Siemens Benefits Scheme

Stewardship Statement

The Trustee of the Siemens Benefits Scheme (the Scheme) recognises the importance of good stewardship in pursuit of its fiduciary duty and is committed to being a long-term responsible investor.

The Trustee supports the UK Stewardship Code ("the Code") which it recognises as best practice and this Statement describes how the Scheme implements the principles of the Code. In practice the Trustee has delegated responsibility for the selection, retention and realisation of investments to external investment managers and in so doing it has also delegated day to day implementation of its stewardship activity.

The Trustee recognises that the Stewardship Code is primarily directed at UK investments, however where possible, managers are encouraged to use best efforts to apply its principles to overseas equity holdings.

Principle 1: Institutional investors should publicly disclose their policy on how they will discharge their stewardship responsibilities

The Trustee sets out its approach to stewardship in the Scheme's Statement of Investment Principles and within this Stewardship Statement which is available to Scheme members via the Siemens Pensions website, and publically via the Financial Reporting Council (FRC) website respectively. The Statement of Investment Principles and this Stewardship Statement are reviewed regularly and updated as necessary to ensure they remain appropriate and effective.

The Trustee encourages its external investment managers to document their policies on stewardship and disclose these publically[i].

Principle 2: Institutional investors should have a robust policy on managing conflicts of interest in relation to stewardship and this policy should be publicly disclosed

Day to day implementation of the Scheme's stewardship activity has been delegated to external investment managers. The Trustee encourages its investment managers to document its approach to stewardship, which should include how they manage any conflicts of interest that arise (for example within voting or engagement activity) to ensure that Scheme members' interests are prioritised.

Principle 3: Institutional investors should monitor their investee companies

Where the investment style allows, the Trustee encourages its external investment managers to monitor investee companies. Issues to be monitored are likely to vary, however typically these might include a company's financial performance, management and leadership, corporate strategy, corporate governance, reporting and risk management (including risks arising from environmental and social factors).

Principle 4: Institutional investors should establish clear guidelines on when and how they will escalate their stewardship activities

The Trustee recognises that constructive engagement with company management can be a tool to help mitigate areas of risk, and encourages its investment managers to outline their position on company engagement in their stewardship policies. In line with the requirements of the Code, investment managers should indicate the extent to which, if at all, they are willing to be made insiders through engagement and the mechanisms by which this could be done

If an investment manager does not engage with company management as part of its investment process, the Trustee expect its stewardship policy to explain how it responds to situations where it has a concern over an investee company.

Principle 5: Institutional investors should be willing to act collectively with other investors where appropriate

Day to day management of the Scheme's assets has been delegated to external investment managers. As such the Trustee is unlikely to be directly involved in collective engagement activity. However, the Scheme's investment managers may get involved in collective engagement where this is an efficient means to protect long-term shareholder value. With respect to collective engagement we encourage transparency around the aims and objectives of the engagement and of the parties involved.

Principle 6: Institutional investors should have a clear policy on voting and disclosure of voting activity

The Trustee has delegated its voting rights to the Scheme's investment managers and encourages them to vote whenever it is practical to do so[ii]. The Scheme's investment managers are encouraged to have documented policies which outline their voting approaches which are in line with relevant industry best practice, including the extent to which they use proxy voting agencies, their position on stock lending and disclosure of voting activity.

Principle 7: Institutional investors should report periodically on their stewardship and voting activities

External investment managers are required to report regularly to the Trustee on their voting activity and, where appropriate, engagement activity. The Trustee also encourages public disclosure of voting activity as appropriate.

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For further information please contact: Mark Wilson, Trustee Secretary (mark.wilson@trusteess.co.uk)

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[i] Investment managers regulated by the Financial Conduct Authority are required to disclose a UK Stewardship Code compliance statement. The Trustee encourages investment managers regulated in other jurisdictions to also document their approach to stewardship.

[ii] The Trustee recognises that voting in some jurisdictions is not practical, for example due to share-blocking practices.