For Siemens, promoting integrity means acting in accordance with our values – responsible, excellent and innovative – wherever we do business. A key element of integrity is compliance, which means for us: adherence to the law and to our own internal regulations. We have zero tolerance for corruption and violations of the principles of fair competition. Preventing misconduct before it occurs is our primary goal. When we can’t prevent wrongdoing in individual cases, we investigate and take rigorous disciplinary action irrespective of the people involved or their positions.

Our Business Conduct Guidelines describe how we fulfill our compliance-related responsibilities. They’re also an expression of our values and lay the foundation for our own internal regulations. For us, compliance is not just a program but the way we do business and uphold integrity at our Company. Our compliance system instills a permanent awareness of these responsibilities in all our managers and employees. We actively support the ratification and enactment of the United Nations Convention against Corruption, which provides important guidance for our entire organization.

B.3.1 Our compliance priorities

In fiscal 2011, we focused our compliance activities on four priorities that provide the basis for the ongoing development of our compliance system. This approach has proven its worth. Our compliance priorities take into account and fulfill the continuously evolving requirements in the field of compliance – requirements that are the result of our own compliance work, on the one hand, and of changing market conditions, on the other.

We’ve revised our compliance priorities for fiscal 2013:

> Stand for integrity
> Committed to business
> Manage risk and assurance
> Focus on efficiency

The following topics will also be the focus of our activities in fiscal 2013.

B.3.2 Integrity dialogue – Communication between managers and employees

We keep managers and employees in areas with high risk profiles up to date on the latest compliance requirements. This is an established and key element of our preventive measures. For us, strengthening our managers’ personal responsibility for compliance is vital. That’s why we strive to ensure their commitment to our compliance goals and help them foster integrity visibly and energetically.

The principle is simple. First, Compliance Officers train the top managers in their respective units. These managers then train their immediate subordinates, who, in turn, train those under them. This compliance training is integrated into already scheduled meetings and personal discussions and, thus, increases the importance of dialogue between managers and their teams. Business units select the training materials from a catalogue of modules that’s available Company-wide and supplement these with specific compliance-related topics relevant for their own businesses.
We’ll begin introducing our integrity dialogues Company-wide in fiscal 2013. Compliance Officers will support managers throughout the process. They’ll also support the business units in selecting the employees for whom participation in compliance training programs and integrity dialogues is obligatory. Managers will select participants on the basis of Company-wide regulations, taking into account, among other things, the results of compliance risk assessments (CRAs) – a process that will enhance both management responsibility for compliance and the business-specific and risk-related orientation and efficiency of our entire compliance system.

B.3.3 Compliance risk assessments at business units

Initiating effective measures to detect and minimize compliance-related risks in business operations at an early stage is the heart of a successful compliance system. Our assessment and monitoring processes are being further improved by our CRAs. In use since the beginning of fiscal 2012, the CRA process improves the links between compliance and business operations at Siemens.

Every year, the CEOs of our business units meet with other key managers and the relevant Compliance Officers to systematically determine the compliance-related risks at their respective units. The compliance-related risks identified in the process are then assessed and measures for reducing them defined. The resulting analyses are incorporated into the Company-wide compliance risk analysis, which covers the material compliance-related risks for Siemens as a whole.

The accurate assessment of compliance-related risks depends on close and trust-based cooperation between the managers and specialists at our business units, on the one hand, and our Compliance Officers, on the other.

B.3.4 Collective action – Supporting business success through fair competition

Siemens promotes ethical business practices and fair competition beyond Company boundaries – this, too, is one of our key compliance priorities.

Going it alone can have only a limited impact in the fight against corruption. If real progress is to be made, as many stakeholders as possible must act in concert. That’s why we’ve joined forces with other organizations to combat corruption and promote ethical markets through collective action and through the Siemens Integrity Initiative.

Now that we’ve established collective action throughout the Company and involved a large number of our business units engaging with numerous partners in its implementation, we plan to focus our collective action activities in fiscal 2013 on our particular business requirements more intensively than in the past. There are many ways to do this. For example, future CRAs can increase the emphasis on defining collective action measures such as fair competition partnerships between bidders for large contracts or the voluntary self-commitment of industry federations to compliance standards that reduce compliance-related risks. As in the other areas described, close and trust-based cooperation between Compliance Officers, sales personnel and managers will play a key role here in identifying appropriate measures.

The further development of our compliance system entails continuously adapting it to the evolving requirements in the field of compliance. Our overall aim remains unchanged: we want to anchor compliance permanently throughout our global Company in order to ensure that we continue making sound business decisions based on clear principles of integrity.

To learn more, please see:
→ CHAPTER C.8.10. OF THE COMBINED MANAGEMENT REPORT
→ WWW.SIEMENS.COM/COMPLIANCE