

10 February 2021 AGM Siemens Energy: Answers of the Executive Board (*in italics*) to questions of the Dachverband der kritischen Aktionärinnen und Aktionäre [excerpt].

Wind turbines from Siemens Gamesa, now a subsidiary of Siemens Energy, are located in the part of Western Sahara occupied by Morocco. International courts have repeatedly made it clear that Western Sahara is not part of Moroccan territory and that it is an occupation in violation of international law. Any projects affecting the territory of Western Sahara require the prior consent of the recognised representation of the Sahrawi people. Siemens Gamesa has not yet obtained this permission. In early September 2020, Siemens Gamesa confirmed the order for the 300MW Boujdour wind farm in Moroccan-occupied Western Sahara. Norway's largest private asset manager Storebrand has now excluded not only Siemens Gamesa but also Siemens Energy from its portfolio explicitly because of concerns under international law.

1. Does Siemens Energy share Siemens Gamesa's geographical assessment that the wind farm is to be located in "the South of Morocco", thus contradicting the view of the UN and the European Court of Justice? On what legal basis has Siemens Energy arrived at its assessment?
2. Does Siemens Energy know if Siemens Gamesa has obtained the consent of the Sahrawi people for its activities with respect to the wind farm, as required by international law in a non-self-governing territory such as Western Sahara? If not, on what legal basis is Siemens Energy conducting business in Western Sahara?
3. The contract for the Boujdour wind farm was signed with the company Narvea, which is owned by the Moroccan king. In this way, Siemens Gamesa ensures that the king, who is politically responsible for the occupation of Western Sahara, can personally profit from the occupation. Is this stabilisation of the occupation, which is contrary to international law, ethically justifiable from Siemens Energy's point of view?
4. In November 2020, a group of members of the European Parliament warned Siemens of "serious legal and moral risks" in doing business in Western Sahara. Why did Siemens Energy ignore this warning and continued to pursue these deals?
5. The first consequences of this decision are already becoming apparent: in January 2021, Norway's largest private asset manager, Storebrand, excluded Siemens Energy and Siemens Gamesa from its portfolio due to concerns with regards to international law for business in the Moroccan-occupied Western Sahara. How high does Siemens Energy assess the risk that other investing companies will follow Storebrand's example?
6. On November 18, 2020, UN-recognized representative of the Saharawi people, the Polisario Front, declared all of Western Sahara a war zone and called on all foreign companies to immediately cease doing business in the occupied territories. Will Siemens Energy heed this call from the people of Western Sahara?
7. Following the withdrawal of Norwegian asset manager Storebrand, will you review Siemens Gamesa's activities and plans in Western Sahara?
8. According to the information available to us, the employment rate of Sahrawi workers is 2 percent; these are only secondary jobs. How many Sahrawi workers does Siemens Gamesa employ?

We received numerous questions about Western Sahara. Siemens Gamesa has supplied equipment for a wind farm in this region and provides maintenance services for it. The questions addressed to us included aspects of territorial claims, involvement of the local population and investor reactions.

First of all, it is important to underline that Siemens Energy holds 67% of the shares of Siemens Gamesa Renewable Energy. This leads us to consolidate both financial results and non-financial issues in our reporting, such as earnings releases, annual reports and sustainability reports. Nevertheless, Siemens Gamesa Renewable Energy remains an independent, stock exchange listed company. As a matter of policy, Siemens Energy and Siemens Gamesa do not take positions on matters of international public law. We are aware that the territory of Western Sahara is disputed and that the UN has considered the zone a non-self-governing territory since 1963. Siemens Energy and Siemens Gamesa Renewable Energy have neither the mandate nor the ability to take an independent position on such matters or to express recognition under international law or to confirm a territorial status. These matters, in our view, fall entirely within the domain of governments and institutions with the appropriate political capacity, as well as other international organizations. We support the position of the international community and the UN, which have expressed the hope for a peaceful solution. We are determined to continue and monitor developments in the field of human rights. Regarding the status of Western Sahara, the participation of Siemens Gamesa in the construction of a wind farm project does not constitute an act of recognition of the Western Sahara region as part of the Moroccan territory. Siemens Energy and Siemens Gamesa Renewable Energy recognize that this situation requires a political solution involving governments, not companies. Siemens Gamesa Renewable Energy offers wind turbines for projects in the Western Sahara region, developed by private investors and in accordance with applicable laws and are owned by them. In terms of the peoples' right to self-determination, the installation and operation of a wind farm does not prevent the local population from enjoying this right, as the project does not cut itself off from basic services or institutions and does not destroy existing infrastructure. The external legal opinion reviewed in February 2020, in line with Siemens Gamesa Renewable Energy's commitment to the UN Guiding Principles on Business and Human Rights and the OECD Guiding Principles, reaffirmed SGRE's position on the compliance of its activities in Western Sahara with applicable law. Siemens Energy and SGRE continue to continuously monitor progress and developments in the region together with their customers. The local population of Western Sahara is expected to benefit from access to electricity through SGRE's contribution to green technologies. SGRE follows its employment policy of hiring local labor first whenever possible for its projects. This involves not only part-time or secondary employment, but also subcontracting or hiring locals internally on a full-time basis. For example, for the construction of Tarfaya, situated above Western Sahara, 30% Sahrawi labor was hired and in Aftissat 40% of the total workforce was also Sahrawi. Siemens Gamesa Renewable Energy recently partnered with non-governmental organizations High Atlas Foundation and Santé Sud on local programs focused on water access systems, local health and education projects. For the water access project, a canal was built along with drinking water towers and pumps to provide a water supply for the nomadic population in the Boujdour region, powered by solar panels. Siemens Gamesa and the High Atlas Foundation also conducted an environmental campaign with 17 schools in Boujdour, focusing on workshops with one thousand students on environmental awareness, waste management and tree planting activities. SGRE engaged with Sahrawi representatives present in the region. Siemens Gamesa Renewable Energy has not held talks with political representatives outside the government. It is not SGRE's role to engage in political debates and seek political approval for the wind farm project. In this sense, it is reiterated that SGRE's involvement is limited to the supply, installation, commissioning and maintenance of the wind turbines and that the legal obligations related to the project development are the responsibility of the customer. As a signatory to the UN Global Compact, Siemens Energy and SGRE are committed to respecting international human rights and we closely follow progress and developments in the region and globally. We fully respect the decision of Storebrand, Norway's largest private asset manager, based on the Norwegian authorities' recommendation requesting the private sector to refrain from any agreements, including investments, in Western Sahara.