provided to management and are also communicated regularly to all employees. Sharing of experience is fostered through various communities and dedicated communication channels.

The Healthineers Forum is a long-term measure designed to show that regular feedback is a valuable tool in the ongoing development of the Company. To monitor the efficiency of the management approach, the core questions are reviewed at regular intervals. This allows the effects of measures and improvements to be tracked on a short-cycle basis.

The effectiveness of measures can be assessed by looking at the development of the scores over time. The regular deep-dive sessions with the teams provide an opportunity to assess and adapt previous measures. Once a measure has shown the desired effect, teams can turn their focus to new areas of improvement and agree on specific actions.

Another way in which our employees can be closely involved in the Company is through the Share Matching Program of Siemens Healthineers. Our employees can

participate in the medium- and long-term success of our company and contribute their commitment as shareholders. The Share Matching Program is voluntary on the part of the respective company. Each year, the Managing Board of Siemens Healthineers AG and the participating Group companies decide whether, under which conditions, and for which employees a Monthly Investment Plan and a Share Matching Plan will be offered and implemented in a fiscal year. Information about employee stock ownership is available in our longlist (see section A.3 Our sustainability indicators longlist).

The works council is an institutionalized employee representation body at Siemens Healthineers. It is a codetermination body under works constitution law. It represents the interests of the employees of the Company. In particular, it exercises the participation rights assigned to the workforce by the German Works Constitution Act (BetrVG). While the central works council is responsible for affairs at a supralocal level, the works councils at the individual sites handle all local matters.

In March 2020, the employee representatives on the Supervisory Board were elected for the first time in Erlangen by the delegates of the employees and executives of Siemens Healthcare GmbH.

The extent to which the duties of the works council are enshrined in law varies from country to country. In Germany and Austria, the council is a body for codetermination and representation of employee interests, which also participates in operational decisions. The tasks of the works council can be divided into three main areas: monitoring duties, shaping duties, and protection duties. The works council represents the interests of all Siemens Healthineers employees on the basis of the law and collective agreements.

4.4

Respect human rights

As a leading company in the healthcare industry, Siemens Healthineers considers close adherence to applicable laws and to corporate rules and practices fundamental to its business activities in every country where we operate. The same applies for human rights. As well as acknowledging them, we also understand that human rights must be respected, and all employees must uphold high ethical standards. Siemens Healthineers adds value to society not only through our products, services, and solutions but also through sustainable and responsible business practices, thought leadership, and community activities, as these activities directly and indirectly affect millions of people.

Our commitment to respecting human rights is anchored in our **Business Conduct Guidelines (BCGs)**, which clearly state:

“We respect the personal dignity, privacy, and personal rights of every individual.”

As the BCGs are our ethical and legal framework, positioning human rights is a core element of how we want to conduct our business and is binding for all managers and employees worldwide. Human rights are therefore highlighted in our internal regulations wherever applicable.

Our commitment to respecting human rights and to implementing the UN Guiding Principles on Business and Human Rights is led from the top. Our efforts on human rights topics are overseen by the Managing Board, Legal & Compliance, and the heads of our Business and Regional Units.

Our overall approach is to raise awareness and to minimize or eliminate any adverse effects for employees as a result of, for example, their religion, age, disability, or gender, and for people outside of the Company, such as indigenous people, children, or other vulnerable groups.

Even though we are operating in many markets around the world in which political, economic and geographic conditions might present enhanced risk of adverse Human Rights impacts, we are committed to act as good global citizens wherever we do business. As Siemens Healthineers is an active participant in the United Nations Global Compact, we regard its Ten Principles and the IndustriALL Global Union framework agreement as binding for the entire Company. We therefore expect our employees, suppliers, and business partners worldwide to comply with – among others – the following general guidelines:

- The International Bill of Human Rights, consisting of the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, and the International Covenant on Economic, Social and Cultural Rights
- The European Convention on Human Rights
- The International Labor Organization’s Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy
- The ILO Declaration on Fundamental Principles and Rights at Work (in particular: elimination of child labor, abolition of forced labor, prohibition of discrimination, freedom of association, and the right to collective bargaining, and fundamental freedoms)

- and Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises

Besides and while promoting ethical and environmentally sound actions, we recognize the importance of assessing, monitoring, and taking action to protect human rights by developing appropriate strategies. Such strategies also involve our partners.

Regarding our supply chain, Siemens Healthineers works closely with our parent corporation, Siemens AG. Special procurement programs have been established to

- track the signing by suppliers of the Siemens Group Code of Conduct for Suppliers and Third Party Intermediaries. This document (a Siemens Group Code also applicable for Siemens Healthineers) covers inter alia human rights and labor practices, such as prohibition of forced labor, prohibition of child labor, health and safety for employees, and grievance mechanisms. Similarly, Varian's Supplier Code of Conduct prohibits forced labor and provides a mechanism for reporting suspected violations. Varian also publishes expectations for all its suppliers and specifically references compliance with laws that prohibit forced labor, modern slavery, and human trafficking. Both codes will be merged during the integration.
- conduct risk assessments based on the OECD list of high- and low-risk countries.
- conduct audits of selected suppliers, especially with regard to human rights topics (child labor, working conditions, wages, sub-suppliers, etc.); these supplier audits basically focus on quality-oriented risk mitigation and are conducted by our Quality Management via onsite visits. Within the scope of supplier quality, adherence to the requirements of the aforementioned Code of Conduct is checked. The respective questions regarding environmental, social, and governance issues are

integrated into the supplier audit questionnaire. As a result, the suppliers receive a detailed report including findings and measures to improve the situation.

- conduct supplier audits of human rights topics by external audit companies. These external sustainability audits were piloted in FY 2009 and are designed to verify adherence to the requirements of the Code of Conduct and assess the sustainability performance of our supply chain. Siemens Healthineers has appointed internationally recognized auditing companies (such as Intertek and SGS) to conduct these onsite audits according to the universally valid principles of the Code of Conduct.
- check and validate worldwide and for all subsidiaries the risk of import and export of "conflict minerals" (including within Varian), and request information from all suppliers where the minerals have been mined.
- describe and implement mitigation measures, if applicable and necessary, based on audit findings and provided information which will be validated together with the supplier. If a supplier fails to implement the measures, it will be phased out.

The goal of all these activities is to promote supply chain stability while providing our customers with high-quality products and services. We therefore expect our suppliers to share our ethical, social, and compliance standards, as set out in our Responsible Sourcing Principles, and to apply these within their own supply chains as well.

Since FY 2015, we have implemented the tightened process of the "Central Warning Message" which ensures faster and more effective responses to major breaches of the Code of Conduct. Any local blocking of a supplier is now also reported at the global level, where a decision is reached centrally on whether the supplier should be blocked worldwide. This allows us to block suppliers for all organizations within Siemens Healthineers at short notice.

Siemens Healthineers has implemented a system of interconnected processes and tools to ensure full transparency and awareness for our purchases and for our supply chain risks & opportunities.

As well as implementing stand-alone processes for different risk areas, it is also important to develop a comprehensive system covering all Code of Conduct requirements. This, however, is a continuous process which gradually adds new elements based on highly diverse and complex requirements from laws, customers, and stakeholders.

In addition to the special procurement programs, we added special questions related to human rights for large projects in higher-risk countries to ensure awareness of the topic and to be able to react to potential adverse findings. Overall, five projects were reviewed in the last fiscal year: Russia (2); Israel (2); Saudi Arabia (1). No significant human rights risks were identified in these projects.

Training

The successful roll-out of the 30-minute Business Conduct Guidelines Web-based Awareness training reached over 58,000 employees (w/o Varian) in FY 2021. This was over 96 percent of the employees of Siemens Healthineers at the time and did not include Varian employees as the roll-out happened prior to closing. The training included human rights topics. Varian also requires annual online training through its Code of Conduct. The training is offered in multiple languages and covers numerous human rights topics ranging from fair employment practices to employee safety.

Short trainings called Let's Talk (formerly Integrity Dialogue) are also being developed and also include human rights. This initiative offers our management the opportunity to exchange information with their teams on current compliance and human rights issues, and to communicate and inform about selected compliance topics in a targeted manner.

Reporting

Any individual, either inside or outside the Company, can report suspected human rights violations anywhere in the world using the Company's Let Us Know mechanism. Let Us Know is managed and operated by a third party on behalf of the Company. Reports can be made anonymously. All reports are followed up, and investigations are conducted when appropriate. Varian has a similar reporting mechanism for potential violations. It is also managed by a third party, allows for anonymous reports, and may lead to investigations if warranted. Both reporting mechanisms will be merged during the integration. We are committed to protecting individuals who make good-faith reports from any form of retaliation.

No reports on human rights violations were filed in FY 2021.

Specific actions and initiatives

As one example of supporting human rights in the community, Siemens Healthineers (through the Siemens Healthineers Foundation) donated US\$1,400,000 in the reporting period to support COVID-19 vaccine take-up in underserved communities. Varian established a Healthcare Emergency Loan Procedure in response to COVID-19 to provide temporary additional licenses to our software products that enabled physicians to continue providing critical patient care while working remotely outside of the traditional treatment setting.

As an example of supporting employee rights, our operations in the United States scored a perfect 100 on the Human Rights Campaign's Corporate Equality Index (CEI) for 2021. The CEI addresses topics for U.S. employers such as equal opportunity at all levels and in all functions; equal benefits for same-sex and different-sex couples; the presence of an LGBTQ+ (lesbian, gay, bisexual, transgender, queer (or sometimes questioning), and others) employee resource group; and the frequency of external engagement with the LGBTQ+ community.

As for the supply chain, critical suppliers are identified in various ways. We have implemented processes to cover supplier risks according to our Code of Conduct categories. This provides a clear structure and walks us through all the legislative requirements that we must fulfil in the regions where we procure. As an element of our Digitalization program, we developed an electronic system that allowed us to dig into more specific human rights topics in our supply chain. While earlier processes mainly used high level country- and industry-specific risk factors, the new model will include far more detailed information provided by national and international resources and will be updated constantly. It is currently in a testing phase and might be an option for the future.

During the Global Suppliers Day 2021, human rights and diversity were highlighted as being among the most important topics of sustainability and incorporated into the value chain.

We specifically explained that we (Siemens Healthineers and our suppliers) are jointly responsible for upholding human rights and diversity.

Regarding new government measures, we are closely monitoring the new German supply chain law (Lieferkettengesetz, which will enter into force on January 1, 2023), the pending EU supply chain directive, U.S. measures addressing supply chain compliance, and multilateral efforts (such as those by the EU, the UK, the U.S., and Canada) to impose economic sanctions in response to concerns about human rights and forced labor. We aim to be ready and in compliance with these laws and similar measures when they become effective.

We have implemented a culture of integrity that goes beyond mere compliance with laws and regulations. Industrial environmental protection, product responsibility, responsible and diversity-oriented personnel management, occupational health and safety management, and suppliers' commitment to our own high standards will all help to support human rights as an integral part of our Company.

4.5

Occupational health and safety

"It is always my goal to ensure that our employees start, execute, and finish their workday in a safe and healthy manner – returning to their families and beloved ones."

Dr. Bernd Montag

Occupational health and safety are directly related to:

3 GOOD HEALTH AND WELL-BEING



SDG 3:

Good health and well-being

8 DECENT WORK AND ECONOMIC GROWTH



SDG 8:

Decent work and economic growth

Occupational health and safety are imperative for Siemens Healthineers – it is part of our DNA. Senior executives, managers, supervisors, and employees are all responsible for establishing a culture of mutual caring and responsibility. The development of this culture is handled by the Environment, Health, and Safety department (EHS).

Our employees constitute our most valuable asset, and their health and well-being are crucial to the success of Siemens Healthineers. It is important to protect their health and promote their health competencies, as these aspects are directly linked to motivation and performance. Holistic health management is about more than the provision of healthy food options, mindfulness classes, and gyms; it is also about creating a healthy work environment (onsite and when working remotely) and motivating managers and employees to take care of one another. Therefore, a multidimensional and interdisciplinary approach is necessary involving EHS, HR, managers and supervisors, senior leadership, and employees.

²⁸ Exempt for: Radiopharmacies, Office-only, "Software-only R&D" activities, "Software-only production" activities

The EHS policy statement of Siemens Healthineers is the foundation of our actions.

1. **Protect the health and safety of our employees, contractors, and visitors**
2. **Minimize our impact on the environment and contribute to a sustainable future**
3. **Continuously improve environment, health, and safety throughout the product life cycle**
4. **Comply with EHS regulations**

The EHS management system of Siemens Healthineers (EHS MS) is designed to meet ISO 14001:2015 and ISO 45001:2018 requirements and is certified by a third party. All organizations of Siemens Healthineers have to implement and maintain a corresponding EHS MS. Every Business Area of Siemens Healthineers and every site within the Business Areas that meets the criteria are included on the third-party certificate²⁸). Not yet included are Varian and POC Epocal. They are already in the process of introducing the EHS MS and will soon be added.

Some country organizations are also within the scope of the global EHS MS third-party certification. Country organizations that choose not to implement the global EHS MS are still required to meet ISO 14001:2015 and ISO 45001:2018.

The health management strategy

The health management strategy of Siemens Healthineers is based on three principles and addresses five areas of health: medical service, physical fitness, mental well-being, nutrition, and healthy working environment.

The three principles are as follows:

1. Providing a healthy working environment:

At Siemens Healthineers we establish and maintain a healthy culture, provide healthy working conditions, and anticipate the challenges of a changing working environment and society. This includes empowering employees to take care of their own health. It is also about empowering and motivating managers to act as health ambassadors in their areas and to help create a culture of health awareness across the entire organization and at all hierarchical levels. We also make sure workplaces are ergonomically designed and we evaluate the possible impacts of new technologies, new ways of working, and societal change.

2. Protecting our employees:

We do this by identifying risks at an early stage to eliminate and minimize work-related health risks. We perform risk assessments to identify and mitigate health-related risks such as psychosocial risks, to investigate causes of occupational diseases or other work-related health issues, and to take appropriate mitigation action. We provide individual support through medical services and employee assistance programs. We run health prevention programs to maintain and improve employee productivity.

We support all employees with their individual needs by, for example, implementing return-to-work principles to reintegrate employees with long-term sicknesses. We also evaluate the individual needs of employees with disabilities and help them to capitalize on their strengths.

3. Promoting the health and well-being of our employees:

We encourage employee-driven health promotion activities that address areas such as physical exercise, healthy nutrition, mental wellbeing, and their interactions. We are forging a strong global health community and providing attractive opportunities for health promotion. We are examining and continuously improving structures, programs, and responsibilities, and developing data- and needs-driven health promotion activities and measuring their impacts. We provide evidence-based and high-quality health and well-being promotion programs and enable global and cross-functional collaboration and best-practice sharing.

Accident numbers and occupational illnesses

The number of work-related accidents resulting in lost workdays for employees increased from 145 in FY 2020 to 213 in FY 2021.

This equates to a lost time injury frequency rate/200,000 hours worked of 0.28 in FY 2020 and 0.31 in FY 2021. This is an increase of 3 percent. There were no fatalities in FY 2021.

In addition to local incident and accident management, our global focus lies on our Safety and Health Cultural Change program. The program aims to improve health and safety performance and fosters employee participation and empowerment that leads to ownership and leadership commitment. Besides incident prevention – for which continuous improvement of near-miss and good observations reporting is a key topic – the frontrunners of

the program are our Safety and Healthineers Culture Assessment initiative and our leadership engagement activities.

The assessment process involves evaluating 18 elements (six each for safety, shared, and health management) via three different surveys, interviews, and focus groups. All information is reviewed by a team of assessors who shine light on areas of opportunity and record best practices to share throughout Siemens Healthineers. After the assessment, the various sites and countries review, prioritize, and begin their journey of continuously improving their Safety and Healthineers Culture.

Our Safety and Healthineers Culture Assessments aim to align our health and safety culture across the business using a flexible hybrid approach to evaluate our cultural maturity by listening to the voice of our employees.

Change management requires simultaneous bottom-up and top-down approaches. Our leadership engagement workstream focusses on the latter and therefore on making sure leaders understand the importance of being the voice and face for health and safety. With our recent pilots on EHS walk and talks, which started in 2020, leaders visibly act as role models within the organization and continuously integrate health and safety content into their messaging and actions.

The number of occupational illnesses in relation to the number of employees continues to be low. We had overall 19 cases of occupational illness in several countries in FY 2021. This number covers more than 99% of our workforce.

Additional information can be found in the indicators long list (A.3 Our sustainability indicators longlist)

Governance

Page 84–101

5.0

Governance

**Compliance, integrity, fairness,
and responsibility in all our activities are
part of our DNA at Siemens Healthineers.**

We have strong ethical standards and engage everybody from our Managing Board and executive leadership to all our employees to ensure they are committed to them.

At Siemens Healthineers, our business is clean business. Respecting human rights is an integral part of our responsibility as a global business.

Sustainability in the supply chain requires strong collaboration with our suppliers. The Code of Conduct for Siemens Suppliers and Business Partners is primarily based on the principles of the UN Global Compact and the International Labour Organization, and is also reflected in our Business Conduct Guidelines.

5.1

Product quality and safety

No compromise on quality

"No compromise on quality" is deeply anchored in our culture and stands for the personal commitment of every Healthineer to focus on continuously improving customer satisfaction. This attitude is a prerequisite for a trustful relationship with our customers. Used as intended, our products, services, and solutions support physicians, medical staff, and health-care providers in the diagnosis and appropriate treatment of their patients.

High quality is a mandatory requirement to ensuring that healthcare products and related services comply with the stringent quality standards of authorities and other regulatory bodies in countries where our products are manufactured, exported, or imported. This is the baseline for clinical and economic efficiency because increasing cost pressure in the healthcare sector requires highly reliable, available, and secure solutions, and easily accessible services.

"No compromise on quality" is also an important criterion for market access. It demonstrates that quality and process assurance are systematically addressed and are in line with all applicable laws and regulations. This is key to safeguarding the health and safety of users, patients, and employees.

With the combination of Siemens Healthineers and Varian in FY 2021, a new Business Area joined our portfolio. To support consistent

compliance with quality and regulatory requirements, we have launched a project that focuses on these areas and integrates Varian staff into the international communities of Siemens Healthineers, such as regulatory affairs, labeling, and customer complaint handling.

During this initial phase, existing Varian processes were assessed for compliance. Currently, Varian uses its own setup of quality processes outside the global procedures of Siemens Healthineers for continuous and uninterrupted business. The new Varian Business Area, like many others at Siemens Healthineers maintains its own separate quality management system. By following the international quality management standard ISO 13485, Varian has the same strong regulatory foundation as all other manufacturing units of Siemens Healthineers. This provides compliance and reliability for our customers and business partners.

Siemens Healthineers and Varian are also looking actively into all opportunities to learn from each other and improve their processes and approaches.

By embedding all these needs into our quality management systems, continuously delivering high quality, and providing safe and effective products and services for our customers and patients, Siemens Healthineers is contributing to SDG 3 (good health and well-being).

Quality management at Siemens Healthineers

Quality management and regulatory compliance are essential for our business. Therefore, it is imperative for us to comply with the various international and national regulations that apply to the wide variety of medical and nonmedical products and services of our Company. Siemens Healthineers maintains an appropriate organizational structure to provide effective quality management systems (QMS) within our organizational units. The heads of organizational units are responsible for the QMS in their area of responsibility. They must maintain processes, products, and services in line with the principles of the quality policy. The Quality Heads of the units then are appointed by the heads of organizational units who have responsibility and authority, so that the QMS meets the unit's defined goals. The quality heads are responsible for ensuring that processes, products, and services in their unit correspond to the principles of our global quality policy. The quality heads are also tasked with ensuring the availability of qualified resources by arranging employee training on their special responsibilities, such as applicable quality procedures, product safety, and quality control.

The Quality Board of Siemens Healthineers is the highest coordinating and decision-making committee for quality matters and is situated below the Managing Board. It defines the common quality objectives and decides on common and binding quality requirements.

Training and education play a significant role in the safe and effective use of medical devices, reagents, and in vitro instruments. In addition to employee trainings to deliver the skills and foster adherence to processes, Siemens Healthineers also offers product and application trainings to its customers' clinical users and technical personnel. Safety-relevant aspects are integrated into the product and application trainings. Special topics are

designed as appropriate and needed, and delivered as separate safety trainings, e.g., for our MRI systems or radiation protection issues.

With the quality management approach of Siemens Healthineers, we aim to protect patients, users, and third parties, and to effectively implement measures to ensure that the products and services meet their intended use as specified. Due to the wide variety of our Company's medical and nonmedical products and services, and the fact that our units are spread around the world, we benefit from having individual quality management systems. They enable us to focus on country- and product-specific requirements while following the overarching quality policy and quality processes of Siemens Healthineers.

Quality policy and regulatory compliance

A global quality policy has been established. It addresses customers, products and processes, continuous improvement, creativity, and personal effort, and is aligned with the strategic direction of Siemens Healthineers. Based on the policy, the units implemented their QMS, meaning that applicable regulatory requirements and regulations of our target markets are fulfilled.

Our quality management systems, the quality policy, and internal quality management processes and procedures provide a strong framework for product and service development throughout the whole product life cycle.

Our manufacturing units are certified according to the international quality management standard ISO 13485, which covers the whole life cycle of our products from design and development to disposal from the market. Depending on the product portfolio and target markets, the manufacturing units follow additional national quality regulations and standards, such as the 21 CFR 820 Quality System Regulation

in the United States, RDC 16 in Brazil, Notice No. 64 in the People's Republic of China, and Ordinance No. 169 in Japan. The product portfolio of Siemens Healthineers is distributed to more than 180 countries worldwide and must consider the respective regulations in each of these. This approach is defined in the QMS of our individual units.

The process for clinical life cycle management includes the aspects of clinical evaluation, clinical development, clinical studies (see section 2.7 Leverage partnerships and collaboration for innovation), and post-market clinical follow-up. It is aligned with applicable regulatory requirements and internal processes such as product life cycle management and product risk management.

For the safety and effectiveness of our products, our manufacturing units follow process and product requirements such as the risk management standard ISO 14971 for product risk management, the IEC 60601 or IEC 61010 series for safety and essential performance of our products, and other international standards and national requirements in the country of the end user. Compliance is therefore a focus during the product development process; it involves using standards and maintaining the required evidence documentation. For product release, we verify whether the product meets the relevant national legislation in the country of the end user. For example, we have implemented the new European Medical Device Regulation (EU MDR) and are in the process of implementing the new European In-vitro Diagnostic Regulation (EU IVDR), which will come into effect in 2022. For the People's Republic of China, the newly published State Council Decree No. 739 on Medical Devices, which came into effect on June 1, 2021, was assessed by our experts. The orders subsequently released under the decree will then be evaluated and the requirements implemented in our regulatory processes.

The Indian Medical Device Rules 2017 are in the process of stepwise implementation as

notified in the Gazette of India. Our production facility in Bangalore successfully passed initial certification as a factory under the new rules. In addition, all registration applications for locally manufactured and imported products have been submitted since 2018, with the last wave sent to the authority in 2021.

An integrated management system is currently in the roll-out phase for our country organizations, which are performing sales and service activities. The incorporation into a Group-wide management system and review process that interacts with, for instance, compliance or Enterprise Risk Management (ERM), provides the management of Siemens Healthineers with a holistic view of our business.

The Managing Board and Quality Board of Siemens Healthineers are committed to maintaining and continuously enhancing quality and regulatory compliance by communicating to the organization the importance of meeting customer needs and applicable regulatory requirements, establishing our quality policy, ensuring that quality objectives are set, conducting management reviews and internal audits, and ensuring the availability of resources.

Quality objectives

The Quality Board defines common quality objectives which support the strategy of Siemens Healthineers and relate to compliance with regulatory requirements and quality. The objectives focus on areas such as corrective and preventive actions, nonconformance costs management, and digitalization. The objectives are defined as long-term targets, derived from the strategy and targets of Siemens Healthineers. In alignment with these overall quality objectives, the units define measurable quality objectives within their QMS. We ensure that quality objectives, including those needed to meet applicable regulatory requirements and requirements for products, are established at relevant levels within the organization.

One important objective is the timely and compliant evaluation of any customer complaints that come to our attention. This is ensured independently from the source of information, which can be any written, electronic, or oral communication that alleges deficiencies related to the identity, quality, durability, reliability, safety, effectiveness, or performance of a device (including software), after it is released for distribution.

Our global and standardized complaint handling process enables systematic recording and complaint processing in a uniform and timely manner. Our employees are trained on the sensitivity of this topic and have a basic understanding of how to identify, submit, and handle complaints based on their role and responsibility in the complaint handling process.

Depending on the categorization, complaints will be assessed and managed according to Group-wide guidelines and defined processes within our customer complaint handling management system. In case of relevant issues, the process is intended to bring back into specification products in forward production, the installed base, and services. These topics are also taken care of during new developments, fulfilling the state of the art. Complaints are carefully investigated, and properly documented, and appropriate actions are taken as needed. If applicable, we report Adverse Events and Field-Safety Corrective Actions to the regulatory authorities, in line with country-specific laws.

These processes are designed to meet current and future customer needs and the expectations of authorities.

Effectiveness of our quality management

To keep our QMS effective, we audit our process landscape regularly and with a risk-based approach. These internal audits are planned and performed by the competent and qualified auditors within the organization. Furthermore, our units are subject to audits and inspections by authorities and external parties such as U.S. Food and Drug Administration (FDA), European Notified Bodies, Medical Device Single Audit Program (MDSAP) recognized auditing organizations, and the NMPA in China (National Medical Products Administration). The results of the internal and external audits and inspections are documented, and corrections and preventive actions are performed if necessary. The corrective and preventive action process is used to address identified issues and to implement sustainable solutions. This process is also used for handling issues discovered by other processes such as manufacturing, calibration, or installation.

The processes of the QMS are continuously updated as needed and reviewed at different management levels. This review process allows the management to closely monitor the required product and service processes and determine activities where needed. Certain aspects, such as the results of internal and external audits, customer satisfaction, process performance, corrective and preventive actions, monitoring of the country-specific regulatory landscape, reporting to authorities, and post-market activities are part of the regular management reviews. We review risks and opportunities and consider them in the context of our organization, allocate and manage resources including training for quality-relevant activities, and assess the impact of changes on the effectiveness of the QMS. Relevant results of these activities are fed back into the management reporting cycle of the affected unit, allowing regular follow-ups.

If adjustments to the QMS are necessary, the affected unit uses the defined change management process to adapt its system. Changes are planned and evaluated for possible negative impacts on the QMS and products. Effectiveness is checked to ensure that the performance changes are working as planned.

With our management reviews, we confirm that the QMS are suitable, adequate, and effective, and are in alignment with the strategic direction of the organization.

Labeling for safe handling throughout the product life cycle

Labeling is an important part of creating a safe medical device. We have procedures in place so that user documentation and product labels contain the required information for all our products. Every single medical product from Siemens Healthineers is accompanied by relevant information needed to identify, operate, clean, disinfect, transport, store, and dispose of it safely and properly. Depending on the product, this information can be labeled directly on the product or packaging or included in the user documentation. Some markets, such as (but not limited to) the United States and the European Union, require the assignment of a unique device identifier (UDI). The UDI allows us to improve post-market traceability of our products and address the risk of falsified medical devices.

Since our products are used all around the world, we consider the knowledge and language of our customers so that we can produce user documentation to suit their needs. This strategy supports good comprehension of the labeling and safe use. And to make the user documentation readily available for registered customers, it can be found online in the Document Library of Siemens Healthineers and the MyVarian documentation library.

In respect of safe use in the context of, for instance, radiation safety or handling of certain substances, we follow a product risk

management process in line with ISO 14971 in our QMS. As well as mitigating risks to people, this also lessens risks to the environment, meaning we are reducing negative effects on our planet for all our medical products. This internal process gives input both to the design and the safety relevant information which is included in our user documentation and labels.

As an example, we can look at medical products with specific hazards such as the emission of X-ray radiation: With appropriate risk mitigation, radiation can be used to provide highly valuable diagnostic information. Therefore, our labeling material contains a description of this radiation and how to protect patients, users, and others from unwanted radiation.

Siemens Healthineers applies substances of concern in certain products and manufacturing processes. These substances are in many cases only used in very small quantities compared to other industries, and they often provide essential product functions for which no technical and/or more environmentally sound substitutes are available. Whenever feasible, we replace these substances by (re)design, balancing risks with the benefit for customers and patients. Controlling the risk by providing information about product ingredients, using labeling and other measures, and focusing on avoiding substances of concern in future products is therefore essential for our Company.

For this reason, we have had a chemical management system as part of our EHS management system in place since 2006. We systematically onboard suppliers using BOMcheck, an industry platform that is designed to increase the information about substances of concern in products, and that enables information exchange along the supply chain. We were one of the founding members of BOMcheck. In FY 2021 we added 33 new suppliers to BOMcheck and therefore achieved an 80-percent success rate with BOMcheck closure of new suppliers processed by the Center of Competence at Siemens Healthineers.

We provide information on product contents to individual customers upon request, and we are currently highly engaged in efforts to standardize these information requests across the industry. As a service for our customers, Siemens Healthineers provides information about substances of concern in hardware products using an internet-link under which detailed information is provided. Siemens Healthineers fulfills all applicable legal obligations such as the notification of "Substances of very high concern" (SVHC) to the European Chemicals Agency's SCIP database, where we participated in pilot user group. Also, the correct labeling and the management and providence of material safety data sheets is part of our standard procedures.

With our "Environmental Product Declarations" we do provide information on the material content as well as on the recyclability of our products and its packaging to customers.

The impact on humans and the environment of disposing of a medical product needs to be minimized as much as possible. For our customers, we provide information regarding the safe and environmentally sound disposal within the user documentation and, where applicable, via safety data sheets. This documentation is available for registered users via our Document Library. For downstream parties such as recycling companies, we provide the information on request.

Siemens Healthineers provides services to take back and refurbish or recycle our used medical devices to extend product life, conserve environmental resources, and protect the environment. Siemens Healthineers also provides the specific WEEE label, user documentation, and disposal instructions in accordance with European Directive 2002/96/EC on waste electrical and electronic equipment. Any disposal should be avoided if possible – for example, by designing waste out of the product and by

thoroughly considering the circularity of products. (see section 3.2 Transform toward a circular economy)

Customer satisfaction and continuous monitoring

Siemens Healthineers recognizes the voice of the customer as essential input for continuous improvement. Therefore, we have implemented several global customer feedback programs to gain systematic insights into our customer journeys. Regular surveys and ongoing dialogue help us to learn more about customer needs and to evaluate their general perception and opinions of us so that we can secure and grow our business.

To measure customer satisfaction and the quality of our partnerships, we use several KPIs, such as the Net Promoter Score (NPS) as an overarching feedback instrument. The question "How likely is it that you would recommend Siemens Healthineers to a colleague or business partner?" is integrated in various forms in all our customer satisfaction surveys. Insights for overall perception are supplemented with additional programs to collect feedback on, for instance, product, project, and service level or application trainings.

We constantly assess customer feedback and follow up on alerts to clarify, on a case-by-case basis, whether our customers need specific attention and care or whether any of the issues mentioned in the comments require immediate action or any further consideration. These communication loops are integrated into business-specific evaluation structures if the measures are product- or process-relevant, or embedded into Group-wide monitoring processes if a safety-related topic is found, for instance.

The incorporation into comprehensive monitoring secures the required transparency on quality topics and guarantees the stringent processing of received responses, and action on the insights gained.

5.2

Global release process

Siemens Healthineers is communicating in a highly regulated market, so all our employees need to ensure compliance with laws and regulations to protect the Company from business risks such as penalties, fines, and legal disputes.

The regulation that globally defines the requirements for external communication is **Quality Regulation 7 (QR 7)**. This covers all communication materials or content which is communicated externally, publicly available, and related to advertising and promotion.

Examples include

- medical devices,
- services, and/or
- technology

as regulated by healthcare-related authorities, such as Food and Drug Administrations (e.g. U.S.A. the FDA, NMPA, the European Commission, and/or specific EU member states.) The requirements of QR 7 are mandatory for all companies of Siemens Healthineers.

While the QR 7 defines the rules, each department must implement the requirements in its procedures.

The Release Office is responsible for coordinating the release of communication materials, marketing and sales materials, and cross-Business Area materials.

The Healthcare Release Tool (HRT) supports the global release process of Siemens Healthineers artifacts and is in alignment with the defined rules and regulations. It offers a release process in line with QR 7. Advertising and promotional material, related feedback, supporting documents, and approvals are stored in one place with a unique identifier (HOOD number) to document the complete release process.

The successful completion of HRT training is mandatory for any employee involved in releasing external healthcare communications materials. Access to the tool is restricted to users who are trained for roles such as Content Responsible and Submitter or Reviewing Expert and Approver.

For the release of all artifacts, the use of the Approval Tool is mandatory.

Within Siemens Healthineers the Quality (QT) Management has the mandate to assure the compliance to statutory requirements for Quality Management, National Medical Device, Pre- and Post-Market Regulations. To ensure process reliability, all quality-relevant Healthineers units are audited on a regular basis. The frequency of audits in an organization is determined on the basis of a risk assessment. The audit of the global release process usually takes place every year. If “deviations” (= non-conformities) are found during the audits, these are documented in the audit report. The non-conformities must be corrected under the supervision of QT. The audit reports are also made available to the operating units (Business Areas/Business Lines) so that they can carry out a risk assessment for themselves.

5.3

Responsibly grow long-term business value

The market environment in which Siemens Healthineers operates is subject to constant, fast, and significant changes. From climate change and shifts in demographics, to the shrinking accessibility of resources – changes in legislation, social structures, and financial potential can be both risks and opportunities for our business models.

We are able to manage these risks and opportunities with a sustainability-based, long-term business planning process that leverages insights from our ERM system. As part of this process, we identify untapped markets that we could potentially address. We also regularly scrutinize our portfolio of solutions and constantly optimize their customer value. Part of this value is about helping our customers to also be resilient to changes. To reliably provide systems, solutions, and services to our customers, Siemens Healthineers takes measures to operate an efficient and resilient supply chain.

Throughout the Upgrading phase of our Strategy 2025, enhancing our business value has been and will continue to be core to Siemens Healthineers. Growing our existing markets, entering adjacent fields, and creating new markets are key elements of the Upgrading phase to increase the value we can provide to societies. The acquisition of Varian in FY 2021 is a prime example of our progress in growing our markets and entering adjacent fields. These efforts are also supported by R&D activities in the fields of digitalization, artificial intelligence, and robotics (see section 2.2 Innovate through responsible digitalization and Artificial Intelligence).

We are securing a leading role in the field of clinical decision-making based on AI in the Imaging segment. In FY 2021, we finished developing the world's first photon-counting scanner, Naeotom Alpha. We moved into new clinical fields with the smallest and most lightweight whole-body MRI scanner, MAGNETOM Free.Max, and we launched Biograph Vision Quadra, an extended axial FoV PET/CT scanner. In addition, we added a pathway for lung cancer to our AI-based clinical decision support software and introduced a new remote scanning service, WeScan, for diagnostic imaging. This remote scanning service, introduced during the COVID-19 pandemic, helps healthcare providers to perform MRI examinations when they lack qualified radiology staff.

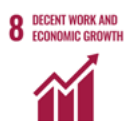
In the Diagnostics segment, we are exploiting the opportunities offered by automated workflows in laboratory diagnostics. In FY 2021, we launched the fully automated CN-3000 and CN-6000 systems with mid- and high-volume coagulation and the INNOVANCE Anti-Xa assay for automated heparin and direct oral anticoagulant testing. We released an AI-based COVID-19 severity algorithm²⁹ and achieved IVDR certifications to keep our in vitro diagnostics available throughout the EU.

In the Advanced Therapies segment, we continue to develop innovative technologies and services that promote image-guided clinical procedures. In FY 2021, we brought Corindus CorPath GRX vascular robotics solutions into operation in countries including India, Australia, Japan, and the Philippines. We also launched the Cios Flow mobile C-arm for secure and efficient work in the OR.

²⁹ The Atellica COVID-19 Severity Algorithm is intended for educational purposes only. It is not for clinical or patient care, diagnosis, treatment, or to cure or prevent any disease. Availability varies by country.

During the Upgrading phase, Siemens Healthineers aims to achieve comparable revenue growth of more than 5 percent per annum, and growth of adjusted basic earnings per share of around 10 percent per annum.

In pursuit of our goal of being a reliable partner to our customers and an innovative leader throughout the healthcare continuum, Siemens Healthineers plays a decisive role in reshaping the healthcare market and is contributing to



SDG 8: Decent work and economic growth

The Managing Board is responsible for our corporate strategy. The corporate strategy team facilitates the development and execution of strategy across the Company. They accomplish this by applying rigorous frameworks and tools for strategy development and execution. These tools range from fundamental situational and contextual analysis for strategy development to Hoshin Kanri planning for strategy execution. The corporate strategy team also analyzes the portfolio of Siemens Healthineers to assess its strength and identify potential market adjacencies that could result in future opportunities for mergers and acquisitions.

The Chief Technology Officer is responsible for developing our Technology & Innovation strategy and for driving its execution. The focus areas of innovation are discussed regularly with the Steering Board Innovation and Finance Committee.

Following the Hoshin Kanri methodology, the management teams of the Business Areas, Regions, Business Horizontals, and – optionally – the Functions are responsible for identifying their long-term (breakthrough targets; three-year horizon) and short-term (objectives;

yearly horizon) contributions to the corporate strategy. Strategy teams within the Business Areas, Regions, and Horizontals also have the mandate to drive the development and execution of strategy. After the year's objectives are developed, the breakthrough target owners and subteams within each organization develop the high-level activities and detailed action plans needed to achieve these targets. A set of KPIs with financial and nonfinancial targets is established to track the progress of strategy execution and create focus, transparency, and accountability.

In a "catch-ball" process there is an open feedback loop in which objectives are cascaded down and activities are developed to directly achieve the objectives. This results in an aligned deployment of strategy throughout the different levels of the organization. Progress within the activities and on achieving the objectives is monitored within each Business Area, Horizontal, and Region on a monthly basis throughout the year.

In each Business, the financial target setting is facilitated by our annual operating budget planning process. Near-monthly performance dialogues are conducted to keep track of the performance against budget and to define measures for cases of deviation.

We operate an efficient and resilient supply chain through a supplier code of conduct and risk management. A transition to even more remote service increases the resilience of our service activities.

Overall, Siemens Healthineers runs rigorous processes for its annual operating plan, portfolio planning, and people strategy (see also section 4.1 Invest in our people), which all contributes to responsibly growing the long-term business value of Siemens Healthineers. The effectiveness of these processes can be ultimately seen in how well we meet our externally communicated targets both financially and non-financially.

5.4

Clear leadership commitment

As a company, we acknowledge our duty to create a livable and sustainable environment for society as a whole. Accordingly, sustainability is both an integral part of our strategy and a prerequisite for our future viability.

Our vision is to address some of the greatest global challenges with our innovative products and services. To reflect this, the Managing Board and top management team are committed to sustainable leadership practices that will establish a culture of sustainability throughout the Company. Our approach to sustainability creates value for all: With our products, we help people all over the world live longer, healthier lives. We also aim to mitigate the fear of cancer and other serious illnesses.

Three sustainability goals therefore play a part in determining the long-term, share-based compensation awarded to the Managing Board and selected senior managers, demonstrating the commitment of Siemens Healthineers to sustainability.

Good corporate governance can contribute to progress on the UN SDGs in many ways. In particular, Siemens Healthineers is focusing on the fulfillment of SDG 16 (peace, justice and strong institutions).

Sustainability is an integral part of our values and therefore plays a key role in the strategy of Siemens Healthineers. We employ the Hoshin Kanri management method throughout our corporate hierarchy to help us achieve our strategic goals. This method translates the vision of Siemens Healthineers into concrete objectives that are assigned specific work packages. To deliver on these packages, our company works with dedicated execution methods such as agile visual management, value stream mapping, and structured

problem solving, which are all contained in our Healthineers Performance System. The approach enables us to focus all our activities on our strategic core objectives, including sustainability.

In FY 2020, we began consolidating sustainability-related activities at Siemens Healthineers in order to build an independent sustainability organization.

In FY 2021, we established our permanent Sustainability Organization. This unit is responsible for establishing the structures and processes needed to build a foundation for effective sustainability management throughout the Company and for integrating sustainability in the organization. Engaging in proactive dialogue with all internal and external stakeholders is an essential part of this task.

On an organizational level, the Sustainability Organization is part of the Board Office of Siemens Healthineers and a central component of the company structure.

Together, all our employees contribute to this goal – acting sustainably with outstanding dedication, intrinsic motivation, and a profound sense of responsibility to truly shape the future of healthcare.

Our Managing Board has a permanent contact for matters of sustainability: the Head of Sustainability reports to the Board, holding regular bi-weekly discussions and engaging with managers on the progress of our sustainability commitments. Therefore, a quarterly

report on the status of the core sustainability KPIs is provided. This will help us to transparently monitor and continually improve our performance. When it comes to our ambitious ESG targets, we have designated officers in each Business Area and at the regional level. Our entire organization actively supports and shapes the way our Company achieves its sustainability goals.

The Managing Board is responsible for developing sustainable business strategies at Siemens Healthineers.

The Sustainability Organization is also supported by the Sustainability Committee, which is comprised of senior managers from different areas of the Company. Members include representatives of Varian, and from other Business Areas and central Business Functions.

Varian has also incorporated a philosophy of sustainability throughout its organization.

Immediately following our combination with Varian, sustainability representatives from both organizations engaged in intensive dialogue about our ESG strategy. The materiality assessment for Siemens Healthineers, for instance, underwent scrupulous analysis to identify the impacts of the combination with Varian.

We believe every single employee can help make Siemens Healthineers more sustainable. That is why we support numerous employee initiatives, such as StepUp, a company-wide network for women at Siemens Healthineers. The network aims to increase female representation across all functions and levels by enabling, strengthening and nurturing diverse career opportunities and specific pathways for women. Such employee initiatives unite the Company's commitment to social responsibility with our employees' desire to engage more personally in social movements.

At Siemens Healthineers in Germany, the topic of employee initiatives is firmly embedded within the Arbeitsordnung of Siemens Healthcare GmbH and Siemens Healthineers AG. It expressly encourages our employees, as part of our global idea management program (the 3i program), to take the initiative to share and implement their ideas in the Company.

The 3i program has been established at Siemens Healthineers for many years. In the financial year 2021, 3,570 ideas have been implemented globally and saved €25,3 million.

To expand our employees' understanding of the topic of sustainability and the sustainable business strategies at Siemens Healthineers, we ran various communication activities in 2021. For instance, we launched a Sharepoint site containing all information on sustainability at Siemens Healthineers in February 2021 and released video statements on sustainability from more than 20 top- and mid-level managers. The Sustainability Office is currently developing a series of internal and external communication activities, designed to place more emphasis on ESG in the global organization.

5.5

Apply best business ethics through compliance

At Siemens Healthineers, our goal is to be a globally responsible partner in society by acting with integrity while pursuing our business objectives. Our commitment to ethical standards in all business interactions is the foundation of our Company.

Siemens Healthineers operates in many countries around the world – with our customers belonging to both the private and public sectors and covering a wide range of products. Our global business activities are subject to numerous national legal systems and various political, social, and cultural frameworks that are constantly changing. Accordingly, the environment in which Siemens Healthineers conducts its business and its compliance activities is complex.

We take a zero-tolerance approach to corruption and other violations of applicable laws or codes of conduct of industry associations of which we are a member. This applies in everything we do, be it sales, marketing, clinical trials, or manufacturing.

The compliance system of Siemens Healthineers

In order to fulfill our role as a responsible and trusted partner of society, Siemens Healthineers has set up a compliance management system which is based on the law, the codes of industry associations to which we belong, the Business Conduct Guidelines, and our compliance policies.

Our compliance management system is designed to ensure that our worldwide business practices comply with internal and external rules, and is based on the three pillars of prevention, detection, and response. Overall responsibility for compliance lies with the CEO and the heads of

the business units. They act as role models in matters of compliance and integrity. They also set the right tone so that all employees act appropriately. We set good examples to our customers, business partners, shareholders, and the wider global community by creating a working environment based on trust and collaboration, and by acting in accordance with our Business Conduct Guidelines.

Our Business Conduct Guidelines provide the ethical and legal framework for our Company. They are the foundation of all our decisions and activities and are key to integrity in business behavior. They contain the basic principles and rules for conduct within the Company, and for the Company's conduct in relation to its employees, managers, external partners, and the public. The Business Conduct Guidelines outline the Company's values and represent the core of the compliance rules of Siemens Healthineers. They are binding for the Managing Board and for all managers and employees worldwide. They are refreshed on a three-year basis.

Preventive measures include compliance risk management, the preparation of topic-specific guidelines and procedures, and comprehensive training and advising of our employees. Reporting channels for indications of compliance violations, such as the Let Us Know whistleblower system and the Ombudswoman, as well as professional and fair internal investigations, are essential for detecting and fully investigating misconduct. Clear reactions and clear consequences serve to punish such misconduct and to correct weaknesses. To ensure that our compliance management system is implemented worldwide in line with our requirements, our internal Audit Organization continuously conducts compliance checks and audits.

The global compliance structure at Siemens Healthineers combines strong governance with the deployment of trained compliance officers. Managers embody our commitment to compliance and ensure that business decisions and actions in their area of responsibility are always in line with applicable legal requirements, as well as our own policies and principles.

Compliance-System



- Anti-Corruption
- Antitrust
- Data Privacy
- Anti-Money Laundering
- Collective Action
- Export Controls and Customs (managed by SHS LC ECC)
- Human Rights

Compliance risk management

To be effective, our compliance management system adapts to business-specific risks and various local legal requirements. We also use the findings of compliance risk management, and compliance controls and audits to derive measures for further developing the compliance management system.

Early detection of compliance risks, especially in the areas of anti-corruption, anti-money laundering, anti-trust, data privacy, export control, and human rights enables us to make informed decisions about how best to avoid or reduce them. Bottom-up and top-down activities, business processes, and tools are designed and integrated to quickly and consistently identify and respond to potential risk scenarios. The latest compliance risk assessment for all business units and all Regions worldwide was carried out in FY 2020 and will be repeated every three years. The risks identified were addressed by local and central measures and reported in the enterprise risk management program where appropriate. The antitrust risk exposure assessment is also performed throughout the year for countries or business units that are selected using a risk-based approach by the Chief Compliance Officer, Legal, and the Head of Compliance responsible for the respective Zone of the selected country or for the business unit.

The Compliance Review Board (CRB) reviews and evaluates the effectiveness of the compliance management system on a regular basis. It is established at the corporate level for Siemens Healthineers AG and for every Zone. It meets each quarter of the Company's fiscal year.

In addition, current developments are systematically taken into account, such as compliance risks associated with new digital business models or COVID-19.

Cooperation with business partners

Cooperating with business partners (e.g., distributors, sales agents, customs clearing agents, consultants, consortium partners, and resellers) is part of our business. Their integrity is essential in protecting Siemens Healthineers from liability and reputational risks. Therefore, we ensure that the relationship with our business partners is responsibly evaluated, managed, and monitored throughout its duration. Both business partners and suppliers agree to follow the Siemens Group Code of Conduct for Suppliers and Third Party Intermediaries.

As mentioned before and under certain circumstances, Siemens Healthineers may also be held liable for the actions of its business partners. Possible risks include business partners engaging in illegal activities, such as misusing the business with Siemens Healthineers to gain unfair advantages for themselves or for Siemens Healthineers.

The management is fully responsible for the proper selection, onboarding, and monitoring of business partners on an ongoing basis, and owns the business partner relationship. Governance for this business partner management lies with Global Partner Management in Marketing & Sales. The Compliance Organization helps the management to safeguard effective business partner compliance.

This means that decisions about a business partner relationship must be transparent and risk-oriented, and based on state-of-the-art due-diligence compliance procedures of the highest quality. Depending on the risk classification of the business relationship and any identified risks, appropriate remedial measures are initiated. After successful completion of the due diligence, the business partner relationship must be continuously monitored by the respective business unit. This is supported by a tool-based, ongoing auditing and monitoring process.

Compliance training

In order to anchor compliance and integrity in the organization, both employees of Siemens Healthineers and the Compliance department are trained on compliance issues in a target Group-oriented and risk-based manner.

Knowledge in the fields of compliance is conveyed by means of mandatory in-person and web-based trainings on the topics of anti-corruption, money laundering, anti-trust, data protection, export control, and human rights.

In addition to the mandatory trainings, there is also further training material, which can be used with target groups and is available on the global learning platform. As a result of the global pandemic, many of the classroom trainings have been converted into virtual sessions for the current financial year, as this will allow the trainings to continue without interruption.

A successful example is the roll-out of the Business Conduct Guidelines Web-based Awareness training in FY 2021. It reached over 58,000 employees (w/o Varian) and achieved a 96-percent completion rate. It was provided in nine languages to reinforce the Business Conduct Guidelines.

In addition, Let's Talk (formerly Integrity Dialogue) is a short training format. It offers management the opportunity to exchange information with their teams on current compliance issues and to communicate and provide information about selected compliance topics in a targeted manner.

The planning and initiation of the training measures takes place in accordance with the regional circumstances. The tracking of mandatory training for the defined and regionally specified target groups is supported by a learning management system, and the implementation of the training requirements is regularly reported to the management of the respective unit.

Compliance metrics and Whistleblowers

Siemens Healthineers provides all employees and external third parties with protected reporting channels to report violations of external and internal rules using the “Let Us Know” reporting system. Messages generated in this way are forwarded to our Compliance organization and tracked. In addition, possible misconduct can also be reported directly to the compliance officers, human resources personnel or managers. Our employees regularly use these reporting channels.

In FY 2021, there were approximately 110 reported compliance cases that required further fact-reporting or investigation. The total number of disciplinary measures for compliance violations in the same time-frame was 18.

The number of disciplinary actions in a fiscal year does not necessarily relate to compliance cases reported during the same period: disciplinary actions are often not carried out in the year in which the underlying cases were reported or the investigation – which follows a careful process – was completed. In addition, a compliance case can lead to several or no disciplinary measures.

From our point of view, the results are a good indication that our Compliance Management System is properly designed and implemented effectively. Given the nature of our business, the framework in which we operate, and the large number of different geographic regions, we consider the number of these violations to be not uncommon.

Collective action and the integrity initiative of Siemens Healthineers

If progress is to be made in the fight against corruption and for fair competition, then many stakeholders must act together.

Since FY 2020 and throughout FY 2021, Siemens Healthineers has partnered with East China Normal University, which is working to provide students and professionals with a compliance curriculum to promote a compliance mindset in young generations. In addition, collective actions, like research papers and compliance meetings with public sector partners are organized to share compliance knowledge and industry best practices, covering gaps in legislation and participating in the regulatory process.

The collective action project also aims to create a fair and clean business environment in China through collaboration with industry players such as private-sector and state-owned enterprises in order to share compliance strategies, compliance landscapes, and best practices. The project focuses on developing the compliance capacity of Chinese companies.

We work with various interest groups and possible partners to create fair and equitable market conditions – in other words, a level playing field – for all marketplace participants and to eliminate the temptation of corruption for all those concerned.

The same applies for other parts of the world where Siemens Healthineers is conducting business.

For instance, for the past several years already, the Compliance Team in Latin America participates in the “Alliance for Integrity” founded and funded by the “Deutsche Gesellschaft für Internationale Zusammenarbeit.”

This Collective Action approach brings together all relevant stakeholders of the companies supply chain and provides a forum for dialogue, exchange on good practices and space to jointly craft innovative solutions to strengthen business integrity. To emphasize its message of transparency, integrity and multi-stakeholder cooperation, the Alliance for Integrity in collaboration with its partners carries out a global communication campaign. Its key message “Let’s build a sustainable economic future with equal opportunities for everyone” stresses the need for integrity and its benefits as well as the central role of cooperation.

Collective action has been a major factor for success in fighting corruption and strengthening integrity. While showcasing its own experiences, the Alliance for Integrity invites a diverse set of speakers, stakeholders and partners to reflect how collective action can be leveraged even further, which new and innovative ways of cooperation are possible, where potentials for upscaling and replications exist and how specific challenges of different actors can be taken into account.

A final example of how Siemens Healthineers and its Compliance Team is promoting integrity, ethical behavior and the fight against misconduct in the industry are our memberships in industry associations. Industry associations on national and international level developed codes of conduct to regulate all aspects of the industry’s relationship with Healthcare Professionals and Healthcare Organizations, to ensure that all interactions are always ethical and professional and to maintain the trust of regulators – and most importantly – the patients. Siemens Healthineers adheres to even voluntary restrictions such as the ban of direct sponsorships and is highly engaged in code related activities.

Fiscal Year 2021 and outlook

The compliance activities described above will continue to guide our work in the next fiscal year. Some of the priorities for FY 2022 will be further improvement of our business partner due diligence as well as making use of digitization for our compliance tasks, including artificial intelligence and data analysis for even better assessments of risk.

With the combination of Siemens Healthineers with Varian in FY 2021, we bring together two purpose-driven companies, by taking two leaps in one step: a leap in accelerating the fight against cancer and a leap in our impact on healthcare overall. Together, we will provide not only a comprehensive portfolio (from in vitro diagnostics to best-in-class imaging and therapy) that addresses the complete cancer care continuum, and a comprehensive compliance management system that covers new business aspects and challenges.

In addition, we regularly receive feedback from our employees through a global employee survey tool called the Healthineers Forum to further develop our compliance management system and learn from our employees’ views. We also plan to further expand on the topics of ethics and diversity as an organization – for instance, by providing employee e-learning, management workshops, and leadership team training for the future.

ESG disclosure appendix

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A.1

Ratings

External ratings help us measure our sustainability performance both globally and within our industry. They are increasingly required by markets and customers, are used by investors to assess our sustainability performance, and help us to benchmark against peers.

In the current year we were rated BB by MSCI and scored 20 points in the S&P Global rating, both of which spurred our ambition to achieve substantial improvement.

We improved our Sustainalytics sustainability risk rating to Medium (23.1), which moved us up to fourth place in the medical device industry in September 2021.

A.2

ESG reporting principles

Contribute to a regenerative and healthy environment

Greenhouse gas emissions

The principles and methods of the Greenhouse Gas Protocol were applied calculating the whole GHG inventory. The system boundaries of the GHG inventory were set following operational control.

Scope 1 and 2 emissions

The GHG inventory for Scope 1 and 2 was calculated following both the market-based and the location-based approach. The calculations of greenhouse gas emissions in this report – unless otherwise stated – are performed with the emission factors of the Federal Office for the Environment, Forests and Landscape, Switzerland (BUWAL) and the International Energy Agency (IEA). For the calculation of Scope 2 in the market-based approach, supplier-specific emission factors were applied. We report environmental data for continuing operations (data collection only for environmentally relevant sites). Extrapolation to 100% was applied to reflect complete consumption in our figures. The extrapolation factor was applied on square meters not being part of the reporting system. The difference amounts to 22% of the total square meters. For the calculation of extrapolated factors for non-reporting sites emission factors of the IEA were applied. The emission factors are expressed in CO₂ equivalents and consider besides carbon dioxide also all other significant greenhouse gases as defined under the Kyoto Protocol (methane, nitrous oxide as well as hydrofluorocarbons, perfluorocarbons and sulfur hexafluoride).

Biogenic emissions were not material and therefore not reported. Fugitive gases were not extrapolated for non-reporting sites.

Scope 3 emissions

The emission factors are expressed in CO₂ equivalents and consider besides carbon dioxide also all other significant greenhouse gases as defined under the Kyoto Protocol (methane, nitrous oxide as well as hydrofluorocarbons, perfluorocarbons and sulfur hexafluoride). Biogenic emissions were not material and therefore not reported.

Scope 3.1 emissions comprises emissions from purchased goods and services. These are calculated using a spend-based approach based on procurement data for the reporting year. In this, emission factors from Estell, using a multiregional input output model, were applied.

Scope 3.4 emissions comprises emissions from upstream logistics and distribution services. These are calculated using a spend-based approach according to procurement data for the reporting year. In this, emission factors from ESTELL, using a multiregional input output model, were applied.

Scope 3.6 emissions includes emissions resulting from business travel at Siemens Healthineers. This takes into account air travel including radiative forcing as well as rail transport and rental cars. Emissions were calculated according to the distance-based approach and using emission factors from DBEIS and the most sourced travel providers.

Scope 3.11 emissions includes emissions from the use phase of the products sold. Specific calculations are carried out for the product categories. The sales figures, region-specific electricity emission factors according to sales markets, and the product-specific energy and usage profiles are taken into account in the calculation. In this, country and region-specific emission factors of the International Energy Agency (IEA) were applied.

Environmental Portfolio – Reporting Principles

See here: [siemens-healthineers.com/eprp](https://www.siemens-healthineers.com/eprp)

Improving quality of life through access to care and innovation

Patient touchpoints in underserved countries³⁰

Underserved countries refers to a group of 90 countries based on the World Bank definition as low-income and lower-middle income economies plus Siemens Healthineers specific additions in Africa and conflict regions in the Middle East. Touchpoints are calculated based on Installed Base of Imaging and Advanced Therapy equipment and on number of laboratory tests sold. Based on available utilization data and expert opinions, calculation assumes an average of 2,800 touchpoints p.a. per installed unit of Imaging and Advanced Therapy equipment, respectively an average number of 3.6 laboratory tests required for one touchpoint.

AI-supported products

We consider commercial products or offerings which have at least one identifiable and differentiating AI enabled feature embedded in them. We consider AI enabled system to generally exploit human intelligence to help solving a specific task. AI-supported product offerings with similar core technologies but various deployment scenarios (e.g., cloud versus workstation, live versus post-processing) are counted as separate entities.

Revenue from innovations³¹

Innovation revenue refers to the share of revenue that companies have generated from enhanced or entirely new products that have been introduced to the market in the last three years. This includes new and upgraded products, as well as software version upgrades and software products that are continually improved. Service, Enterprise Services and Varian are out of scope. The share is determined by comparing the innovation revenue with the total relevant product revenue.

³⁰ Excluding Business with COVID-19 Antigen Tests

³¹ Excluding Business with COVID-19 Antigen Tests

Advance diversity and inclusion and drive employee engagement

Women in senior management

The term “senior manager” as reference to a specific group of managers is not uniformly defined but varies from company to company. Siemens Healthineers associates it with positions that have a particularly high level of responsibility and decision-making authority and are crucial to the Company’s success. Two aspects are given consideration when filling these positions: First, the importance of the position within the Company, and second, the candidate’s profile. Among other things, the position should have a significant strategic role in the Company’s own organization, a substantial amount of autonomy and freedom to make decisions, and a strong focus on mid-/long-term thinking. Candidates are expected to clearly demonstrate contribution to Siemens Healthineers Strategy, have a special impact for a sustainable business and be able to fulfill the requirements of the Siemens Healthineers leadership model. Depending on the role (Business Manager, Project Manager, Function or Key Expert), the weighting may vary.

Employee Engagement Index

The Engagement Index is calculated by an independent third party provider. The Index is the aggregated score of the following questions relating to engagement and is based on the eNPS (employee Net Promoter Score) methodology:

- How likely is it you would recommend Siemens Healthineers as a place to work?
- How likely is it that you would stay with Siemens Healthineers, if you were offered the same job at another organization?
- Overall, how satisfied are you working for Siemens Healthineers?
- How likely is it you would recommend Siemens Healthineers products or services to friends and family?

The engagement score is calculated by averaging each employee’s overall score, that is based on the average of each employee’s latest score per engagement question.

A.3

Our sustainability indicators

Non-Financial Indicators	Scope	Fiscal year Sept. 30 th	Unit	Data baselining for Siemens Healthineers sustainability disclosure			
				FY18	FY19	FY20	FY21
Improve access to care							
Patient touchpoints in underserved countries	90 underserved countries	Fiscal year	Million patient touchpoints	152	172	147	174 ✓
Innovate through responsible digitalization and AI							
Revenue from innovations introduced in the last three years	Total	Fiscal year	% Share of product revenue	~25%	~35%	~40%	43% ✓
Number of AI-supported product offerings	Total	Fiscal year	No.	43	48	63	64 ✓
R&D employees	Total	Fiscal year	No. (12-months average)	6,733	7,491	7,983	8,154
Granted patents and registered utility models	Total	Sept. 30 th		12,950	13,607	13,471	13,737
Combat climate change by reducing emission (1)							
Revenue from environmental portfolio	Total	Fiscal year	Billion €	2.9	3.3	3.2	3.3
Scope 1 – Direct GHG emissions	Total	Fiscal year	kt CO ₂ e	n/a	138	105	106 ✓
Scope 1 – Direct GHG emissions	thereof by natural gas	Fiscal year	kt CO ₂ e	n/a	63	48	46
Scope 1 – Direct GHG emissions	thereof by fuel oil	Fiscal year	kt CO ₂ e	n/a	0.2	0.2	0.4
Scope 1 – Direct GHG emissions	thereof by fleet	Fiscal year	kt CO ₂ e	68	60	52	54
Scope 1 – Direct GHG emissions	thereof by fugitive gases	Fiscal year	kt CO ₂ e	n/a	14	5	5

				Data baselining for Siemens Healthineers sustainability disclosure			
Non-Financial Indicators	Scope	Fiscal year Sept. 30 th	Unit	FY18	FY19	FY20	FY21
Combat climate change by reducing emission (2)							
Scope 2 – Energy indirect GHG emissions	Total (market-based)	Fiscal year	kt CO ₂ e	127	60	36	39 ✓
Scope 2 – Energy indirect GHG emissions	thereof electricity (market-based)	Fiscal year	kt CO ₂ e	n/a	54	26	28
Scope 2 – Energy indirect GHG emissions	thereof district heating (market-based)	Fiscal year	kt CO ₂ e	n/a	7	10	10
Scope 2 – Energy indirect GHG emissions	Total (location-based)	Fiscal year	kt CO ₂ e	n/a	185	203	206 ✓
Scope 2 – Energy indirect GHG emissions	electricity (location-based)	Fiscal year	kt CO ₂ e	n/a	167	181	178
Scope 2 – Energy indirect GHG emissions	district heating (location-based)	Fiscal year	kt CO ₂ e	n/a	18	22	28
Scope 3 – Other indirect GHG emissions	Total	Fiscal year	kt CO ₂ e	n/a	3,005	2,921	3,243
Scope 3 – Other indirect GHG emissions ³²	thereof purchased goods and services	Fiscal year	kt CO ₂ e	n/a	1,517	1,533	1,722
Scope 3 – Other indirect GHG emissions ³²	thereof upstream transportation and distribution	Fiscal year	kt CO ₂ e	n/a	296	329	377
Scope 3 – Other indirect GHG emissions	thereof business travel w radiative forcing	Fiscal year	kt CO ₂ e	n/a	171	91	46
Scope 3 – Other indirect GHG emissions	business travel w/o radiative forcing	Fiscal year	kt CO ₂ e	n/a	73	38	22
Scope 3 – Other indirect GHG emissions	thereof use of sold products	Fiscal year	kt CO ₂ e	n/a	1,021	968	1,099
GHG emissions intensity (emissions per revenue)	Scope 1 and Scope 2	Fiscal year	kt CO ₂ e / million €	n/a	0.01	0.01	0.01
GHG emissions intensity (emissions per revenue)	Scope 3	Fiscal year	kt CO ₂ e / million €	n/a	0.21	0.20	0.18
Number of charging poles on company ground	Total	Sept. 30 th	No.	n/a	n/a	n/a	277
Number of vehicles – Siemens Healthineers fleet	Total	Fiscal year	No.	n/a	n/a	10,660	10,862

³² Only partly comparable due to changes in methodology.

Non-Financial Indicators	Scope	Fiscal year Sept. 30 th	Unit	Data baselining for Siemens Healthineers sustainability disclosure			
				FY18	FY19	FY20 ³³	FY21
Combat climate change by reducing emission (3)							
GHG emissions from electricity consumption	Germany	Fiscal year	kt CO ₂ e	4.9	4.1	0.1	0.2
GHG emissions Scope 3 (from logistics) ³⁴	Total	Fiscal year	kt CO ₂ e	n/a	296	329	377
GHG emissions Scope 3 (from logistics) ³⁴	thereof air transport	Fiscal year	kt CO ₂ e	n/a	182	228	246
GHG emissions Scope 3 (from logistics) ³⁴	thereof road transport	Fiscal year	kt CO ₂ e	n/a	110	93	122
GHG emissions Scope 3 (from logistics) ³⁴	thereof ocean transport	Fiscal year	kt CO ₂ e	n/a	4	9	9
Energy consumption: Primary energy	Total	Fiscal year	1,000 Gigajoule	928	1,081	904	859
Energy consumption: Primary energy	therein gas & liquid gas	Fiscal year	1,000 Gigajoule	889	1,044	888	836
Energy consumption: Primary energy	therein fuel oil, gasoline, diesel	Fiscal year	1,000 Gigajoule	39	37	3	5
Energy consumption: Secondary energy	Total	Fiscal year	1,000 Gigajoule	1,576	1,566	1,614	1,632
Energy consumption: Secondary energy	thereof electricity (total)	Fiscal year	1,000 Gigajoule	1,379	1,386	1,450	1,424
Energy consumption: Secondary energy	therein electricity from renewable sources	Fiscal year	1,000 Gigajoule	500	505	1,253	1,201
Energy consumption: Secondary energy	thereof district heating	Fiscal year	1,000 Gigajoule	197	180	164	207
Renewable energy use	Total	Fiscal year	1,000 Gigajoule	555	579	616	625
Non-renewable energy use	Total	Fiscal year	1,000 Gigajoule	1,559	1,706	1,715	1,646
Volatile organic compounds	Total	Fiscal year	Metric tons	47	43	41	35
Ozone depleting substances	Total	Fiscal year	Metric tons (R11 equivalent) ³⁵	0.07	0.06	0.05	0.01

³³ FY 2020 comp. figures updated due to change in methodology in FY 2021.

³⁴ Previous year figures only partly comparable due to changes in scope.

³⁵ R11 equivalent measures ozone depletion potential.

Non-Financial Indicators	Scope	Fiscal year Sept. 30 th	Unit	Data baselining for Siemens Healthineers sustainability disclosure			
				FY18	FY19	FY20	FY21
Transform towards a circular economy							
Life-Cycle-Assessments Full scale LCA	Total	Fiscal year	No.	4	7	11	15
Life-Cycle-Assessments Full scale LCA ³⁶	Total	Fiscal year	No.	35	50	56	49
Total LCA (Full scale & Screening)	Total	Fiscal year	No.	39	57	67	64
Environmental Product Declarations (EPD) ³⁷	Total	Fiscal year	No.	37	49	55	49
Additional environmental KPIs (1)							
Waste	Total	Fiscal year	1,000 metric tons	21.4	22.3	44.6	25.3
Waste	thereof non-hazardous waste – total	Fiscal year	1,000 metric tons	17.9	18.5	21.8	21.9
Waste	thereof non-hazardous waste – total	Fiscal year	1,000 metric tons	2.6	3.3	4.0	3.1
Waste	thereof hazardous waste – disposal	Fiscal year	1,000 metric tons	0.7	1.3	1.8	1.2
Waste	thereof hazardous waste – reuse/ recycling/ recovery	Fiscal year	1,000 metric tons	2.0	2.1	2.2	1.9
Waste	thereof construction waste	Fiscal year	1,000 metric tons	0.8	0.5	18.8 ³⁸	0.3
Waste	Total w/o. construction waste	Fiscal year	1,000 metric tons	20.6	21.8	25.8	25.0
Waste	therein recycled/reused/ recovered waste	Fiscal year	1,000 metric tons	17.0	17.7	21.2	20.5
Recycling rate	Recycled waste	Fiscal year	% of total waste (w/o construction)	83%	81%	82%	82%
Water consumption	Total	Fiscal year	Mio. cubic meters	1.11	1.14	1.14	1.16
Water consumption	thereof freshwater use	Fiscal year	Mio. cubic meters	1.11	1.14	1.14	1.16
Water consumption ³⁹	thereof ground & surface water for cooling	Fiscal year	Mio. cubic meters	0.00	0.00	0.00	0,00

³⁶ Reason for decrease: Discontinued products and some KEAs not verified for updated product version yet.

³⁷ Reason for decrease: Discontinued products and some EPDs not fulfilling EHS requirements anymore.

³⁸ Reason for increase: Building extension at one of our sites.

³⁹ Updated water input metric reported from one of our sites.

Non-Financial Indicators	Scope	Fiscal year Sept. 30 th	Unit	Data baselining for Siemens Healthineers sustainability disclosure			
				FY18	FY19	FY20	FY21
Additional environmental KPIs (2)							
Wastewater	Total	Fiscal year	Mio. cubic meters	1.08	1.11	1.08	1.14
Wastewater	thereof employee facilities	Fiscal year	Mio. cubic meters	0.55	0.56	0.55	0.54
Wastewater	thereof manufacturing processes	Fiscal year	Mio. cubic meters	0.18	0.19	0.19	0.19
Wastewater	thereof other (including losses)	Fiscal year	Mio. cubic meters	0.30	0.31	0.29	0.35
Wastewater	thereof cooling water discharged as wastewater	Fiscal year	Mio. cubic meters	0.04	0.04	0.06	0.07
Wastewater	Total wastewater (w/o returned cooling water)	Fiscal year	Mio. cubic meters	1.08	1.11	1.08	1.14
Wastewater	Cooling water (returned unchanged)	Fiscal year	Mio. cubic meters	0.00	0.00	0.00	0.00

Expand diversity and inclusion (1)

Number of employees	Total	Sept. 30 th	No.	49,959	52,018	54,276	55,526
Number of employees	EMEA	Sept. 30 th	% Share of total employees	44%	45%	45%	45%
Number of employees	Americas	Sept. 30 th	% Share of total employees	31%	29%	29%	29%
Number of employees	Asia/Australia	Sept. 30 th	% Share of total employees	25%	26%	26%	26%
Number of employees	Workers (Blue-collar)	Sept. 30 th	% Share of total employees	13%	13%	13%	13%
Number of employees	Officer (White-collar)	Sept. 30 th	% Share of total employees	87%	87%	87%	87%
Number of employees	age < 35 – total	Sept. 30 th	% Share of total employees	28%	29%	28%	28%
Number of employees	age 35–44 – total	Sept. 30 th	% Share of total employees	30%	30%	31%	31%
Number of employees	age 45–54 – total	Sept. 30 th	% Share of total employees	24%	23%	23%	22%
Number of employees	age > 54 – total	Sept. 30 th	% Share of total employees	18%	18%	18%	18%

Non-Financial Indicators	Scope	Fiscal year Sept. 30 th	Unit	Data baselining for Siemens Healthineers sustainability disclosure			
				FY18	FY19	FY20	FY21
Expand diversity and inclusion (2)							
Number of employees	age < 35 – EMEA	Sept. 30 th	% Share of EMEA employees	23%	24%	25%	25%
Number of employees	age 35–44 – EMEA	Sept. 30 th	% Share of EMEA employees	29%	29%	30%	30%
Number of employees	age 45–54 – EMEA	Sept. 30 th	% Share of EMEA employees	29%	27%	26%	25%
Number of employees	age > 54 – EMEA	Sept. 30 th	% Share of EMEA employees	20%	20%	20%	20%
Number of employees	age < 35 – Americas	Sept. 30 th	% Share of Americas employees	19%	20%	20%	20%
Number of employees	age 35–44 – Americas	Sept. 30 th	% Share of Americas employees	26%	26%	26%	26%
Number of employees	age 45–54 – Americas	Sept. 30 th	% Share of Americas employees	27%	26%	26%	26%
Number of employees	age > 54 – Americas	Sept. 30 th	% Share of Americas employees	28%	28%	29%	29%
Number of employees	age < 35 – Asia/Australia	Sept. 30 th	% Share of Asia/ Americas employees	48%	47%	45%	43%
Number of employees	age 35–44 – Asia/Australia	Sept. 30 th	% Share of Asia/ Americas employees	36%	37%	38%	39%
Number of employees	age 45–54 – Asia/Australia	Sept. 30 th	% Share of Asia/ Americas employees	13%	13%	14%	14%
Number of employees	age > 54 – Asia/Australia	Sept. 30 th	% Share of Asia/ Americas employees	3%	3%	3%	4%
Number of employees	therein retiring within next 5 years (= age > 54)	Sept. 30 th	No.	9,063	9,414	9,778	10,062
Number of employees nationalities	Total	Sept. 30 th	No.	119	120	128	129
Average age employees	Total	Sept. 30 th	No.	43	42	42	42
Female employees	Total	Sept. 30 th	No.	14,799	15,724	16,517	17,112
Female employees	Total	Sept. 30 th	% Share of total employees	30%	30%	31%	31%
Female employees	EMEA	Sept. 30 th	% Share of EMEA employees	28%	29%	30%	30%
Female employees	Americas	Sept. 30 th	% Share of Americas employees	33%	34%	34%	34%

Non-Financial Indicators	Scope	Fiscal year Sept. 30 th	Unit	Data baselining for Siemens Healthineers sustainability disclosure			
				FY18	FY19	FY20	FY21
Expand diversity and inclusion (3)							
Female employees	Asia/Australia	Sept. 30 th	% Share of Asia/ Australia employees	28%	28%	29%	29%
Employees in management positions	Total	Sept. 30 th	No.	5,338	5,925	6,303	6,565
Employees in management positions	therein female employees	Sept. 30 th	No.	1,148	1,327	1,450	1,588
Female employees in senior management	Total	Sept. 30 th	% Share of total senior management	14.2%	16.2%	16.9%	19.9% ✓
Employees – use of working hour programs	Part-time	Sept. 30 th	No.	2,042	2,129	2,242	2,353
Employees – use of working hour programs	On leave of absence	Sept. 30 th	No.	840	894	902	969
Number of disabled employees	Germany	Sept. 30 th	No.	718	744	765	768
Advance our people (1)							
Employee engagement index	Total	Fiscal year	Index points	n/a	n/a	8.2	8.2 ✓
Employee engagement index	Total	Fiscal year	Positioning versus benchmark	n/a	n/a	Top 25%	Middle Range ✓
Employees with permanent working contract	Total	Sept. 30 th	No.	45,610	47,889	49,808	50,801
Employees newly hired	Total	Fiscal year	No.	4,751	5,810	5,217	5,620
Employees newly hired	thereof EMEA	Fiscal year	% Share EMEA new hires to total new hires	30%	38%	40%	36%
Employees newly hired	thereof Americas	Fiscal year	% Share of Americas new hires to total new hires	32%	28%	29%	30%
Employees newly hired	thereof Asia/Australia	Fiscal year	% Share of Asia/ Australia new hires to total new hires	37%	34%	30%	34%
Employees newly hired	Female employees – total	Fiscal year	% Share of female new hires to total new hires	34%	36%	35%	35%
Employees newly hired	Female employees – EMEA	Fiscal year	% Share of female new hires in EMEA	31%	36%	35%	40%

Non-Financial Indicators	Scope	Fiscal year Sept. 30 th	Unit	Data baselining for Siemens Healthineers sustainability disclosure			
				FY18	FY19	FY20	FY21
Advance our people (2)							
Employees newly hired	Female employees – Americas	Fiscal year	% Share of female new hires in Americas	37%	37%	38%	35%
Employees exits	Total	Fiscal year	No.	-3,784	-3,767	-3,539	-4,407
Employees exits	thereof decision employee	Fiscal year	No.	-2,107	-2,118	-1,721	-2,562
Employees exits	thereof other reasons (= not decision employee)	Fiscal year	No.	-1,677	-1,649	-1,818	-1,845
Employees exits	therein dismissals (part of “other reasons”)	Fiscal year	No.	-676	-583	-627	-368
Employees holding own company stocks	Total	Sept. 30 th	No.	20,541	24,353	27,087	28,807
Number of employees	Germany	Sept. 30 th	No.	13,020	13,653	14,211	14,462
Employees with collective bargaining agreement	Germany	Sept. 30 th	No.	12,637	13,319	13,870	14,118
Contractually agreed weekly working hours	Total	Sept. 30 th	No. (average)	39.4	39.4	39.4	39.4
Contractually agreed weekly working hours	EMEA	Sept. 30 th	No. (average)	37.7	37.7	37.7	37.7
Contractually agreed weekly working hours	Americas	Sept. 30 th	No. (average)	40.5	40.6	40.6	40.6
Contractually agreed weekly working hours	Asia/Australia	Sept. 30 th	No. (average)	40.9	41.0	41.0	41.0
Apprentices	Total	Fiscal year	No.	n/a	652	554	614
Apprentices and dual students	Germany	Fiscal year	No.	471	516	421	436
Apprentices and dual students	thereof for third parties	Fiscal year	No.	4	4	5	3
Apprentices and dual students	thereof internally	Fiscal year	No.	467	512	416	433
Apprentices and dual students	therein new apprentices	Fiscal year	No.	118	132	142	126
ITA International Tec development program participants	Total	Fiscal year	No.	3	2	1	22
ITA International Tec development program – number of participants countries	Total	Fiscal year	No.	1	1	1	1

Non-Financial Indicators	Scope	Fiscal year Sept. 30 th	Unit	Data baselining for Siemens Healthineers sustainability disclosure			
				FY18	FY19	FY20	FY21
Advance our people (3)							
Spent on employee training	Total	Fiscal year	Million €	65	72	57	59
Spent on employee training and education (development)	Total	Fiscal year	Million €	n/a	85	68	71
Number of training hours	Total	Fiscal year	No. (million)	n/a	n/a	2.1	1,7
Average training hours per employee	Total	Fiscal year	No.	n/a	n/a	38	31,4
Apply best business ethics through compliance (1)							
Environment-related incidents	Total	Fiscal year	No.	1	0	1	2
Number of relevant (=reported) sites	Total	Sep. 30 th	No.	n/a	n/a	35	36
Sites with EHS management system certified to ISO 14001:2015	Total	Fiscal year	No.	19	20	30 ⁴⁰	30
Internal EHS Audits	Total	Fiscal year	No.	14	17	14	13
Fatalities – work related	Total	Fiscal year	No.	n/a	n/a	0	0
Fatalities – work related	therein contractors	Fiscal year	No.	0	0	0	0
Fatalities – work related	therein temporary workers	Fiscal year	No.	n/a	n/a	0	0
Fatalities – work related	therein Siemens Healthineers employees	Fiscal year	No.	0	0	0	0
Fatality rate	therein temporary workers	Fiscal year	No.	n/a	n/a	0	0
Fatality rate	therein Siemens Healthineers employees	Fiscal year	No.	n/a	n/a	0	0
Working hours	Total (Siemens Healthineers employees and temporary workers)	Fiscal year	Million h	n/a	n/a	n/a	138.8
Working hours	thereof Siemens Healthineers employees	Fiscal year	Million h	92.7	98.4	103.0	110.5
Working hours	thereof temporary workers	Fiscal year	Million h	n/a	n/a	n/a	28.2
Lost time injuries	Total (Siemens Healthineers employees and temporary workers)	Fiscal year	No.	n/a	n/a	n/a	213

⁴⁰ New calculation based on Cority sites as of FY20.

Non-Financial Indicators	Scope	Fiscal year Sept. 30 th	Unit	Data baselining for Siemens Healthineers sustainability disclosure			
				FY18	FY19	FY20	FY21
Apply best business ethics through compliance (2)							
Lost time injuries	thereof Siemens Healthineers employees	Fiscal year	No.	180	179	145	191
Lost time injuries	thereof temporary workers	Fiscal year	No.	n/a	n/a	n/a	22
Lost time injury frequency rate (LTIFR)	Total (Siemens Healthineers employees and temporary workers)	Fiscal year	Lost time injuries per 200.000 working hours	n/a	n/a	n/a	0.31
Lost time injury frequency rate (LTIFR)	thereof Siemens Healthineers employees	Fiscal year	Lost time injuries per 200.000 working hours	0.39	0.36	0.28	0.35
Lost time injury frequency rate (LTIFR)	thereof temporary workers	Fiscal year	Lost time injuries per 200.000 working hours	n/a	n/a	n/a	0.16
High-consequence work-related injuries (excluding fatalities)	therein Siemens Healthineers employees	Fiscal year	No.	n/a	n/a	n/a	10 ⁴¹
High-consequence work-related injuries (excluding fatalities)	therein temporary workers	Fiscal year	No.	n/a	n/a	n/a	0
High-consequences injuries Rate	therein Siemens Healthineers employees	Fiscal year	No.	n/a	n/a	n/a	0.02
Recordable injuries (LTC + RWC + MTC + Fatalities)	Total (Siemens Healthineers employees and temporary workers)	Fiscal year	No.	n/a	n/a	n/a	458
Recordable injuries (LTC + RWC + MTC + Fatalities)	therein Siemens Healthineers employees	Fiscal year	No.	n/a	n/a	n/a	399
Recordable injuries (LTC + RWC + MTC + Fatalities)	therein temporary workers	Fiscal year	No.	n/a	n/a	n/a	59
Recordable injuries	Therein Injury type #1	Fiscal year	No.	n/a	n/a	n/a	Cut, Laceration, Puncture
Recordable injuries	Therein Injury type #2	Fiscal year	No.	n/a	n/a	n/a	Contusion, Crush or Bruise
Recordable injuries	Therein Injury type #3	Fiscal year	No.	n/a	n/a	n/a	Sprain, Strains

⁴¹ Due to adjustments of the reporting method in FY21, the figure may be incomplete.

Non-Financial Indicators	Scope	Fiscal year Sept. 30 th	Unit	Data baselining for Siemens Healthineers sustainability disclosure			
				FY18	FY19	FY20	FY21
Apply best business ethics through compliance (3)							
Total recordable injury rate	Total (Siemens Healthineers employees and temporary workers)	Fiscal year	No.	n/a	n/a	n/a	0.66
Total recordable injury rate	therein Siemens Healthineers employees	Fiscal year	No.	n/a	n/a	n/a	0.72
Total recordable injury rate	therein temporary workers	Fiscal year	No.	n/a	n/a	n/a	0.42
Reported cases of occupational illness	Selected Countries	Fiscal year	No.	n/a	n/a	n/a	19 ⁴²
Occupational illness frequency rate (OIFR) – Siemens Healthineers	Selected Countries	Fiscal year	Cases per million working hours	n/a	n/a	n/a	0.17
Supplier quality audits with sustainability questions	Total	Fiscal year	No.	241	238	251	298
Supplier quality audits with sustainability questions	thereof EMEA	Fiscal year	No.	146	104	104	115
Supplier quality audits with sustainability questions	thereof Americas	Fiscal year	No.	86	79	80	89
Supplier quality audits with sustainability questions	thereof Asia/Australia	Fiscal year	No.	9	55	67	94
External sustainability audits	Total	Fiscal year	No.	33	31	27	31
External sustainability audits	thereof EMEA	Fiscal year	No.	4	5	2	4
External sustainability audits	thereof Americas	Fiscal year	No.	4	6	4	3
External sustainability audits	thereof Asia/Australia	Fiscal year	No.	25	20	21	24
Agreed improvement measures out of external audits	Total	Fiscal year	No.	848	652	563	616
Agreed improvement measures out of external audits	thereof Legal & Compliance	Fiscal year	No.	172	138	102	117
Agreed improvement measures out of external audits	thereof basic human rights	Fiscal year	No.	272	193	190	262
Agreed improvement measures out of external audits	thereof prohibition child labor	Fiscal year	No.	6	12	5	5
Agreed improvement measures out of external audits	thereof Health & Safety	Fiscal year	No.	308	249	219	196

⁴² Due to changes in the IT system of the employers' liability insurance association in Germany, the majority of data for Germany in 2021 has not been integrated in their system yet and could not be reported. Therefore, neither a complete absolute number of OD nor a valid OIFR calculation could be derived for the reporting period.

Non-Financial Indicators	Scope	Fiscal year Sept. 30 th	Unit	Data baselining for Siemens Healthineers sustainability disclosure			
				FY18	FY19	FY20	FY21
Apply best business ethics through compliance (4)							
Agreed improvement measures out of external audits	thereof	Fiscal year	No.	49	22	18	12
Agreed improvement measures out of external audits	environmental protection	Fiscal year	No.	41	38	29	24
Number of compliance cases reported	thereof	Fiscal year	No.	n/a	n/a	84	110
Number of disciplinary sanctions	supply chain	Fiscal year	No.	32	77	47	18
Number of disciplinary sanctions	thereof warnings	Fiscal year	No.	17	52	11	7
Number of disciplinary sanctions	thereof dismissals	Fiscal year	No.	7	7	16	10
Number of disciplinary sanctions	thereof others	Fiscal year	No.	8	18	20	1
Donations	Total	Fiscal year	Million €	4.2	4.3	4.5	9.5
Donations	thereof EMEA	Fiscal year	Million €	0.7	0.4	1.0	2.0
Donations	thereof Americas	Fiscal year	Million €	2.8	3.0	2.6	2.3
Donations	thereof Asia / Australia	Fiscal year	Million €	0.7	0.8	0.9	5.2

Responsibly grow long-term business value

Net Income per employee	Total	Fiscal year	Thousand €	27.1	31.5	26.9	26.5 ⁴³
Purchasing Volume (PVO)	Total	Fiscal year	Million €	5,700	6,400	6,600	7,500
Purchasing Volume (PVO)	Emerging markets	Fiscal year	Million €	1,200	1,300	1,400	1,600
Number of strategic (>10.000 € annual volume) suppliers	Total	Sept. 30 th	No.	30	27	23	25
Number of countries with Siemens Healthineers (strategic) suppliers	Total	Sept. 30 th	No.	n/a	127 (42)	127 (42)	137 (32)

⁴³ Including Varian.

A.4

GRI Standards – Key topics

The Sustainability Report 2021 of Siemens Healthineers has been prepared in accordance with the GRI Standards: “Core” option. The reported GRI topics are based on

our materiality analysis. This analysis was conducted in FY 2020 and was reviewed for relevancy and adjusted accordingly in August 2021, after the acquisition of Varian.

Number	Topic	GRI Standards	Sustainability Development Goals	Chapter page
0.2	About this report	GRI 102-45, GRI 102-46, GRI 102-48, GRI 102-49, GRI 102-50, GRI 102-51, GRI 102-52		4
1	Siemens Healthineers and sustainability			
1.1	Our purpose	GRI 102-14, GRI 102-15	SDG 3	7
1.2	Siemens Healthineers at a glance	GRI 102-1, GRI 102-2, GRI 102-3, GRI 102-4, GRI 102-5, GRI 102-6, GRI 102-7, GRI 102-8, GRI 102-9, GRI 102-10, GRI 102-14		8
1.4	Our sustainability strategy	GRI 102-14, GRI 102-15	SDG 3	14
1.4.1	Materiality assessment	GRI 102-42, GRI 103-1, GRI 103-2		14
1.4.3	In dialogue with our stakeholders for sustainability	GRI 102-12, GRI 102-13, GRI 102-40, GRI 102-42, GRI 102-43, GRI 102-44		20
1.4.4	Our sustainability management, governance and organization	GRI 102-18, GRI 102-20		24
2	Innovation drives our mission			
2.1	Improve access to care	GRI 102-15, GRI 102-33, GRI 103-2	SDG 3, SDG 17	28
2.2	Innovate through responsible digitalization and Artificial Intelligence		SDG 3, SDG 9	36
2.2.1	Cybersecurity	GRI 102-11, GRI 418-1		42
2.2.2	Data Privacy	GRI 418-1		42
2.2.3	Personalize healthcare	GRI 102-15, GRI 103-1, GRI 103-2, GRI 103-3	SDG 3	44
2.5	Transform towards preventive care	GRI 102-15, GRI 103-1, GRI 103-2, GRI 103-3	SDG 3	46
2.6	Leverage partnerships and collaboration for innovation	GRI 102-31, GRI 103-1, GRI 103-2, GRI 103-3		47

Number	Topic	GRI Standards	Sustainability Development Goals	Chapter page
3	Environment			
3.1	Combat climate change by reducing emissions	GRI 103-1, GRI 103-2, GRI 103-3; GRI 306-2a, GRI 308-1, GRI 403-1	SDG 7, SDG 8, SDG 9, SDG 11, SDG 12, SDG 13	52
3.2	Transform towards a circular economy	GRI 103-1, GRI 103-2, GRI 103-3, GRI 306-2a	SDG 8, SDG 12	60
4	Social			
4.1	Invest into our people	GRI 103-1, GRI 103-2, GRI 103-3		68
4.1.1	Jobs and job creation in a dynamic environment	GRI 401, GRI 404	SDG 8, SDG 9	68
4.1.2	Attracting and retaining talent	GRI 103-1, GRI 103-2, GRI 103-3, GRI 404, GRI 405,	SDG 8	69
4.2	Expand diversity and inclusion	GRI 103-1, GRI 103-2, GRI 103-3, GRI 405-1	SDG 5, SDG 10	72
4.3	Employee engagement	GRI 103-1, GRI 103-2, GRI 103-3		74
4.4	Respect human rights	GRI 102-41, GRI 103-1, GRI 103-2, GRI 103-3, GRI 412-2, GRI 412-3	SDG 8, SDG 16	77
4.5	Occupational health and safety	GRI 403-9, GRI 403-10	SDG 8	81
5	Governance			
5.0	Governance	GRI 102-18, GRI 416-2	SDG 16	84
5.1	Product quality and safety	GRI 102-11, GRI 103-1, GRI 103-2, GRI 103-3, GRI 416-1, GRI 416-2, GRI 417-1, GRI 417-2,		86
5.2	Global release process	GRI 416-1, GRI 416-2		92
5.3	Responsibly grow long-term business value	GRI 102-11, GRI 103-1, GRI 103-2, GRI 103-3	SDG 8, SDG 12	93
5.4	Clear leadership commitment	GRI 102-14, GRI 102-18, GRI 103-1, GRI 103-2, GRI 103-3	SDG 8	95
5.5	Apply best business ethics through compliance	GRI 102-11, GRI 102-16, GRI 102-17, GRI 103-1, GRI 103-2, GRI 103-3		97
A	Appendix			
	Appendix	GRI 102-53		
A.4	GRI Standards/GRI content index	GRI 102-54, GRI 102-55		119
A.6	Independent auditor's limited assurance report	GRI 102-56		124
A.8	Further information and information resources	GRI 102-53		127

A.5

United Nations Global Compact

Communication on progress:

Siemens Healthineers is a signatory to the United Nations Global Compact and subscribes to its Ten Principles.

We publish our progress report annually as part of our sustainability reporting

Index of the Ten Principles of the Global Compact

Principle	Systems	Measures	Achievements
Principle 1 Businesses should support and respect the protection of internationally proclaimed human rights.	Our commitment to respecting human rights is anchored in the Siemens Healthineers Business Conduct Guidelines (BCGs), which clearly state: "We respect the personal dignity, privacy, and personal rights of every individual."	The following fundamental rights are enshrined in our Business Conduct Guidelines: <ul style="list-style-type: none"> → No discrimination, respect for the principles of equal opportunity, and equal treatment 	In the year under review, the number of supplier quality audits with integrated sustainability questions added up to 298 (FY 2020: 251, and 31 external sustainability audits were conducted. We agreed on 616 improvement measures from the external audits.
Principle 2 Businesses should make sure that they are not complicit in human rights abuses.	As the BCGs are our ethical and legal framework, positioning human rights is a core element in how we want to conduct our business and is binding for all managers and employees worldwide. Human rights are therefore highlighted in our internal regulations wherever applicable.	<ul style="list-style-type: none"> → Free choice of employment (no forced labor) → Prohibition of child labor → Decent wages → Freedom of collective bargaining and association → Compliance with safety rules 	KPIs: Agreed improvement measures from external audits: human rights, 262
Principle 3 Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.			Supplier quality audits with sustainability questions: 298 (2019: 251)
Principle 4 Businesses should uphold the elimination of all forms of forced and compulsory labor.	With the Code of Conduct for suppliers of Siemens Healthineers and Third Party Intermediaries we ensure that these basic rights and principles are also observed in our sustainable supply chain.	The Code of Conduct for Siemens Suppliers and Third Party Intermediaries encompasses the following human rights topics: <ul style="list-style-type: none"> → Fair labor conditions (pay, working hours, vacation) → Right to freedom of association → Responsibility for health and safety standards → Prohibition of discrimination → Prohibition of forced labor and child labor → Provision of anonymous complaint mechanisms 	Links: 4.4 Respect human rights 5.5 Apply best business ethics through compliance
Principle 5 Businesses should uphold the effective abolition of child labor.			

Index of the Ten Principles of the Global Compact

Principle	Systems	Measures	Achievements
Principle 6 Businesses should uphold the elimination of discrimination in respect of employment and occupation.	We do not tolerate discrimination and have anchored this in our Business Conduct Guidelines. At Siemens Healthineers, diversity stands for the inclusion of and collaboration between different ways of thinking, backgrounds, experiences, competences, and individual qualities across all levels and dimensions of the company. We actively foster diversity within the company by creating a working environment that is open to all people.	<p>In addition to primarily regional measures, central measures have been strengthened in recent years. Diversity has also been increasingly integrated into HR processes. Programs and interventions focused on unconscious-bias awareness were at the forefront of management training. The Businesses and Regions focused on exchange programs and coaching communities to promote young regional talent and prepare them for international management.</p> <p>For the global topic (increasing the proportion of women in management positions), progress on the target is reviewed regularly and recorded centrally.</p> <p>Understanding our employees' perceptions of the inclusive culture is already part of the biweekly feedback opportunities offered through the Healthineers Forum.</p>	<p>KPIs:</p> <ul style="list-style-type: none"> Female employees Employees in management positions Number of employees with disabilities Female employees in senior management
Principle 7 Businesses should support a precautionary approach to environmental challenges.	Siemens Healthineers has an EHS management system in place to manage its environmental performance. All relevant production and office sites are obliged to implement an environmental management system which fulfills the requirements of the internationally recognized ISO 14001 standard.	<p>We aim to be carbon neutral in our own operations by 2030.</p> <p>Our Product Eco Excellence program optimizes the environmental performance of our products across all phases of the life cycle and focuses on increasing energy efficiency, keeping the use of hazardous substances to an absolute minimum, and extending the useful life of products and components.</p> <p>Our Serve the Environment program aims to mitigate the environmental impact of our business activities at our various sites.</p> <p>In 2021 we increased our commitment by joining the Science Based Targets initiative. In addition to becoming carbon neutral in our own operations</p>	<p>KPIs:</p> <ul style="list-style-type: none"> GHG Scope 1 and 2 emissions (= GHG from own operations) <p>Links:</p> <ul style="list-style-type: none"> 3. Contribute to a regenerative and healthy environment

Index of the Ten Principles of the Global Compact

Principle	Systems	Measures	Achievements
Principle 8 Businesses should undertake initiatives to promote greater environmental responsibility.	Raising our employees' awareness of environmental and climate protection is part of both our environmental strategy and our social commitment. With internal communication measures, we help create a greater sense of responsibility for ecological issues.	We exchange information with each other via the intranet in various internal groups to ensure that knowledge about environmental management, methods, solutions, and experiences is communicated.	There are several initiatives, such as various initiatives to get employees cycling and Employees for Future, that are designed to raise awareness and give employees the opportunity to be more sustainable.
Principle 9 Businesses should encourage the development and diffusion of environmentally friendly technologies.	As a global healthcare company, we develop and market products, solutions, and services that enable our customers to reduce their carbon emissions, lower life cycle costs, and protect the environment.	We continuously review our portfolio with regards to newly developed or acquired portfolio elements that qualify for our environmental portfolio or exclude elements that no longer fulfill our qualification criteria.	KPIs: Environmental Product Declarations Links: 3. Contribute to a regenerative and healthy environment
Principle 10 Businesses should work against corruption in all its forms, including extortion and bribery	Our Business Conduct Guidelines contain the fundamental principles and rules for our conduct within Siemens Healthineers and in relation to our customers, external partners, and the general public. They also express our values and form the basis for detailed internal regulations. The Business Conduct Guidelines are binding for all Siemens employees around the world. Our compliance system is designed to ensure that our business practices worldwide comply with these guidelines and follow applicable laws. It is therefore based on the three pillars of prevent, detect, and respond, and covers the activity fields of anticorruption, anti-money laundering, antitrust, collective action, data privacy, export control, and human rights.	At Siemens Healthineers, we take a zero-tolerance approach to corruption and other breaches of applicable law and our Business Conduct Guidelines. If these do occur, we respond consistently and vigorously. Our compliance priorities are → Foster Integrity; → Manage Risk and Assurance; → Effective Processes; → Excellent Compliance Team; → Committed to Business. The Compliance Review Board reviews and evaluates the effectiveness of the compliance system on a regular basis.	Roll-out of the Business Conduct Guidelines Web-based Awareness training in FY 2021 that reached over 58,000 employees with an 96,2 percent completion rate. A compliance risk assessment for all business units and all Regions worldwide was carried out in FY 2020. The risks identified were addressed by local and central measures and reported in our Enterprise Risk Management program where appropriate.

A.6

Independent auditor's limited assurance report

To Siemens Healthineers AG, Munich

We have performed a limited assurance engagement on the disclosures marked with the symbol ✓ (hereafter "the disclosures") in the Sustainability Report of Siemens Healthineers AG ("the Company") for the reporting period from October 1, 2020 to September 30, 2021 (hereafter the report).

Our engagement exclusively relates to the disclosures marked with the symbol ✓ in the English PDF-version of the report. The report is published as a PDF-version at: siemens-healthineers.com/sustainability

Management's responsibility

The legal representatives of Siemens Healthineers AG are responsible for the preparation of the report in accordance with the Sustainability Reporting Standards of the Global Reporting Initiative (hereafter GRI criteria) and for the selection of the information to be assessed.

This responsibility includes the selection and application of appropriate methods to prepare the report as well as making assumptions and estimates related to individual sustainability disclosures which are reasonable in the circumstances. Furthermore, the legal representatives are responsible for such internal controls that they have considered necessary to enable the preparation of a report that is free from – intended or unintended – material misstatement.

Auditor's declaration relating to independence and quality control

We are independent from the Company in accordance with the provisions under German

commercial law and professional requirements, and we have fulfilled our other professional responsibilities in accordance with these requirements.

Our audit firm applies the national statutory regulations and professional pronouncements for quality control, in particular the by-laws regulating the rights and duties of Wirtschaftsprüfer and vereidigte Buchprüfer in the exercise of their profession [Berufssatzung für Wirtschaftsprüfer und vereidigte Buchprüfer] as well as the IDW Standard on Quality Control 1: Requirements for Quality Control in audit firms [IDW Qualitätssicherungsstandard 1: Anforderungen an die Qualitätssicherung in der Wirtschaftsprüferpraxis (IDW QS 1)].

Auditor's responsibility

Our responsibility is to express a limited assurance conclusion on the disclosures based on the assurance engagement we have performed.

We conducted our assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised): "Assurance Engagements other than Audits or Reviews of Historical Financial Information", issued by the International Auditing and Assurance Standards Board (IAASB). This Standard requires that we plan and perform the assurance engagement to obtain limited assurance about whether the disclosures have been prepared, in all material respects, in accordance with the reporting criteria. In a limited assurance engagement the assurance procedures are less in extent than for a reasonable assurance engagement and therefore a substantially lower level of assurance is obtained. The assurance procedures selected depend on the auditor's professional judgment.

Within the scope of our assurance engagement, which has been conducted between October and November 2021, we performed amongst others the following assurance and other procedures:

- Inquiries of employees responsible for the preparation of the disclosures in order to assess the sustainability reporting system, the data capture and compilation methods as well as internal controls to the extent relevant for the limited assurance of the disclosures,
- Identification of likely risks of material misstatement with regards to the disclosures,
- Inspection of the relevant documentation of systems and processes for compiling, aggregating and validating relevant sustainability data in the reporting period and testing such documentation on a sample basis,
- Inquiries and inspection of documents on a sample basis relating to the collection and reporting of sustainability data related to the disclosures,
- Analytical measures at Group level and at the level of the Business Lines and Business Areas regarding the quality of the reported data,
- Evaluation of the presentation of the disclosures in the report.

Assurance conclusion

Based on our assurance procedures performed and assurance evidence obtained, nothing has come to our attention that causes us to believe that the disclosures marked with the with the symbol ✓ in the Sustainability Report of Siemens Healthineers AG for the period from October 1, 2020 to September 30, 2021 have not been prepared, in all material respects, in accordance with the GRI criteria.

Munich, November 23, 2021

Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

Dr. Eisele
Wirtschaftsprüfer
(German Public Auditor)

Johne
Wirtschaftsprüferin
(German Public Auditor)

Intended use of the assurance report

We issue this report on the basis of the engagement agreed with Siemens Healthineers AG. The assurance engagement has been performed for the purposes of the Company and the report is solely intended to inform the Company as to the results of the assurance engagement and must not be used for purposes other than those intended. The report is not intended to provide third parties with support in making (financial) decisions.

Engagement terms and Liability

The "General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften [German Public Auditors and Public Audit Firms]" dated 1 January 2017 are applicable to this engagement and also govern our relations with third parties in the context of this engagement (www.de.ey.com/general-engagement-terms). In addition, please refer to the liability provisions contained there in no. 9 and to the exclusion of liability towards third parties. We assume no responsibility, liability or other obligations towards third parties unless we have concluded a written agreement to the contrary with the respective third party or liability cannot effectively be precluded.

We make express reference to the fact that we do not update the assurance report to reflect events or circumstances arising after it was issued unless required to do so by law. It is the sole responsibility of anyone taking note of the result of our assurance engagement summarized in this assurance report to decide whether and in what way this result is useful or suitable for their purposes and to supplement, verify or update it by means of their own review procedures.

A.7

Notes and forward-looking statements

This document contains statements related to our future business, financial performance, and future events or developments involving Siemens Healthineers that may constitute forward-looking statements. These statements can be identified by words such as “expect,” “look forward to,” “anticipate,” “intend,” “plan,” “believe,” “seek,” “estimate,” “will,” “project,” or words of similar meaning. We may also make forward-looking statements in other reports, prospectuses, presentations, material delivered to shareholders, and in press releases.

In addition, our representatives may from time to time make oral forward-looking statements. Such statements are based on the current expectations and certain assumptions of the management of Siemens Healthineers, of which many are beyond the control of Siemens Healthineers.

These are subject to a number of risks, uncertainties and factors, including, but not limited to, those described in disclosures, in particular in the chapter “Report on material risks and opportunities” in the Annual Report.

Should one or more of these risks or uncertainties materialize, should events of force majeure such as pandemics occur, should underlying expectations including future events occur at a later date or not at all, or should assumptions prove incorrect, actual results, performance, or achievements of Siemens Healthineers may (negatively or positively) vary materially from those described explicitly or implicitly in the relevant forward-looking statement.

Siemens Healthineers neither intends nor assumes any obligation to update or revise these forward-looking statements in light of developments which differ from those anticipated.

This document includes supplemental financial measures that are or may be alternative performance measures (non-GAAP measures).

These supplemental financial measures should not be viewed in isolation or as alternatives to measures of Siemens Healthineers in terms of net assets and financial positions or results of operations as presented in accordance with the applicable financial reporting framework in its Consolidated Financial Statements.

Other companies that report or describe similarly titled alternative performance measures may calculate them differently.

Due to rounding, numbers presented throughout this and other documents may not add up precisely to the totals provided, and percentages may not precisely reflect the absolute figures.

On account of certain regional limitations of sales rights and service availability, we cannot guarantee that all products included in this report are available through the Siemens sales organization worldwide. Availability and packaging may vary by country and are subject to change without prior notice. Some/all of the features and products described herein may not be available in the United States or other countries. If special disclaimer apply it will be indicated in a footnote on the respective page.

A.8

Further information and information resources

Additional information

The Siemens Healthineers Annual Report 2021 is available at:
[siemens-healthineers.com/annual-report-2021](https://www.siemens-healthineers.com/annual-report-2021)

Further sustainability information

Further information on our commitment to sustainability
and additional sustainability-related indicators are available at:
Sustainability ([siemens-healthineers.com/sustainability](https://www.siemens-healthineers.com/sustainability))

Further information on research, development, and innovation
at Siemens Healthineers is available at: Innovations with impact
([siemens-healthineers.com/innovations](https://www.siemens-healthineers.com/innovations))

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