

Environmental Protection in the Supply Chain/Logistics

**Joint GHG Emission Inventory for
Siemens Shipments handled by
DB Schenker Logistics**

**EcoTransIT, Paris
5 October 2010**

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**Siemens' suppliers
undertake:**

- To act in accordance with the applicable statutory and international standards regarding environmental protection;
- to minimize environmental pollution and make continuous improvements in environmental protection;
- to set up or use an environmental management

*Extract from Code of Conduct
for suppliers*

Agenda



EcoTransitIT
World Stakeholder
Workshop

5 October 2010

UIC Headquarters
Paris

▪ Shipper's View

SIEMENS

- Sustainability at Siemens
- Initial situation for carbon footprint assesement
- Requirements and scope

▪ Logistics Provider's View

DB SCHENKER

- Challenge 1 - Organizational scope
- Challenge 2 - Modes of Transport
- Challenge 3 - Transparency of Methods
- Challenge 4 - Result

Sustainability at Siemens Sustainability in Our DNA Ever Since

SIEMENS



"I will not sell
the future
for instant profit!"

(Werner von Siemens 1879)

- 1849 Healthcare insurance
- 1910 Vacation home
- 1950 Reconstruction bonus
- 1995 Siemens Environment Report**
- 2001 Business Conduct Guidelines (incl. environmental protection)**
- 2003 Partnership with UNICEF
- 2005 Generation 21 and Caring Hands

We at Siemens don't just talk about sustainability.
We've made the three areas of sustainable development

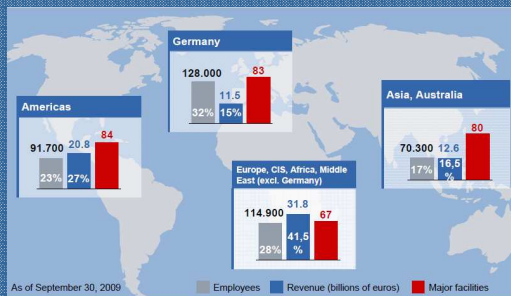
environment **business** **society**

the cornerstone of all our activities.

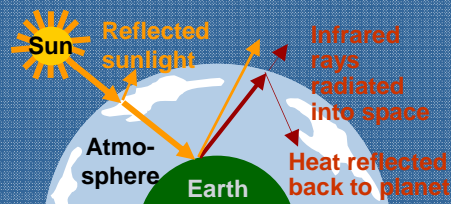
Sustainability at Siemens Goals Are Ambitious and Give Directions



Worldwide presence Basis for competitiveness



Requires global supply chains and consequently contributes to global warming



"Climate and environment protection are therefore an entrepreneurial remit being a social responsibility and success factor at same time."

Quote: Peter Löscher, CEO Siemens AG

Our key sustainability goals

300

million tons less CO₂ emitted by our customers

25

billion euros in revenue with our Environmental Portfolio

20%

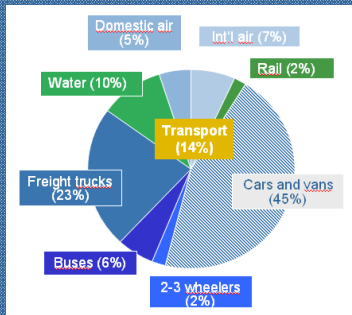
improvement in CO₂ efficiency

20%

billion euros in revenue with our Environmental Portfolio

Initial Situation Dialogue with Main Logistics Providers

Transport sector
causes 14% of
CO₂ emissions
worldwide



Those emissions
have to be
influenced to tap
the full potential
for ecological
optimization

"Going it alone" is not enough to avoid waste of resources
and to protect climate and environment

Schedule

April 2008

Environmental questionnaire
to check suppliers fitness

July 2008

First workshops with
selected logistics providers
of importance for Siemens,
followed by further workshops

Sept 2009

First satisfying results,
CO₂ report

2010

Transfer into regular reporting

Targets

- Exchange motives and expectations
- Set up common understanding on frame of action
- Understand providers method to evaluate CO₂ emissions
- Standardized method to evaluate CO₂ emissions
- Elaborate reporting systems
 - CO₂ emissions
 - Suppliers' measures and their impact / effectiveness
- Develop target system

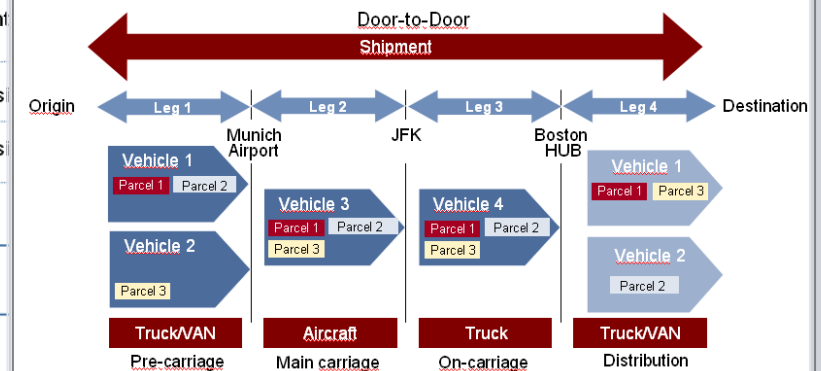
Requirements and Scope

Siemens provided

- Calculation Basis
- Process Description

Calculation Basis	
ton-kilometer ton-mile	A unit of freight transportation equivalent to a ton of freight moved one kilometer/mile
Road	Including pre-carriage for air and sea freight and distribution on site
Air ³⁾	Excluding pre-carriage and distribution on site
Ocean ³⁾	Excluding pre-carriage and distribution on site
Rail ⁴⁾	Main carriage
Remarks	Business included / excluded for FY, e.g. VDO
US Market	SCS (Supply Chain Solutions) plus CEP
Germany/EU	Road, Air, Sea, Rail plus CEP

Clear description of processes & definition of consistent criteria essential for measuring emissions



Siemens expects

- Calculation of CO₂ emissions
- Annual reporting on company level

Final Remark

You can't manage what you don't measure....
...but don't overdo it:

- Reporting is one side of the coin
- Ecologic and efficient supply chain the other side



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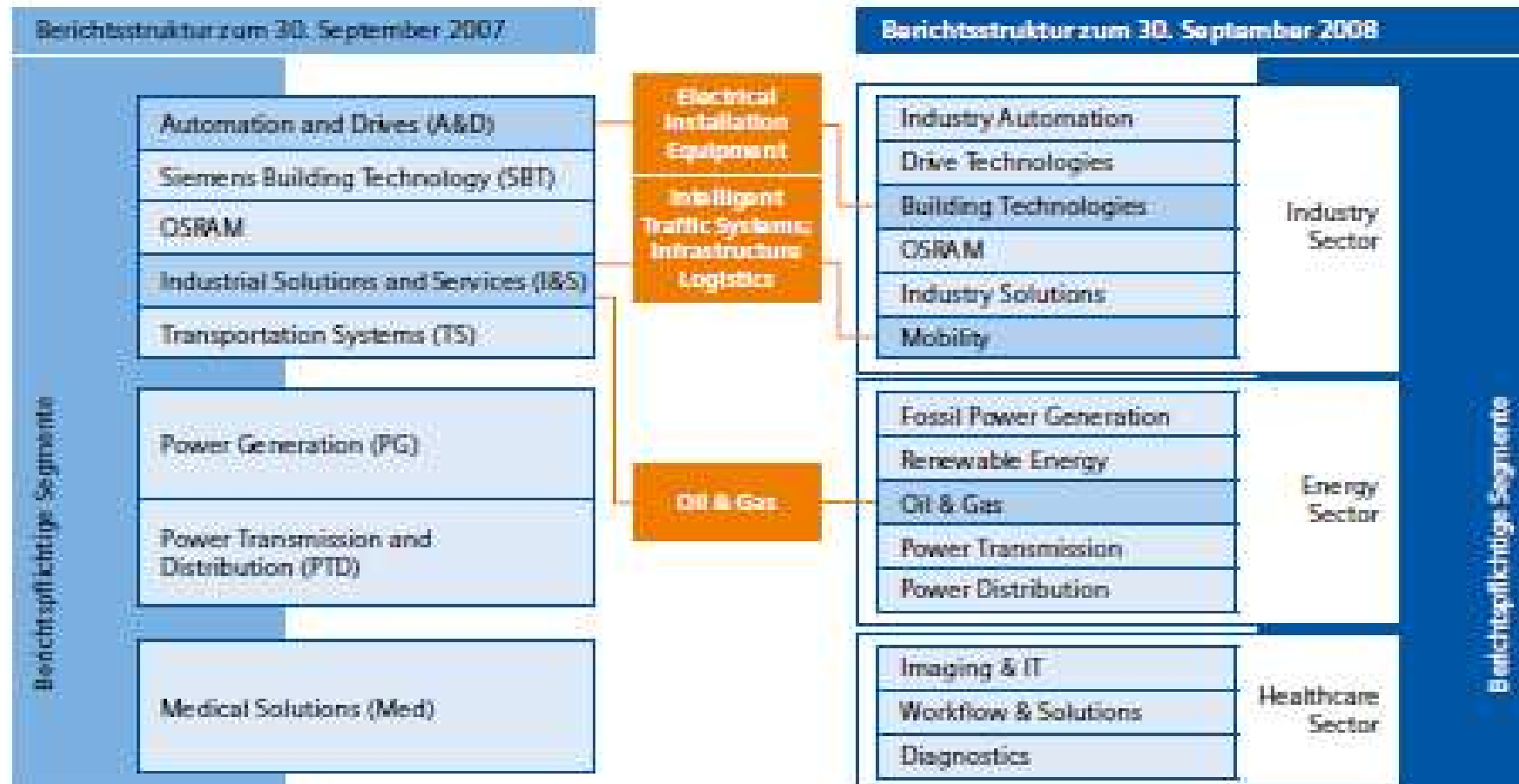
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Challenge 1 Embracing all SIEMENS Business Units



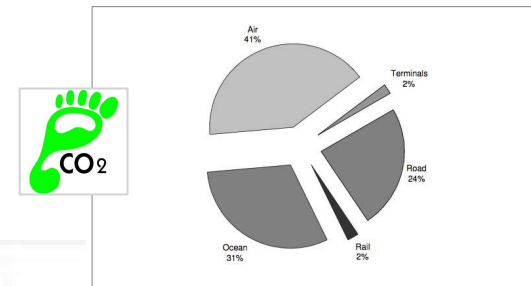
Challenge 2 Embracing All Shipments for All Modes of Transport



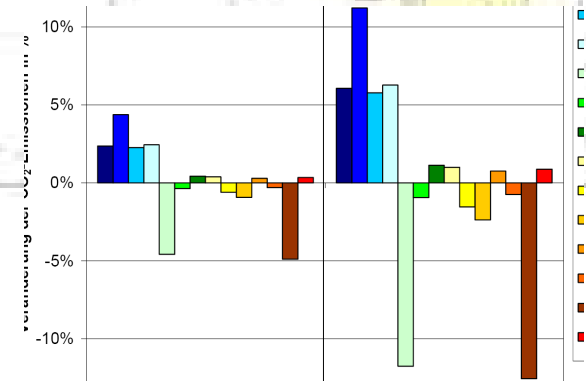
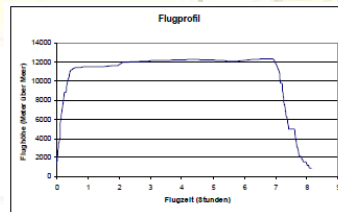
- Rail transport in Europe
- Road transport in Europe
- Air transport worldwide / U.S. domestic
- Ocean shipping worldwide:
 - container shipping
 - bulk shipping
- Pre-/on-carriage air & ocean transport (modal split)
- Terminal handling

Challenge 3 Transparency of Methods

- Laying the basis
DB Schenker Logistics annual footprint



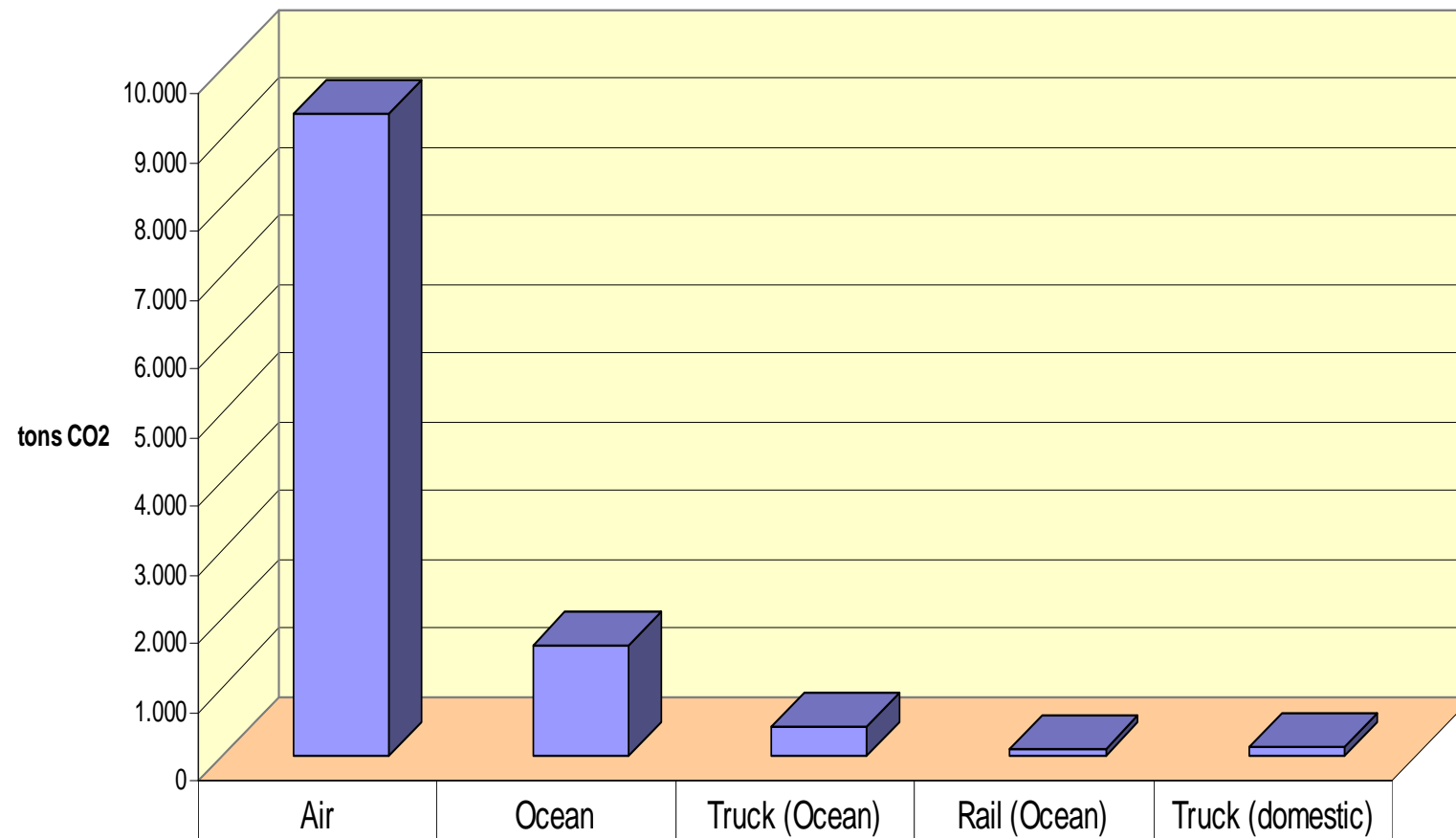
- Defining system boundaries:
 - Scope
 - Correction factors
 - RFI



- Locating sensitivities

Challenge 4 Explaining the Result

Co2 emissions per mode of transport





Thank you very much for your attention

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SIEMENS

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