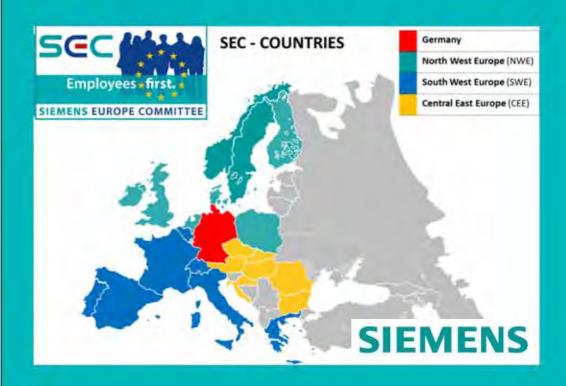
# **European SEC Map Siemens 2015**



European representation of interests and employee participation at SIEMENS AG









The "Siemens 2020" European Agenda project is an employee initiative of the SIEMENS EUROPE COMMITTEE (SEC), which aims to increase employee participation, representation and co-determination at Siemens AG.

The initiative was implemented between December 2013 – April 2015, led by Arbeit und Leben Bielefeld e.V. (DGB/VHS) and supported by the European Commission, within the framework of Budget Heading 04.03.03.03 (Information, Consultation and Participation of Representatives of Undertakings)

(Project Ref. No. VS/2013/0506)

### The European SEC Map Siemens 2015 includes information concerning:

- Current economic and employment policy developments at Siemens AG in Europe
- Strategic objectives and possible courses of action for the SEC, aimed at sustainable, qualified and secure employment
- National Siemens activities and SEC profiles in the European countries
- Key outcomes of the project after its implementation

### Imprint

### Published by:

Arbeit und Leben Bielefeld e.V. (DGB/VHS)
Ravensberger Park 4, 33607 Bielefeld (Germany)

#### Content and editorial staff:

Gisbert Brenneke (Arbeit und Leben Bielefeld)
In Zusammenarbeit mit dem Siemens Europe Committee

Versions: German, English

Bielefeld, April 2015



### Supported by the European Commission

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## The SIEMENS EUROPE COMMITTEE (SEC) at SIEMENS AG exists since 1996.

The SEC has 36 members from the 28 EU countries, Norway and Switzerland. The work of the SEC is coordinated by an executive committee (EC). In order to guarantee that it can function effectively, an internal network structure has been created between Germany and three European regions, which act as regional committees on the SEC. This creates a tightly networked, transnational European organisation and employment structure for national SEC representatives in the SIEMENS Group.



SIEMENS AG is a multinational technology group with approx. 218,000 employees in Europe (including 116,000 jobs in Germany) and approx. 360,000 employees worldwide. The group's activities are highly diverse and have been divided into in 9 business sectors (divisions) since 2014 for organisational purposes. Germany and the European region have traditionally formed the strategic and operational heart of Siemens' worldwide activities. It is now becoming increasingly difficult to hold on to this position. The globalisation of development, production, sales and service, which is defined by competition, is accompanied by economic restructuring and strategic changes that affect the group's orientation. For Siemens' European sites, this currently means that the group wishes to become more competitive by introducing cost-cutting programmes and job cuts.

## **SIEMENS**



## **About the SEC Agenda project**

### "Siemens 2020" European SEC Agenda

The agenda project is a joint initiative of the SIEMENS EUROPE COMMITTEE (SEC), in partnership with Arbeit und Leben Bielefeld e.V. (DGB|VHS), and the Siemens team at IG Metall.

The aim of the project initiative was to develop a sustainable action strategy for Europe-wide representation and transnational cooperation on the SEC at Siemens AG.

The SEC Agenda strategy includes various roles and responsibilities. The SEC sees it as:

- > A European forum for information, discussion and cooperation on the SEC
- A transnational strategy for approaches aimed at improving structures at Siemens' European sites
- A European platform for representation, strategic planning and employee partnerships within the SIEMENS Group

35 SEC representatives from 22 countries were involved in the implementation of the project. In 2014/2015, three workshops (with the Agenda Group from the NWE SEC region) and a European SEC conference were organised.

The main themes of this joint initiative were:

- Intensification of information, communication and cooperation on the SEC
- Representation and strategic planning
- Profile development und strengthening the SEC mandate

A summary of the key outcomes following implementation of the project can be found in the "SEC Siemens Map 2015".

All information about the project can be found at: http://www.dialog.igmetall.de/sec/information/

## "Siemens 2020" European SEC Agenda A forward-looking programme for sites and jobs in Europe

## Representing interests – safeguarding future viability!

With its "Agenda Siemens 2020" European strategy, the Siemens Europe Committee has developed its own employee-orientated vision for employment and future developments in the European Siemens Group. The SEC calls for a change of direction: Rather than pushing for profits and shareholder returns, innovation, employment and labour policy objectives need to take centre stage.

In this context, the SEC has combined its views and proposals to define five action areas, all of which are relevant to Europe.

## Strengthening cohesion – working together in solidarity!

Reorientation of business fields, cost-cutting programmes and job cuts – there has been no end to the upheavals at Siemens. At national level alone, not enough influence can be brought to bear on the resulting risks for sites and jobs. This will require strong, Europe-wide coordination, cooperation and networking.

The SEC project has continued to develop and reinforce the necessary structures for information, discussion, consultation and cooperation. As a result, we have improved participation and the ability of the SEC to take action.

### Planning for changes – strengthening participation!

Employment and socially responsible corporate policy requires participation and co-determination for employee representative bodies. Examples of active, successful steps taken by industrial and trade union representatives include initiatives aimed at the Europe-wide regulation of temporary workers and a transnational project on mobility in the future.

The SEC has pushed ahead with its own activities and contributed to transnational "projects".

Only a strong European works council can negotiate on an equal footing and bring about changes!

## SEC project with positive results

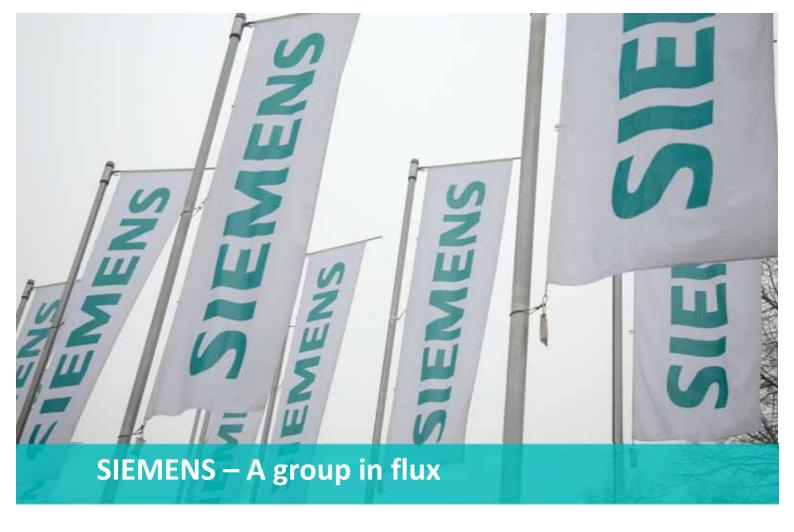
"We have achieved our most important objectives and thus set benchmarks for our future political orientation und cooperation on the European committee.

We have defined European action areas that are central for us. We have combined our principles of European participation and cooperation, in order to create a SEC work platform. We have significantly sharpened our profile as a European representative body within the SIEMENS Group.

We have developed a common understanding of how we can effectively implement our SEC mandate and work together across borders. In this context, information and communication, as well as openness, trust and mutual support are decisive foundations for successful European representation by the SEC."

#### Harald Kern

SEC chairman and member of the Siemens AG supervisory board AG



The Siemens name is world famous. The brand stands for quality, innovation and corporate success. Anyone that used to work "at Siemens" – whether in Berlin, Munich, Erlangen or in Austria, Denmark or France – had a secure job. But the group has changed radically in the space of two decades.

People used to know that Siemens manufactures electronics. Nowadays, we can only guess what lies behind the word "Technology Group". In addition, jobs have not been secure for a long time. For years, cost-cutting measures and job cuts have been appearing in the press as horror stories. Trade unions and employee representative bodies are increasingly under pressure. The workforce is facing uncertainty.

Not only employee representatives, but also managers are confronted with the complex reality of a global mega group. What was once known as the "Telegraphen Bau-Anstalt" is now a confusing conglomerate, consisting of over 700 subsidiary companies and approx. 150 further holdings in almost 200 countries. It manufactures hundreds of thousands of different products and no one would able to list them all. The most important products include gas and steam turbines, wind parks, rail vehicles, generators, drive and automation technology, aviation technology and medical devices.

In the business year 2012/13, Siemens AG generated the massive turnover of 75.9 billion Euros and banked profits of over four billion Euros. But the shareholders are pushing the management to achieve increasingly high profit margins. The target is around 12%, as the US group General Motors, which is held up to Siemens employees as a model, generates a profit equivalent to 16% of its turnover.

The business figures clearly show what this means: in 2005, the SIEMENS Group made a profit of 3.1 billion Euros, with 461,000 employees worldwide. In 2013, the figure was 4.2 billion, but with approx. 100,000 fewer employees.

The group, which was founded in 1847 as a Telegraphen-Bauanstalt von Siemens & Halske in Berlin, has seen major and continuous changes over the last few decades.

Business sectors have been added, while others have disappeared, such as the telecommunications technology, telephone, computer, semiconductor, light and solar technology, household appliances and cash machine sectors.

A long list of high-profile disposals took place in the last 19 years alone.

#### **Siemens Audiologie**

2014

Siemens originally wished to float its audiologie subsidiary on the stock exchange. The group has now sold it for 2.15 billion Euros. The new owners are Swedish financial investor EQT and the Strüngmann family, which founded Hexal. If the business develops well, the people in Munich will also benefit from a debt warrant. With 200 billion Euros in preferred equity, Siemens has held on to a stake in its subsidiary, which has a long tradition behind it. (Foto: dpa)



### **Siemens Household Appliances**

2014

Most of the famous washing machines, coffee machines and vacuum cleaners bearing the Siemens logo are made by the joint venture Bosch und Siemens Hausgeräte GmbH (BSH), which has existed since 1967. In 2013, BSH's turnover rose by 7% to 10.5 billion Euros. Since then, Siemens has completely pulled out of the business and sold its stake to its partner Bosch for three billion Euros. (Foto: dapd)



### Osram

2013

"Light is Osram" is Osram's advertising slogan. From 1978-2013, the manufacturer belonged to Siemens, before the parent company floated its subsidiary on the stock market. The Siemens shareholders were involved. However, the market is in a state of flux and prices for LED lights are under pressure due to strong competition. The manufacturer has therefore implemented cost-cutting measures and cut jobs. (Foto: dpa)



### **Gigaset**

2008

In 2008, Siemens sold its cordless telephone business to financial investor Arques, which has been trading as Gigaset AG since 2011. A dispute concerning the sale price continued well into 2010 and Siemens was not willing to sell for a low double-digit million figure. (Foto: dapd)



#### **Siemens Mobile**

2005

The sale of the mobile phone division to the Taiwanese electronics group in 2005 was an unfortunate episode for Siemens. Siemens was unable to keep up with industry giants like Nokia, but the company did not even have a future under its new ownership. The company with approx. 7000 employees ceased production at the end of 2006. (Foto: ap)



### **Siemens Networks**

2007

Siemens made its telephone network equipment business part of a joint venture with Nokia in 2007. Nokia Siemens Networks then implemented a number of cost-cutting rounds. Early in July, Siemens announced the sale of its 50% stake for 1.7 billion Euros to Nokia. For a long time, Siemens had been looking for a way out of the joint venture. With the sale of its stake in NSN, the company "continued to consistently focus on our core business," according to Joe Kaeser, who was Siemens CFO at the time. (Foto: AFP)



#### Infineon

2006

Things developed in a similar way to Osram for Siemens' chip division. It was, however, floated on the stock market at the height of the stock exchange boom in early 2000 under the Infineon name. At first, Siemens still held a large proportion of shares, but had sold them all by 2006. In the previous business year, Infineon generated a turnover of 3.9 billion Euros and a profit of 432 million Euros with the parts of the companies that were still operating. (Foto: Reuters)



#### **Epcos**

2008

In summer 2008, the Japanese technology group TDK announced the sale of Epcos, which was formerly a division of Siemens. It was sold for about one billion Euros. Siemens had floated the passive electronic component manufacturer in 1999, with its partner company Matsushita. In 2012, Epcos employed approx. 23,600 people. Since 2009, the company is no longer listed on the stock exchange. (Foto: dpa)



#### **Siemens Nixdorf**

2000

Since 1999, the cash machine manufacturer has been trading under the Wincor Nixdorf name and was sold by Siemens before the start of the new millennium to financial investors who floated the company on the stock exchange over the next few years. In the business year 2011/12, Wincor Nixdorf generated a turnover of 1.5 billion Euros and a profit of 32 million Euros before taxes, interest, depreciation and amortisation. (Foto: dpa)



### **Siemens VDO**

2007

Siemens sold its automobile supplier business to the Continental Group for 11.4 billion Euros in 2007.



#### **Siemens Computer Systems**

2009

Siemens enjoyed relatively little success with laptops, servers and storage solutions. In 1999, Siemens made its business part of the joint venture Fujitsu Siemens and the remaining shares were also acquired by Fujitsu in 2009. The Siemens Business Services division had also been integrated into the company in the preceding years.



#### **Siemens IT Solutions and Services**

2010

For 850 million Euros, French group Atos Origin bought Siemens' IT Services division at the end of 2010, which outsources IT services to other companies. Siemens currently owns 15% of Atos.

### **Siemens Concentrated Solar Power**

2013

The foray into solar technology began in 2009 with the purchase of an Israeli company but ended in disaster. The business deal resulted in a total debt of approximately one billion Euros for Siemens, including the operating losses incurred. In June 2013, Siemens decided to shut down the business.



**Source**: http://www.handelsblatt.com/unternehmen/industrie/firmenstrategie-was-mal-alles-siemens-war/v\_listicle/10940656.html#vhb-image-0



### **THE PLAN**

In May 2014, Siemens CEO Joe Kaeser began its biggest corporate restructuring for 25 years.

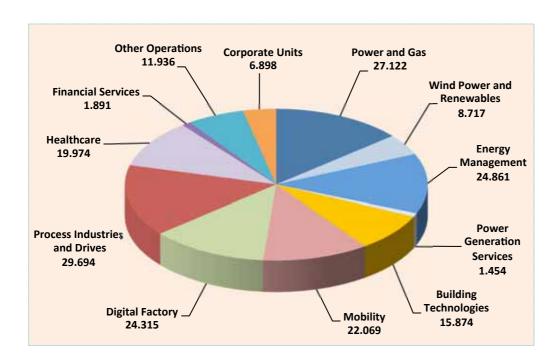
After "Siemens 2014", "Vision 2020" aims to return the group to its growth path and thus reduce the gap between Siemens and global competitors General Electric (GE) and ABB. "With our corporate concept Vision 2020, we want to restore the group to sustainable growth and close the profitability gap."

The division of the business into sectors (Energy, Industry, Medical Technology and Infrastructure & Cities) was scrapped in October 2014 and the number of divisions was reduced from 16 to nine. The ambitious objectives of this reorientation are: less bureaucracy, leaner and clearer structures, tighter management and greater customer proximity, as well as focusing on new fields, such as electrification, automation and digitalisation. It is expected that this will be achieved by selling "peripheral activities" and purchasing business sectors that promise to yield a profit.

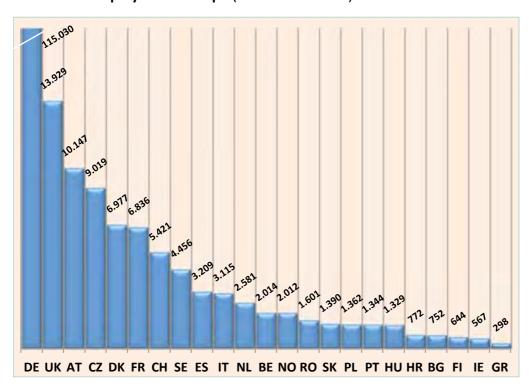
According to information from Siemens, this corporate restructuring should also make financial sense for the group and its shareholders: Costs are expected to fall by one billion Euros by autumn 2016. Officially, Siemens has stated that these savings will be invested in innovations, increased productivity and growth.

### **SIEMENS IN EUROPE 2015**

Corporate structure according to business sectors and jobs (Stand: Nov.2014)



SIEMENS – Employees in Europe (Stand: Nov. 2014)



### **IMPLEMENTATION**

The corporate restructuring that began in 2014 is far from complete. Since its failed bid to secure a stake in ALSTOM in spring 2014 and the attempt to realign its "Mobility" and "Energy" divisions, things have been unsettled within the group. Acquisitions, disposals, demergers, reorganisation of business sectors and management structures – the upheavals at Siemens continue and there is no end in sight.

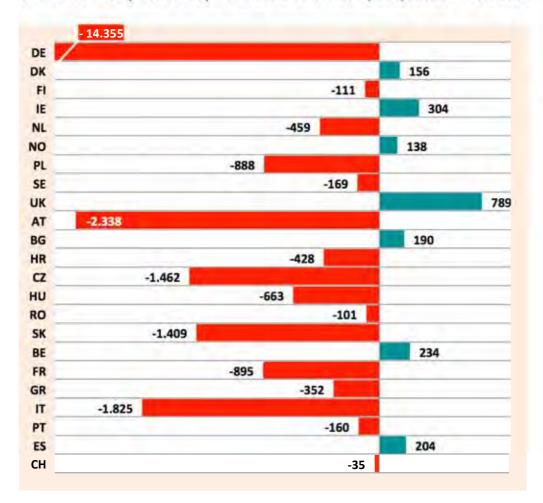
Measures already implemented include the sale of the hearing aid division to the Swedish financial investor EQT and withdrawal from the joint venture Bosch and Siemens Hausgeräte GmbH (BSH), as well as the acquisition of the gas turbine and compressor division of aircraft engine manufacturer Rolls-Royce and the (not yet authorised by the EU) takeover of US compressor manufacturer Dresser-Rand.

The biggest change for SIEMENS Group employees Siemens AG's move away from medical technology. On 1 May 2015, the former Siemens Healthcare sector was reorganised to create the new company Siemens Healthcare GmbH, which is managed independently as a 100% subsidiary under the group's umbrella. The new company Healthcare GmbH employs around 12,000 people in Germany and approx. 20,000 in Europe as a whole.

The general works council of Siemens Deutschland and IG Metall have entered into an agreement with the Siemens executive board, in order to safeguard the wage agreement and exclude any redundancies due to operational reasons at "Healthcare", including within the new structure. By 2016, in every country, where the business sector is represented, it is expected that an independently run "Healthcare" unit will be created as part of the relevant national Siemens company.

At European level, the SEC is working to keep job losses to a minimum. With regard to the new company Healthcare GmbH, the task will be to ensure that the transition is smooth. This means maintaining standards and profits, while protecting existing forms of representation and employee participation at all European sites.

### Overview of workplace developments at Siemens in Europe Sep. 2012 - Nov. 2014



Summary of changes arising from disposals, acquisitions and job cuts

## FURTHER JOB CUTS AT SIEMENS

At Siemens, experience has always shown that: When Siemens develops new business or growth "visions" and restructures the group, it always boils down to redundancies and job cuts!

#### It is exactly the same now!

In order to achieve the target of saving "1 billion Euros" by autumn 2016, in February 2015 Siemens announced that 7,800 jobs would be lost worldwide, including 3,300 in Germany. How many jobs will actually be lost, which and how business sectors will be affected and which alternative jobs will be created - all of this was subject to intense negotiations over the last few months with the works councils and IG Metall in Germany, as well as in other European countries since 22 March. As a result, instead of the planned 7,800 jobs, the job cuts have been reduced to 7,400 jobs, including 2,900 in Germany.

It is now announced that a further 4,500 jobs will be lost (including 2,200 in Germany)!

### **Profits have tripled**

Between January and March 2015, Siemens generated aftertax profits of 3.9 billion Euros, which is more than three times the figure reported before the year-end.

This includes 3.2 billion Euros from the sale of its audiologie division and stake in household appliances subsidiary BSH.

Profits from manufacturing fell by 5%, mainly due to problems at Power and Gas.





Birgit Steinborn

Chairwoman of the general works council and deputy chairwoman of the supervisory board of Siemens AG

### The Siemens general works council chairwoman Birgit Steinborn warns of extensive job cuts as a result of corporate restructuring

"For years, we have raced from one redundancy programme to the next. I am tired of staff cuts repeatedly being sold as a solution, for which there is no alternative. I want Siemens to further develop its current strengths, which include technical expertise, social benefits and committed employees.

Our position remains unchanged: yes to reducing bureaucracy and no to job cuts. Every attempt must now be made to further reduce the number of employees affected, whose jobs will cease to exist, as they will be deployed elsewhere. Many divisions should also be consolidated, such as Research & Development and Sales. We will continue to put pressure on the company to carefully consider all measures. In addition, our employment agreement still applies and forced redundancies are not permitted. We call for further training and internal redeployment instead of job losses.

### **People before profit** ("Mensch vor Marge")

We have had enough cost-saving programmes in the past. We want measures that work in the long term. Staff cuts are not a solution, for which there is no alternative. We need to return to stability and reliability for our employees. In Germany and Europe, we have the expertise to be internationally competitive. We must hold on to this expertise. The group must transfer employees from sectors, in which the markets are shrinking, to sectors that are currently growing – such as Wind Energy. But the management must then also have the courage to hold on to these sectors and develop them further, even if they do not immediately generate the desired profits.

As far as we are concerned, it is all about a culture of codetermination and employee participation. In this context, people and not new redundancy programmes must be the central focus, as employees are the foundation and value of the company."

### SIEMENS IN EUROPE

### We call for secure jobs at Siemens. For everyone

### Siemens, quo vadis?

## SIEMENS must remain a diversified European technology group!

With acquisitions, disposals, demergers, restructuring, reorganization of business sectors and management structures – there seems to be no end to the current disruption at Siemens. Siemens is not a global sales and marketing organisation, but a systematically networked research, development and technology company, which also manufactures goods and provides services.

We want this profile to be recognised and further developed by management with a sense of perspective.

SIEMENS must hold on to its financial and technological diversity, make the most of its creative potential and further develop the company, by means of sustainable, forward-looking objectives!

When, in 2014, the decision was taken to reorganise its structures/business sectors and create 10 divisions, the company adopted a new corporate structure focused on core activities. The divisions serve to divide the group into financial and strategic supporting business sectors. It seems incomprehensible that key activities – such as Mobility, Energy or Healthcare – should repeatedly become an object of speculation for disposals or outsourcing.

Siemens employees expect a clear commitment from the group management that it will continue to operate in all the business sectors, which have made Siemens highly competitive at national, European and global level.

## SIEMENS needs to concentrate on the consolidation and further development of its key business sectors!

Employees expect transparent corporate objectives and long-term prospects with viable jobs. A medium-term programme is needed, with a strategic focus on research, development and manufacturing, which provides a vital foundation for industrial value creation.

Making progress and protecting the future of SIEMENS calls for not less, but more co-determination for employees – at national, European and international level.



Jürgen Kerner

Executive Member of the Managing Board of the Metal Workers Union (IG Metall)

"Siemens in Europe consists of 218,000 employees in all 28 EU countries. Our common goals are clear: protecting and increasing the number of jobs at Siemens in Europe and ensuring fair working conditions, as well as making participation and codetermination possible for employees. We will be successful, if we can reach an agreement at European level, while also representing our common interests across borders. Our IG Metall "People before Profits" initiative is a forward-looking programme — including for European cooperation within the SIEMENS Group.

The SEC "Agenda Siemens 2020" project is an important platform when it comes to extending and networking of this strategy across Europe. The SEC therefore supports the trade union objectives of maintaining and creating secure, well qualified and fairly paid jobs within the SIEMENS Group.

In order to achieve these aims, it will be necessary to sustain our ability to innovate and maintain value creation chains at the company's European sites.

If employees and their trade unions at Siemens in Europe work together, this will serve to safeguard the future of these sites.

The SEC initiative encourages cohesion and solidarity between all Siemens employees in Europe. Together we can achieve a great deal."

### Employees first. Europäische SEC Agenda "Siemens 2020"

"Employees first." — This is the clear stance adopted by the SEC in response to the forthcoming changes to the European Siemens Group.

Dealing with structural but also homemade imbalances at Siemens has not changed fundamentally in recent years: The Management turns in acute or structural problems reflexively on the screw of the personnel costs. Instead, would have long-term sustainable and innovative solutions are developed.

From the viewpoint of the national and European employee representative bodies, purely cost-driven objectives threaten the company's economic substance and weaken its capacities for development in the Europe region. If business divisions and parts of the company with lower profit margins are abandoned and investments in research and development, new technologies and innovative products are cut back – this will be damaging for employees. Instead of short-term profit maximisation measures, the SEC calls for a sustainable structural and development concept with long-term prospects for the further development of Siemens activities, based on sustainable employment in Europe.

Siemens employees need attractive working conditions and an appreciative, motivating working environment. In a nutshell, they need skilled employment under fair conditions.

### Employees expect the company to

- » Have the necessary expertise in all business sectors
- » Push ahead with Investments and innovations in areas for future development
- » Manufacture, research and develop in Europe

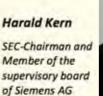
It is therefore important that we influence corporate decisions affecting employment and labour standards. There is no conflict between "good secure employment" and economic objectives or principles.

### Examples of target-specific Europe-wide solutions include:

- » strategic HR planning and development
- » bringing influence to bear on the use of temporary workers and contracts for work labour
- » systematic initial and further training
- » employee participation
- » protecting and further developing social benefits
- » safeguarding skills and expertise in the company

Regular and skilled work for everyone, which is secured by collective agreements, must take priority over yield expectations and the financial interests of investors!







"We reject the entirely profit-driven efficiency and cost-saving programme. By means of the SEC 'Agenda Siemens 2020' project, we have created a sustainable platform for European information, discussion and cooperation.

Discussing our own "SEC Agenda 2020" project, which is aimed at employee interests, has made us stronger together.

We have improved our mutual understanding of the situation in the countries, in which Siemens is represented in Europe. By means of the resulting agenda, the SEC has created a clear profile for itself, in terms of how the interests of Siemens employees in Europe are perceived.

Together we are committed to ensuring that people and not only profits are the central focus for Siemens in Europe. We want to maintain and further develop Europe as a social and employment location for Siemens. This includes fair working conditions, sustainable and innovative concepts and a culture of trust at all levels within the company."



### Sustainability and safeguarding the future

### Employees first. SEC calls for employment policy visions for Europe

By means of the European "SEC Agenda Siemens 2020" strategy, the Siemens Europe Committee develops employee-orientated "visions" for future developments at the European Siemens Group. Ways forward are urgently required, which provide secure and sustainable jobs based on sensible strategies, real innovations and adequate investments. This calls for sustainable corporate development with meaningful structural reforms, which reduces complexity, minimises bureaucracy, makes innovations possible, integrates processes, supports participation and promotes employee training and know-how, while making jobs at Siemens secure in the future.

### **European SEC survey**

The decision concerning the agenda themes is the result of a "future debate" held on the SEC across Europe. It was based on a written survey involving the national SEC representatives. They were asked which developments, themes and future issues should be included in the SEC Agenda. There was a choice of 10 key themes in total. The results of this survey show that European employee representatives are calling for fundamental



changes within the company and how employees are treated.

MAIN AGENDA TOPICS				
6.1.	Strengthening value creation in Europe	7		
6.2.	A balanced industrial and location policy at European level within the Siemens Group	5		
6.3.	Development of the locational advantages in the European Siemens network	4		
6.4.	Integration of systems, processes and activities throughout the Group and across borders	4		
6.5.	Investment into innovation, future technologies, new products, in research and development	6		
6.6.	Strategic HR-planning and sustainable HR-development	5		
6.7.	Further development of social benefits	5		
6.8.	Designing attractive working conditions in a motivating work environment	8		
6.9.	Strengthening employee participation and representation of interests	8		
6.10	Further development of a socially responsible and employment-sensitive corporate culture	8		
Mehi	fach-Nennunaen n	= 28		

"We have identified the right themes and key points. We have proposals and demands. We are committed to ensuring that these views are heard and put into practice.

We will contribute to the current discussions on corporate restructuring and future developments, so that European employee interests are not overlooked."

Harald Kern Chairman SEC

## Views and impressions from the agenda workshop (Mai 2014)

"We can provide information – we can change things. Employee representatives have to represent interests and adopt stances. When changes are made within the company, which affect all countries, the SEC has the right to be informed promptly and consulted. We have now defined key areas, in which we will continue to work decisively."

### Fritz Hagl (AT)

"It is not enough for us to defend the status quo. We need to ask where new areas for future development need to be identified. As we see it, the main question is what kind of company do we want to work for in 2020 and what form will it take? The questions that are important to us have still not been answered. How can we make jobs more secure in Europe, by means of innovations and investments? Which qualifications do we need? In order to make progress in this area, we need to network with employees in different countries and this networking needs to be transnational."

### Bettina Haller (DE)

"We call for a change of approach by the management, together with real improvements at Siemens, including incentives for innovations, continuous further training and improved productivity. The SEC can be an important driving force in terms of improving cultural and productivity."

### Roy Lund (NO)







Based on the results of the Europe-wide survey, the SEC has combined its proposals and demands to create five key areas. The most important requirement is that all action areas must be of European significance and enable the SEC to play an active role across borders.

### At a glance: SEC Action Areas



### 1 Strengthening employee participation and representation of interests

Employee participation, safeguarding and developing employment as well as co-determined labour standards are a key requirement for forward-looking, long-term corporate development. We call for effective employee participation and increased co-determination. In particular, we need to be better informed, so that the SEC can contribute to changes affecting all countries. The national SEC members expect to be promptly, fully informed and involved in transnational restructuring decisions at the Siemens Group. This will be necessary if they are to effectively exercise their rights based on the SEC mandate.

## 2 Investment into innovation, future technologies, new products, in research and development

Innovations in growth areas create a foundation so that Siemens can hold on to its leading position in terms of technical innovation and the marketplace in the long term, by producing quality products, which are in demand all over the world. Research and development must therefore remain a key area for the group's technology strategy. R&D must be seen as an investment in the future and freed from the pressure placed on the operational business sectors to generate profits.

### 3 Strengthening value creation in Europe

The SEC calls for the Europe region to remain the leading reference market for the Siemens Group. We call for a coherent European strategy with a future plan for skilled employment. We want to ensure that the country-specific strengths of the European network are safeguarded in the long term and able to develop, as a result of investments.

### 4 Protecting jobs and promoting employment

Regular and skilled work for everyone, which is secured by collective agreements, must take priority over yield expectations and the financial interests of investors! It is the employees —their work, their qualifications and their innovative achievements — that have made Siemens an internationally successful company. If Siemens is to remain strong, employees will have to be involved in any changes. Secure employment and "good jobs" can only be created through interaction between the trade unions, works councils and company management.

### **5** Social responsible corporate culture

We advocate an open and value-oriented corporate culture, which is committed to the social benefits created by economic activity <u>and</u> the people that form the company. An essential feature of good corporate culture is the respectful and caring approach towards all employees as well as openness and fairness to the employee representatives.

These five action areas provide the political compass for European representation within the SIEMENS Group. They are of strategic importance, as they define European employee interests, in order to create structural policy action areas and common views concerning plans for corporate restructuring at Siemens. In order to plan and implement these action areas, close and responsive networking will now be necessary with industrial and trade representatives in the countries.

## The European SEC conference calls for: Prospects to be reinforced and improved for Siemens in Europe

In regional working groups, SEC representatives from 16 countries discussed their common interests and their approaches to handling the "Siemens 2020" SEC Agenda.

Despite "Siemens" being highly complex – in terms of its business sectors and the wide range of European countries involved – strategic elements were developed for a Siemens European strategy.

### The debate resulted in the following proposals:

- Managing investments: All investments, which do not take place in Europe, should first be explained individually and made transparent to employee representatives.
- Securing prospects: Country-specific strengths, in terms of research, development and production, should be further developed systematically by means of an innovation and future plan.
- Creating synergies: Systematic development of synergetic research and production networks along the value creation chain in the European countries.
- Promoting training: Investments in employee training and know-how must take priority over expenditure on external consultants and expert knowledge from outside the company.
- Strengthening the SEC mandate: In some cases, the SEC should provide cross-border working groups with a mandate to negotiate with the management.

The structural changes at Siemens call for its industrial and technological core to be strengthened, according to environmental and social requirements, as well as a focus on good working conditions, a wide-ranging view of innovation, thinking and acting in terms of value creation chains, emphasis on training and qualifications, while also improving employee rights by reinforcing representative and co-determination bodies.

SEC-Conference 5. - 7. November 2014 in Valencia









## SEC - Action Area 1

### Reinforcing employee participation and representation of interests

"The Siemens "Löscher Programme" from 2014 was the starting point for the counter-strategy adopted by the employees. We did not want to accept any further redundancy programmes. It is not enough for us to defend the status quo. We need to ask where new areas for future development need to be identified. As we see it, the main question is what kind of company do we want to work for in 2020 and what form will it take?

Kaeser took on board our central concept of "Siemens 2020". This alone is not enough. We consider that many different elements are missing. The questions that are important to us have still not been answered. How can we make jobs more secure in Europe, by means of innovations and investments? Which qualifications do we need? In order to make progress in this area, we need to network with employees in different countries and this networking needs to be transnational."

Bettina Haller, DE

"We can provide information — we can change things. Employee representatives have to represent interests and adopt stances. When changes are made within the company, which affect all countries, the SEC has the right to be informed promptly and consulted. We have now defined key areas, in which we will continue to work decisively."

Fritz Hagl, AT

"We need more intensive communication - both internally and externally. The SEC is not well known at national level. Internal networks are not functioning well. Information and discussion must be improved at all levels."

Russel Ede, UK

"Although the employee representative bodies are elected, employees are not interested enough in the necessity of being represented at company and European level. Wages and working hours are central to employees' interests. They are hardly interested in areas for future development and long-term developments at the Siemens Group!"

Joanna Tarnowska, PL

Employee participation, safeguarding and developing employment as well as codetermined labour standards are a key requirement for forward-looking, long-term corporate development. In our view, these are important advantages of Europe as a location, which should not be thoughtlessly squandered for the sake of short-term yield expectations.

The employee representative bodies at the Siemens Group will therefore adopt a stronger International focus and enter into discussions at European level. Only then can the erosion of social, industrial and wage standards caused by global restructuring be successfully prevented. This requires a Europe-wide strategy, in order to create jobs and maintain satisfactory labour standards, in the context of long-term corporate development.

We call for effective employee participation and increased co-determination. In particular, we need to be better informed, so that the SEC can contribute to changes affecting all countries.

The national SEC members expect to be promptly, fully informed and involved in transnational restructuring decisions at the Siemens Group.

This will be necessary if they are to effectively exercise their rights based on the SEC mandate.

### Reinforcing employee participation and representation of interests

"We have a common understanding and share the same interests in relation to our chosen priority areas. If we tackle these themes with the necessary expertise, our colleagues will also start to listen!"

Harald Kern, DE

"There is a willingness to get involved and the SEC must ensure that equal opportunities exist for everyone."

Paul Greaory, UK

"The gap between employees and representation is very wide. As long as there are no problems and we think our jobs are safe, there is little doubt about what needs to be changed. What can we do to change it? Our colleagues need to recognise the value of the SEC! What are the values/issues that unite us all ?"

Margherita Milite, IT

"We need to "grab" of our colleagues. It's not just about taking concrete action, which can be seen on site. "Opinion makers", who are able to support us, also play an important part in the company. We need to identify, involve and include them in the work of the SEC."

Kurt Thomsen, DK

"The most important approach for us has to involve Information, communication and participation. The SEC needs to be visible to the outside world as a Europe-wide representative network!"

Mikael Wiström, SE

"The important thing is that the SEC needs to increase its profile. Many employees are hardly interested in it, because they are not sufficiently informed of the tasks, key areas and work of the SEC."

Ron Arndts, DK

"We must use the project to gain a better understanding of where the problems lie in our respective countries. After "improving our knowledge", the next step will be "better networking", in order to block some management decisions affecting individual countries."

Bettina Haller, DE

## SEC - Action Area



Employee representation is based on common interests and objectives, as well as effective forms of cooperation on the committee itself. In areas, where we have participation rights as part of the SEC, we will make specific use of these rights, in consultation with the national employee representative bodies. In order to achieve this, we need even better transnational coordination. Depending on national legal conditions, we will make the most of employee participation on boards - e.g. on executive boards (Scandinavia), supervisory boards (Germany/Austria) and committees - for the coordinated representation of our interests.

We wish to promote company and trade union-based representation in the countries of Europe.

This means that we need to be more aware of possible courses of action and legal structures at national level.

We therefore wish to clarify the following points:

- How are representative bodies set up at your site?
- Which trade union structures exist and can be used?
- What is expected of the SEC?
- How could the national SEC representatives be better supported at European level?

We know that national participation rights vary greatly and are often inadequate. We will therefore work to make improvements within the Siemens group.

An important step in this direction is the adaptation of the SEC agreement to European standards with elevated rights for "information and consultation" with "crossborder issues".



## SEC - Action Area 2

## Investments in innovations, new technologies, innovative products, research and development

"We need a European investment and innovation strategy for Siemens AG."

Harald Kern, DE

"Things need to be the other way round – instead of constantly cutting back, making savings and redundancies, we must devote more money, space and time to research and development. We need R&D based on long-term goals. In Denmark, we are living in a culture of fear – from the top to the bottom."

René Jensen, DK

"In Norway, there have been no significant investments over the last 2 years. Our goal is to introduce a planned investment strategy with an innovation programme."

Roy Lund, NO

"The Healthcare sector depends greatly on the innovation of technologies and products, but too little thought is given to strategy and long-term developments"

Russel Ede, UK

"The local management is very open to R&D. In Manchester, we have a research partnership with the university and there are also plans to invest in promoting training. It is important that we provide the companies with feedback about what our customers want!"

Janett Morton, UK

Research, development and (closely associated) planned investments in new technologies are key tasks for technology-orientated corporate development.

Siemens has the potential to develop as an integrated technology group, which meets its social responsibilities, by means of innovative products and services. Innovations need to be built on the foundation of research and development, which is independent of economic trends. Siemens needs a consistent European innovation and investment strategy. Especially in the field of research and development, existing potentials need to be networked and combined across all countries.

In response to megatrends affecting industrial, technological and environmental policy, Siemens has all that it needs to organise innovative growth. This is equally beneficial for the group and its employees.

For a long time, growth areas for Siemens have been more than just "visions".

Concrete action and decisions are needed, such as:

- For new technologies, combined with Industry 4.0, cyber-physical systems and vertical IT,
- For renewable energies as part of an energy mix, including efficient coal and gas power plants
- For sustainable, climate-friendly, electrically powered mobility
- For smart grids, which use energy more efficiently
- For medical technology, which focuses on human health.

### Investments in innovations, new technologies, innovative products, research and development

"In Italy, the situation varies greatly. Not all sites receive the same amount of investment. Head office decides which investments are made. There is no culture of making improvements and creating synergies by networking. We clearly need greater investment in the companies. Italy works according to old-fashioned approaches, with low levels of creativity and with the same resources that we've had for the last 20 years. The company also has to develop internally and improve its structures!"

Margherita Milite, IT

"Poland is still waiting for investments. Assets are being sold off and we are now offering services." Joanna Tarnowska, PL

"A great deal has been happening in Sweden. Investments have been made in new machines. But we also need to invest in people."

Mikael Wiström, SE

"No national company can invest in technologies without it being decided by the parent company!"

Fritz Hagl, AT

"In the Netherlands, we are working on innovations in fields, such as software and cyber security. Siemens has a cooperation network with government offices and universities at the "Den Haag Cyber Center". Differences exist, in terms of how much innovation is taking place: ranging from a wide variety of innovations in Healthcare to very few in the Energy sector."

Ron Arndts, NL

## SEC - Action Area 2



Innovation is the decisive lever when it comes to making progress in growth areas. The SEC therefore calls for a balanced investment and innovation strategy across Europe.

This strategy needs to be anchored as a permanent planning and development obligation for the company. It is not rapidly generated shareholder value but long-term objectives and safeguarding the future that must guide company decisions. Forward-looking investments made now will create profits and competitive advantages tomorrow. This principle remains unchanged and must now be applied more forcefully once again.

Innovations in growth areas create a foundation so that Siemens can hold on to its leading position in terms of technical innovation and the marketplace in the long term, by producing quality products, which are in demand all over the world. Research and development must therefore remain a key area for the group's technology strategy. R&D must be seen as an investment in the future and freed from the pressure placed on the operational business sectors to generate profits.

Siemens needs to safeguard and exploit its potential as an integrated technology group. Only then will it be possible to make effective use of synergies created by economies of scope. From the viewpoint of the SEC, this also calls for:

- The further development of research and development structures
- Concentration of engineering across the business sectors
- European networking of innovation and development centres within growth areas
- Trans-regional research and development partnerships for technical solutions and products

Investing in innovative technologies means: setting long-term goals for research and development, together with deadlines and funding, and freeing up engineering from the pressure to generate short-term profits, in order to invest in the future.



## SEC - Action Area 3

### Increasing added value in Europe

"Why would it be worthwhile for Siemens to strengthen its European base in economic terms? We have it all - skilled employees, challenges posed by national economies requiring technology and environment policy solutions (e.g. future energy supplies, digital factory).

We will therefore ensure that Siemens does the right thing — which is also in the interests of the company itself, as this will safeguard jobs. Siemens has lost a great deal over the last 10 years — e.g. communication, Semiconductor Technology). The sale of these assets has damaged employment.

We need a combination of (appropriate) Siemens policies and steps to safeguard jobs. We are not against Siemens, but we are against deteriorating conditions!"

Harald Kern, DE

"Europe is the central economic region with local customer acceptance. It is always said that Europe is not a growth market! This is not true. In Europe, high standards exist — this advantage is not sufficiently recognised by Siemens. In Europe, there is something to fight for. It is therefore important that we pool our interests. We need to see things in the same way and adopt a common language, in order to step up the pressure.

We expect the project to document common points of view, highlight the successes achieved by the SEC and make it clear that European representation works!"

Fritz Hagl, AT

The EU countries have taken steps, relating to industry policy, to make forward-looking changes to manufacturing companies. Whether in terms of climate protection, energy, mobility or intelligently networked production systems cutting-edge technological solutions are needed in all areas. Everything that we develop can be marketed successfully around the world. As a highly diversified technology group, Siemens must identify its own industry policy strategy, in order to remain successful. Europe is the leading market for development and technology. This means having to further develop skills and expertise, as well as consistently using new knowledge. However, a long-term strategy is needed for this purpose, which allows space for technological developments and innovative products.

### Core elements of this strategy:

- The technology-orientated manufacture of innovative, high quality and complex products must be reinforced. Manufacturing and research must retain their importance in Europe.
- The national development and production centres, together with differentiated business sectors in the Europe region, must work together, in order to optimise the Siemens Group as a whole.
- In line with industry policy requirements in Europe, new and increased investment must be made in corporate growth areas.
- In the face of global competition with the Siemens sites in other parts of the world, the advantages of the European locations must be valued and exploited. In particular, these advantages include the social climate, efficient infrastructure, regulated working conditions and highly qualified employees.

### Increasing added value in Europe

"It is not acceptable to outsource all manufacturing. The SEC must help make the management understand that it is important to retain skills throughout the value creation value. We must ensure that customer feedback finds its way back to research and development."

Bettina Haller, DE

"When Siemens pulled out of communication technology, Austria lost about 3,000 software jobs. Without new products and technologies, the light goes out! The aim must be to strengthen the European core of Siemens AG."

Fritz Hagl, AT

"What is happening with/in the smaller Siemens countries? Many people have lost their jobs in Finland. There is a major trend for employees to think in terms of their personal position. Many of them think primarily about their own situation in the company."

Merja Imponen, FI

"We must develop a common strategy, which is the whole point of our "Siemens 2020" programme for the different countries!"

Roy Lund, NO

"A central point for the SEC is the demand for the maintenance and expansion of value-added depth in Europe. In other words, investment in research and development should not be reduced but increased with future orientation.

In plain language this means: It is intended to prevent that the 'heart and brain' of the European Siemens group move away.

Germany and Europe - and not China and India - are to remain the reference markets. In practice, this looks so that products are developed here, come here to the market and then adapted to the local market in India.

This not only secures jobs and important skills, but also the quality of the product."

Harald Kern, DE

## SEC - Action Area 3



 Europe offers sound framework conditions for promoting innovative research, development and technology. Europe must therefore remain the leading market for technological innovations, which can be marketed worldwide.

## The cornerstones of a "European strategy" include:

- A long-term investment and innovation programme with a sound forward-looking vision for all business sectors
- National references such as the gas and oil sector in Scandinavia, medical technology in Italy or the railway sector in Austria – must be safeguarded and their structures need to be consolidated.
- A corporate policy that focuses on stabilising and further developing the group. This requires continuous investment in production, R&D and services.
- Safeguarding European locations and employment, by protecting permanent jobs with the company and employment levels.
   Temporary workers and contracts for work labour must be the exception.
- Sales and outsourcing driven entirely by profit do not benefit the company or its employees.
   The main objective is to ensure that the company maintains its real net output ratio and retains its skilled workforce. The insourcing of previously outsourced manufacturing and services is the right step in this direction.

The SEC calls for the Europe region to remain the leading reference market for the Siemens Group.

We want to ensure that the country-specific strengths of the European network are safeguarded in the long term and able to develop, as a result of investments.



## SEC - Action Area 4

### Protecting jobs and promoting employment

### Siemens promises:

"Siemens is a pioneer in its markets and actively contribute to shape the world through its innovations — this is our vision. (...) The particular strength of Siemens lies in the creative potential and commitment of its more than 343,000 employees. Decisive factors include sound framework conditions, active and motivating management and the promotion of personal and technical skills throughout their professional lives."

(Source: Siemens website)

http://www.siemens.de/jobs/arbeiten\_bei\_siemens\_ de/entwicklung-fuehrung/seiten/home.aspx

### Our point of view

### Protect jobs!

Some measures aimed at safeguarding sites or jobs are governed by legislation or collective agreements. In certain countries, these agreements are very weak. The SEC has to help so that we can arrive at a uniform level of information and consultation in Europe. Colleagues in other European countries often receive information about the actual measures and figures too late.

The SEC expects prompt and comprehensive information on employment issues and advance consultation on possible consequences and alternative solutions.

The national SEC representatives affected by these measures must be included in the above process.

### "Only work creates real values!"

This principle remains unchanged. It is the employees -their work, their qualifications and their innovative achievements – that have made Siemens an internationally successful company.

If Siemens is to remain strong, employees will have to be involved in any changes. Secure employment and "good jobs" can only be created through interaction between the trade unions, works councils and company management.

Siemens promises all its employees high quality employment conditions in a motivating and positive working environment. However, over the last few years, thousands of employees from all over Europe have had a completely different experience. As far as they are concerned, having the right skills and a strong commitment to work does not protect them against losing their jobs due to redundancies.

### A change of direction for secure employment!

We have seen that the gap continues to widen between the promises made by Siemens and the reality, which is to the detriment of its dependent employees.

We therefore expect the company to adopt a fundamental change of strategy: We call upon the management to place its employees' work and interests on an equal footing with economic decisions. In particular, this means that social and employment-related implications of all structural changes within the group will have to be considered and discussed with the employee representatives before they come into effect.

Regular and skilled work for everyone, which is secured by collective agreements, must take priority over yield expectations and the financial interests of investors!

### Protecting jobs and promoting employment

### Our point of view

### Prevent precarious working conditions!

Fighting for regular direct employment and against the rise in temporary labour, fixed term contracts and outsourcing of the core workforce continue to be longterm challenges for the national and European employee representative bodies within the Siemens Group in 2015.

We want a European standard for all national companies with compulsory regulations for fixed term contracts, "work on demand" and the unregulated use of temporary labourers. This will have to form part of a long-term measure. Due to potential effects on jobs, any outsourcing by means of contracts awarded for work or services must also be scrutinised at all times.

In the event of changes affecting more than one country we therefore need transparency in terms of staffing issues and access to employment policy information. The SEC will launch an appropriate European initiative.

Our aim is to arrive at a transnational (European) works agreement on the management of temporary labour, based on equal pay, in order to limit precarious working conditions and create more regular, direct employment contracts.

## SEC – Action Area 4



### Promote regular employment conditions!

Permanent jobs bound by collective agreements must take priority over short-term contracts and temporary employment. We call for systematic, forward-looking staff planning and development in all divisions, based on country-specific employment data and development trends.

### Regulate temporary labour!

The SEC welcomes the decision made by central management to limit the amount of temporary labour, which is proliferating at individual Siemens sites. We support the current approach, which requires the national companies to provide regular information about temporary labour levels. As a result, we call for a compulsory, European regulation on how temporary labour is handled within the Siemens Group. Our aim is to introduce a European works agreement, which defines the scope, duration and wage levels for temporary labour. For this purpose, we are guided, for example, by the fixed quotas and "equal pay" principle.

We firmly believe that the national minimum statutory requirements, which apply to temporary labour in Europe, could be improved for the benefit of both employees and the company itself. We also think that this would significantly improve Siemens' image in Europe. We urge the management to enter into the relevant negotiations with us.

### Contribute to employment and labour standards!

We agree with the Siemens management that continuous improvement to working methods, skills and activities at all value creation levels are vital if the company is to survive and remain competitive in the future. We want that employee qualification, expertise and know-how leads to technological, structural and economic improvement.

This will require consistent, binding structures across the group and the systematic participation of stakeholders in co-determination at all levels. Progress can only be achieved with - and not without or against the site representatives.

This means that the SEC members must be allowed free access to information, employees and sites, so that they can take action at local and national level, as stated in their mandate.

### Protecting jobs and promoting employment

### Our demand

So that we can make effective use of our right to prompt and comprehensive information and consultation on employment issues, as a European employee representative body, we expect the following information from the central management, as part of a regular reporting requirement:

- Employment levels for divisions in the national European companies
- A projection of future staff planning and staff development at the various divisions
- A European action plan aimed at protecting the jobs of skilled workers and qualifications required in the medium term
- Annual activities in the field of professional training (training places that already exist or need to be created and permanent jobs for some trainees)
- Impact on employment of investments made in Europe

We call upon the central management to ensure that this information, if appropriate and necessary, is provided automatically to the national SEC members by the national companies.

## SEC – Action Area 4



### Invest in initial and further training!

Siemens uses and promotes a various forms of professional and social training, in order to meet the need for skilled workers and training in the long term. In particular, we need effective strategies, to retain skilled workers and recruit additional skilled workers from outside Siemens, by offering attractive working and pay conditions, and continuously improve employee know-how and training.

We will support and encourage European employee representatives in initiating training proposals for transnational areas of improvement.

The need to provide training and jobs with a future is still highly relevant for Siemens.

We believe that Siemens has a major responsibility, in terms of social welfare, society and the economy, and must continue to be active in these fields.

We recognise that Siemens makes great effort to provide young people with initial training. However in view of the huge problems, which make it difficult for young people to access training, the current initiatives are not adequate. At all Siemens sites in Europe, opportunities and initiatives aimed at integrating young people into the world of work and industry must be strengthened.

In particular, we expect on-site initiatives across Europe aimed at creating additional training places in European crisis countries with high youth unemployment.

Anyone that provides training and qualifications safeguards our ability to innovate and remain competitive in the future!



## SEC - Action Area 5

### Further development of a social responsible corporate culture

### Siemens promises:

"Dialogue and commitment – we manage our employees according to this principle all over the world. At an annual meeting with their manager, our employees agree on individual, binding objectives, by which they are measured. In this way, we bring together the interests of both sides and motivate our employees to excel at their work. This forms the basis of the Siemens corporate culture. It is defined by the diversity of its people and cultures, open dialogue, mutual respect, clear objectives and decisive management."

(Source: Siemens website)

http://www.siemens.de/jobs/arbeiten\_bei\_siemens\_de/entwicklung-fuehrung/seiten/home.aspx

We know that our corporate culture is based on mutual respect and trust is a decisive factor for value creation within the company. A corporate culture based on participation and cooperation with employee representative bodies would be a significant competitive advantage.

Due to the decisions and measures introduced at Siemens over the last few years, this principle has been seriously challenged. The massive changes resulting from the "Siemens 2014 Löscher Programm" have clearly left their mark all over Europe. While openness and mutual trust are needed, mistrust towards management and fears of job losses has become prevalent at all levels.

Wherever a "culture of fear" ("Angst") arises, it results in stagnation. This threatens Siemens' future activities, performance and ability to compete and thereby its economic success.

The value-oriented identity of Siemens is based on the principle of developing products and services that are useful for people, society and the environment. Whether in terms of medical technology, intelligent infrastructures, innovative energy technology or electro-based mobility – all products and divisions are defined by the aim of offering socially useful, sustainable and forward-looking solutions. The economic success of Siemens would be impossible without this value orientation.

However, in order to be credible to the outside world, this "philosophy" must also reach inwards. For this reason it is of central importance to us to focus on a social climate, shared values and culture of trust, based on openness and respect at all levels within the hierarchy.

### Further development of a social responsible corporate culture

## SEC – Action Area

### Our point of view

Safeguarding participation - enabling information and consultation across Europe!

The SEC has the right to be informed and consulted, fully and promptly, concerning any changes planned, according to the Measure Catalogue included in the SEC Agreement. Only then can effective consultation and decisionmaking take place on the SEC.

We have seen that, in the European context, significant differences exist in terms of corporate information policy and cooperation between local management and on-site employee representative bodies.

In theory, the processes used at Siemens work, with the executive board being of central importance. However, the SEC must be more involved as a full committee in any consultations with the management. Consultation between the management and SEC members does take place in all the affected countries - but this often only happens after the actual decisions have been made. By this time, only very few or insufficient opportunities remain to amend decisions or help influence their consequences.

In this context, the SEC expects to play a real role, at the earliest possible stage, in common consultations before the management makes decisions.

Clear regulations for participation-orientated information and consultation procedures are helpful for both sides, because they:

- Involve the national SEC members in the relevant European processes
- Give the company and on-site trade unions, together with the affected sites in this and other countries, the right to clarify issues and put forward their own proposals
- Promote dialogue and solutions for negotiation, in order to resolve controversial issues.

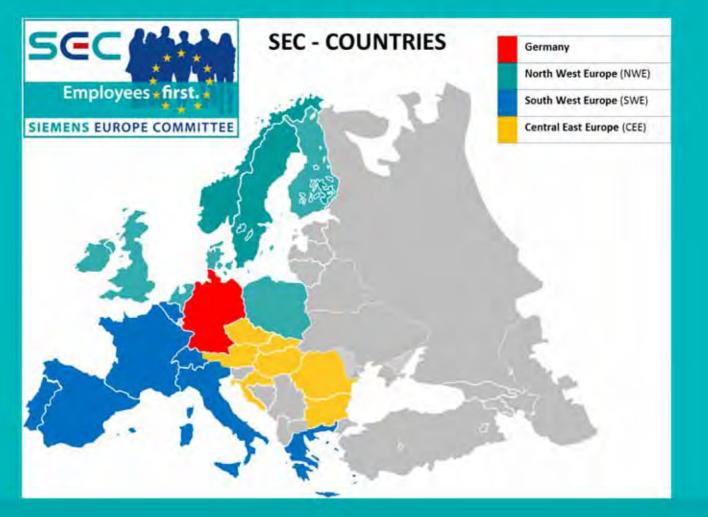
On the SEC, we advocate an open and valueoriented corporate culture, which is committed to the social benefits created by economic activity and the people that form the company.

#### We combine this view of corporate culture with:

- A respectful and caring approach towards all employees, regardless of their level in the hierarchy and the countries, in which they work for the company:
- Management decisions that respect employees' social and work interests and take the latter seriously;
- Adopt an approach that appreciates the value created by all employees working for the Siemens Group;
- Recognition that economic success for Siemens is only made possible by the everyday contribution and work of employees;
- Adopt a management approach that gives the national companies as many rights and opportunities as possible to improve labour and employment policy;
- A positive basic approach at all management levels, which includes taking employee rights/representative bodies seriously and promoting democracy within the company;
- Being open to strengthening employee participation, co-determination and democracy within the company to ensure that economic and social dialogue can take place and that relevant measures are introduced;
- The compulsory provision of information and documentation for the national SEC representatives, within the scope of the entitlements, which are necessary if they are to fulfil their mandate (see issues from SEC Agreement);
- Full access for SEC representatives to all national sites within their representation area.

A long-term corporate culture can only be successfully created in cooperation with the management, works councils and trade unions.

The open and fair handling of representative bodies is vital.



## **SEC – Country profiles**

The SIEMENS EUROPE COMMITTEE (SEC) has 36 members from the 28 EU countries, Norway and Switzerland. Within the SEC, an internal network structure exists between Germany and three other European regions, which act as regional committees on the SEC.

By means of the country profiles, we want to "give the SEC a face" and make the committee better known both internally and externally. In 22 country portraits, we provide information about national Siemens sites in Europe. The country profiles all have an identical structure, which makes it possible to access similar types of information rapidly.

For system-related reasons, the SEC countries are not shown in alphabetical order, but according to their assigned SEC regional committees.

### The country profiles include:

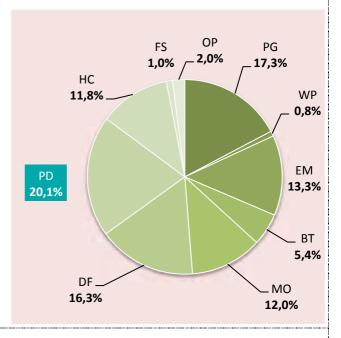
- An overview of economic activities and employment policy trends
- A "visitor's card" about the national SEC members
- Views of SEC members on themes and key issues for European representation of interests
- Background information on national employee rights and structures for in-company and trade union representation.

### **Siemens in GERMANY**

ACTIVITIES & EMPLOYMENT (2014)				
Divisionen	Abk.	Beschäftigte		
Power and Gas	PG	18.660		
Wind Power and Renewables	WP	914		
Energy Management	EM	14.409		
Power Generation Services	PS			
Building Technologies	ВТ	5.800		
Mobility	МО	12.923		
Digital Factory	DF	17.637		
Process Industries and Drives	PD	21.732		
Healthcare	НС	12.767		
Financial Services	FS	1.090		
Other Operations	ОР	2.200		
Corporate Units	COR	6.898		
TOTAL		115.030		

Siemens Germany posted solid figures for fiscal 2013 (October 1, 2012 – September 30, 2013): Revenue was approximately EUR 10.75 billion, while new orders dipped slightly to approximately EUR 11.74 billion compared to the previous fiscal year.

(Source: Siemens)



### Structural changes at SIEMENS

Siemens Since the start of the new millennium, Siemens has seen major and continuous changes. Business sectors have been added, while others have disappeared. In the wake of demergers, disposals and redundancies, over 14,000 jobs have been lost in Germany alone within the space of two years (2012 – 2014).

The following are just some of the business sectors that no longer belong to the Siemens Group:

#### **SEMICONDUCTORS**

Major upheavals on the market prompted Siemens to spin off its operations. Semiconductor manufacturer Infineon was floated on the stock market in 1999.

#### **TELECOMMUNICATIONS**

Siemens was first founded as a telegraph manufacturer, but the group has been unable to keep up with rapid changes on the telephone market. Long before Nokia lost out to Apple on the mobile phone market, Siemens Mobile had to let Nokia go, despite some early successes. In 2005, Siemens sold its mobile phone business to the BenQ Group, which very soon had to cease production. Siemens sold its home cordless telephone operations to Arques in 2008.

#### **NETWORKS**

Siemens also sold off its network equipment division, in order to form a joint company with Nokia, known as NSN, in 2007.

#### **COMPUTERS**

Siemens used to make computers under the Siemens Nixdorf name, as well as cash machines. Siemens combined this part of its business as part of a joint venture with Japanese manufacturer Fujitsu, from which it withdrew in 2009. Ten years earlier, its cash system and ATM business was sold to investors. It continued to operate as Wincor Nixdorf, which was floated on the stock exchange in 1999.

#### LIGHTING

Osram is the most recent example of a demerger model. This well-established lighting company belonged to Siemens for many years. After it became necessary to raise billions of Euros, including for the development of new products after light bulbs became obsolete, Siemens planned to allow its subsidiary to break away, by floating it on the stock exchange, and thus generate billions of Euros. This move proved unsuccessful. Osram has been an independent company since 2013.

Source: Handelsblatt



### My point of view:

The European representation of workers' interests in the Siemens Group is important because ...

"it is our duty, as European employee representative bodies, to uphold our humanist ideals – the values of democracy, co-determination and freedom – in response to the economic rationale in and for Europe.

If the EU structures are currently in crisis and people see it only as a "behemoth of bureaucracy", we could be part of the solution, when it comes to altering this real perception held by our colleagues."

#### My point of view:

The European representation of workers' interests in the Siemens Group is important because ...

"I firmly believe that the effective representation of interests can no longer be successful at national level alone.

In view of the increasing interlocking of economic areas and changing competitive landscape, the European model must focus on cooperation. It is also important that a comparable level of participation and codetermination should exist in the European countries, while employees must form networks and not allow themselves to be played off against each other."

### SEC – Member (Chairman)



Name: Harald Kern

Place: Nürnberg

Profession: Elektrotechniker /

Betriebsrat

SEC-Member since 2007

Delegated by Konzernbetriebsrat (KBR)

TU-membership: IG Metal

E-Mail: harald.kern@siemens.com

### **SEC – Member** (Executive Committee)



Name: Bettina Haller

Place: Berlin

Profession:

Dipl. Sozialarbeiterin

SEC-Member since 2007

Delegated by

Konzernbetriebsrat (KBR)

TU-membership: IG Metal

E-Mail: bettina.haller@siemens.com

Our main subject for the European SEC-Agenda "Siemens 2020"

Investment into innovation, future technologies, new products and in research and development Innovation calls for a culture, in which the pioneering spirit much vaunted by the company can develop once again.

Work is needed in this area, in order to highlight Siemens' strengths and take advantage of this opportunity for employment and further development for the company..

Our expectations for European cooperation in the SEC

Despite Germany's strengths as a location, Europe is also the foundation, on which Siemens is built, in terms of value creation chains and markets for the entire company.

In order to face global challenges in the future, it is of crucial importance for the company that this basis remains stable.

It is therefore important that the SEC helps employees in Europe to have a voice, which demands and supports innovation and investment in Europe as a location.

Representation of employees' interest:
Our currently main topic at Siemens

Once again, Siemens AG is in a state of major upheaval.

1by16, PG2020 and the carve-out of Healthcare, just to
mention the most important changes, point the way forward,
in terms of how things are set to develop in the company,
while also increasing workload for the affected employees.

In line with our Siemens 2020 project, it will also be important for IG Metall and the general works council to consider the future sustainability of sites and jobs, while taking all steps to ensure that people have a future at Siemens..

### National systems and rights of employees' representation in GERMANY

### **KEY FACTS**

Proportion of Employees in Unions 18 % Collective Bargaining Coverage 62 %

#### **Trade Unions**

There are some 7.4 million trade union members in Germany. union density has fallen sharply since the early 1990s, in part because of a sharp fall in manufacturing employment in Eastern Germany after unification. The vast majority of union members are in the main union confederation, the DGB, but within it individual unions, like IG Metall, have considerable autonomy and influence.

#### **Workplace Representation**

Works councils provide representation for employees at the workplace and they have substantial powers – extending to an effective right of veto on some issues. Although not formally union bodies, union members normally play a key role within them.

#### **Election/mandating for the EWC**

requirement

Veto-Rights

European level representatives are chosen through the works council structure. However, for the European Company, there are rules which guarantee seats to trade union officials and – in the largest companies – representatives of senior management, both on the SNB and at board level.

#### **Board-level Representation**

Employee representatives have a right to seats on the supervisory board of larger companies – one-third in companies with 500 to 2,000 employees, half in companies with more than 2,000.

Source: ETUI For more information see: www.worker-participation.eu

### TRADE UNIONS - represented at SIEMENS

- o Industriegewerkschaft Metall (IG Metall; 2,3 Mio. members)
- o **Industriegewerkschaft Bergbau, Chemie, Energie** (IG BCE; chemical workers and miners union; represented at Healthcare Diagnostics; 660 000 members)

### Employees' representation at SIEMENS: We are responsible at the following levels:

requirement

Veto-Rights

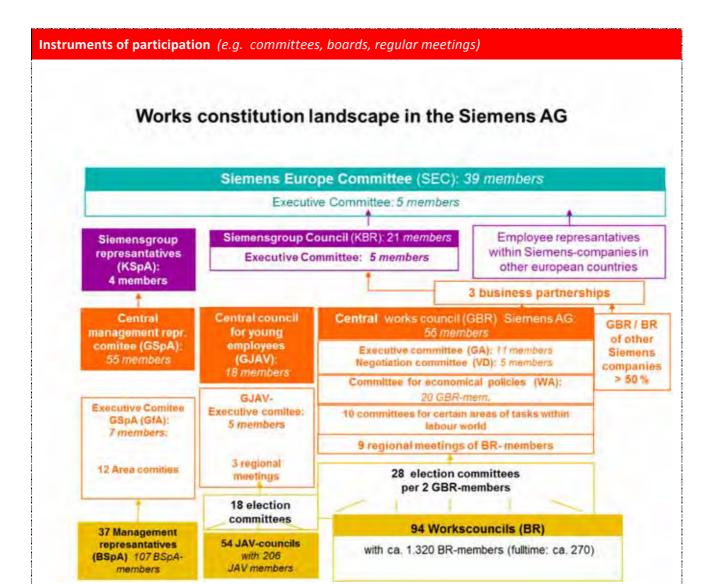
in- company	inte com	r- ipany	on regional level	X	on national level	X	•	e bodies vees/employers)	
Representation of interests: We have legal rights and possibilities to take influence:									
In economic affairs (e.g. investments / R&D)		In personnel affairs (e.g. recruitment, dis-missals temporary work)		In working standards (e.g. working hours, work systems)		furtl	In qualification and further training (skills & competences)		
Levels of participation		Levels of participation		Levels of participation		Leve	Levels of participation		
Information		🔣 Inf	formation	X	Information		X	Information	
Consulting		👿 Co	onsulting	X	Consulting		X	Consulting	
Codetermina	ition	Co	odetermination	х	Codeterminati	on	X	Codetermination	l
Approval		Ar	proval		Approval			Approval	

requirement

Veto-Rights

requirement

Veto-Rights



### Structure and bodies of employee participation in Siemens Germany

At plant and company level, the employee representative body in Germany is governed by the "Works Constitution Law". At company level, it has different objectives and is regulated by the "Co-determination Law", in conjunction with the "Stock Corporation Law".

### **Works Constitution Law**

The local works councils, which are elected directly by employees at plants, are of central importance, as well as the general works council, whose members come from the local works councils. The general works council is responsible, at national level, for all matters that affect more than one plant.

**Local works councils and the general works council** have differentiated Information, consultation and even codetermination rights (co-determination means that the employer cannot make decisions without the consent of the employee representative body, which can also take the initiative).

**General works council members** sit on several committees, in order to pay special attention to specific matters, which generally require co-determination .

As part of this process, a special role is played by the "economic committee", which has a special right to be informed and consulted by the employer concerning economic matters.

The "general works council" and "negotiation delegation" are management and special negotiation committees of the general works council.

"Liaison groups" are a regional sub-organisation of the general works council, which owe their existence to the large number of Siemens plants in Germany. They also enable works councils, which are not directly represented on the general works council, to take part in the decision-making process.

The "meeting of works councils" takes place once per year and is a direct meeting of representatives from all local works councils at national level. It enables the latter to enter into a direct dialogue with the employer at company level.

The local works councils must hold a "works meeting" once per quarter for all employees at the relevant plant, so that employees can enter into a direct dialogue both with the works council and management at the plant.

The "group works council" is a committee, to which the works council and general works council delegate members. It enables information to be shared and discussed at group level. Co-determination only applies to specific issues that affect the entire group.

The "general youth and trainee council" is a separate representative body primarily aimed at trainees at company level. Its members are delegated by local youth and trainee councils. These committees primarily have information and consultation rights.

The "**representative committee**" is the representative body for management employees. "Representative committees" exist at plant, company and group level.

### Works and Enterprise Constitution of Siemens AG Supervisory Board Managing Board Cooperate Human Resources Central Committee for Joint Committee Siemens Job Evaluation Labor Protection Committee Committees e.g. for Employee- and for Economic Wage Questions Policies (WA) Continuing Education and Training Special Issues of Regional Offices Job Design/Rationalization Supervisory Negotiation Committee (VD) Equal Opportunities for Women Board of Human Factors Engineering Siemen Suggestion Scheme Housing Corp Executive Committee (GA) Recreation Centers and Cure Homes . Central Works Council (GBR) Regional Meetings of Election Comities for Works Council Representative Central Works Council Plant Annual Meeting of Works Councils (BR) Works Councils Management Employees elect their works Councils Employee Representatives on the Supervisory Board are either Works Meeting elected by Delegates or direct by the Employees

### **Co-determination Law**

At Siemens AG Deutschland, in line with statutory regulations, six employees, three trade union representatives and a management employee are elected to the supervisory board by delegates who represent employees at all plants.

The supervisory board at Siemens AG Deutschland consists of a total of 20 members, with the shareholders and employees each providing ten members. However, the employee representatives also include a representative from the management.

The supervisory board is expected to monitor the work of the executive board and must even give its express consent to certain decisions of the executive board.

The idea of the "Co-determination Law" is that shareholder and employee interests should be represented and balanced as effectively as possible on the supervisory board.

In formal terms, however, the dominant role of shareholder interests is protected, as a double voting right is assigned to the president, who always represents the shareholders.

The supervisory council is the only committee that represents employees in Germany, where the direct representation of trade unions is expressly regulated and required by law.



### Weitere SEC - Mitglieder aus Deutschland

Name: Birgit Steinborn

Place: Hamburg

Profession/Function: Dipl. Soziologin & Industriekauffrau

SEC-Member since: 2007

Delegated/elected by: KBR Siemens

Trade Union: IG Metall

E-Mail: birgit.steinborn@siemens.com



### Weitere SEC - Mitglieder aus Deutschland

Name: Robert Kensbock

Place: Mühlheim/ Ruhr

Profession/Function: Technischer Zeichner

SEC-Member since: 2013

Delegated/elected by: KBR Siemens

Trade Union: IG Metall

E-Mail: robert.kensbock.com



### Weitere SEC – Mitglieder aus Deutschland

Name: Olaf Bolduan

Place: Berlin

Profession/Function: Industriekaufmann

SEC-Member since 2015

Delegated/elected by: KBR Siemens

Trade Union: IG Metall

E-Mail: olaf.bolduan.com



### Weitere SEC - Mitglieder aus Deutschland

Name: Gunnar Zukunft

Place: München

Profession/Function: Dipl.-Ing.

SEC-Member since 2013

Delegated/elected by: KBR Siemens

Trade Union: IG Metall

E-Mail: gunnar.zukunft.com



### Weitere SEC – Mitglieder aus Deutschland

Name: Hans-Jürgen Hartung

PLace: Erlangen

Profession/Function: Dipl-Ing.

SEC-Member since 2007

Delegated/elected by: KBR Siemens

Trade Union: IG Metall

E-Mail: hans-juergen.hartung@siemens.com





# SEC - Region North West Europe (NWE)

### SIEMENS in the NWE Europe region:

- Manufacturing and development sites in 8 countries
- Approx. 31.130 employees (2013)
- 11 SEC representatives
- Latest turnover figure approx. 9,2 billion Euros (2013)

### Questions to Roy Lund (Norway, regional speaker NEW)

1. What do you expect of the changes based on the new "Siemens 2020" group strategy?

A major change of focus from the top to improving the Siemens company from within: incentives towards innovation, education (continuous on the work training), productivity).

2. Is the SEC sufficiently informed and involved? What needs to be changed from your point of view?

The information flow to the SEC is not fully sufficient and there is hardly any consultation.

3. Which proposals and demands would you put forward, in order to protect sites, jobs and business sectors?

The SEC-representatives are important stakeholders in the swot analysis of the company (we have unique knowledge of the company). We can be important change-agents in regard to culture- and productivity improvements. But the respect for the SEC and the SEC representatives is not fully there today.

4. How can the SEC actively work on these issues?

The SEC need to be more strategic in it's approach to our topics of interest. Improve our: analysis competence, better planning and we need to meet the "right management". Our main dialogue partner is HR. HR is more and more skilled and sourced in legal matters. Hence they are not equally skilled in regard innovation and development.

(May 2014)

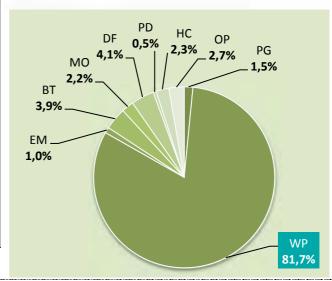
## **Siemens in DENMARK**



ACTIVITIES & EMPLOYMENT (2014)	
Divisions	Number of employees
Power and Gas (PG)	108
Wind Power and Renewables (WP)	5.698
Energy Management (EM)	71
Power Generation Services (PS)	-
Building Technologies (BT)	275
Mobility (MO)	152
<b>Digital Factory</b> (DF)	286
Process Industries and Drives (PD)	37
Healthcare (HC)	160
Financial Services (FS)	-
Other Operations (OP)	190
TOTAL	6.977

 In fiscal 2013 (October 1, 2012 – September 30, 2013), Siemens' sales to customers in Denmark amounted to more than EUR 1.07 billion, and new orders totaled EUR 742 million.

(Source: Siemens)



National Developments in the las	st vears		
Existing plants were extended	Nacelle-factory in Brande. Blade-f	actory in Ålborg.	
New plants were opened		In the end of the year in Soenderborg, new location same amount of	
Sites were downsized	Blade-factory in Engesvang. 70 ter Nacellefactory in Brande. Aproxx. Has been taken in again.	mps sent home medio April 2014. . 250 temps sent home after newyear	
Sites were closed	Turbo Machinery in Helsingoer wa	Turbo Machinery in Helsingoer was closed and 200 employees lost their job.	
Sites were restructured	All of Siemens Wind Power was re	All of Siemens Wind Power was recently restructured.	
Our expectation for future devel	opment		
SEC member	René Jensen	Kurt Thomsen	
Development of the site	Busy and more work	Slow development	
Employment	More people	Reduced	
Labour standards	Going down, lot of pressure on salary and so on.	Mostly the same. Wages moderately go. No increasement.	
Innovation & investment	Not good enough.	Overall cost reduction. Focus on efficiency improvement of processes	



### My point of view:

The European representation of workers' interests in the Siemens Group is important because ...

"it is the only way to forward crossborder issues to the global management"

### SEC - Member





Name Kurt Thomsen

Place: Siemens Wind Power A/S Engesvang

Profession: Bluecollar, Shop Steward

SEC-Member since 2011

**Elected by Shop Steward colleagues** 

TU-membership: 3F

E-Mail: kurt.thomsen@siemens.com

### My point of view:

The European representation of workers' interests in the Siemens Group is important because ...

"there is no other way to reach our common goals for the employees"

### SEC - Member





Profession: Product Techniachen

SEC-Member since 2005

Elected by Siemens A/S Workcouncil

TU-membership: **Danish electricians union** 

E-Mail: kurt.thomsen@siemens.com

### Our main subject for the European SEC-Agenda "Siemens 2020"

- Strengthening employee participation and representation of interests (Kurt Thomsen)
- Designing attractive working conditions in a motivating work environment (René Jensen)

Reasons and arguments for this priority

"A strong employee participation and representation will improve our influence on behalf of our collegues." (Kurt Thomsen)

"It is important that the SEC members has an opportunity to make a difference and the opportunity to be in the early discussion." (René Jensen).

### Our expectations for European cooperation in the SEC

We have to be more firm in our way to approach management. (René Jensen)

More influence from the sec members before the things has been changes. (René Jensen)

Support networking. Articulate issues across borders in EU. (Kurt Thomsen)

### Our currently main topic at Siemens

Monitoring if our collegues, in their everyday work, actually experience the effect of Top-Managements visions and initiated actions.

#### National systems and rights of employees' representation in DENMARK **KEY FACTS Proportion of Employees in Unions** 67 % **Collective Bargaining Coverage** 80 % **Trade Unions Workplace Representation** Union density is high in Denmark, at around two-thirds Unions are central to workplace representation in of the workforce, although it has fallen in recent years. Denmark. Local union representatives take up Most union members are in unions associated with the employees' concerns with management and are often three main confederations – LO, FTF and AC. These are also members of the main information and consultation organised on occupational and educational lines, altbody – the cooperation committee. hough the boundaries between the three are not precise. **Election/mandating for the EWC Board-level Representation** The cooperation committee chooses most employee Employee representation at board level starts with comrepresentatives for European level bodies. The one panies with 35 employees and they have one third of the exception relates to board level representatives in a seats. European Company – they must be elected by the workforce. Source: ETUI For more information see: www.worker-participation.eu TRADE UNIONS - represented at SIEMENS Centralorganisationen af industriansatte (CO industry; 250 000 members) Ingeniørforeningen (IDA; engineers; 90 000 members). Employees' representation at SIEMENS: We are responsible at the following levels: Bipartite bodies (employinteron regional on national incompany level level ees/employers) company Representation of interests: We have legal rights and possibilities to take influence: In economic affairs In personnel affairs In working standards In qualification and further (e.g. investments / R&D) (e.g. recruitment, dis-missals (e.g. working hours, work training temporary work) systems) (skills & competences) Levels of participation Levels of participation Levels of participation Levels of participation Information Information Information Information Consulting Consulting Consulting Consulting Codetermination Codetermination Codetermination Codetermination Approval Approval Approval Approval requirement requirement requirement requirement Veto-Rights Veto-Rights Veto-Rights Veto-Rights **Instruments of participation** (e.g. committees, boards, regular meetings) **Board members** works councils negotiations/bargains

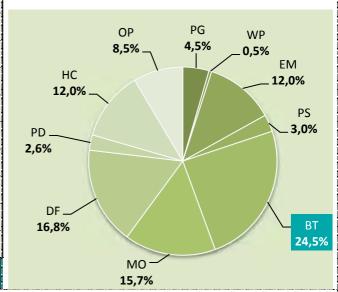
# **Siemens in FINLAND**



ACTIVITIES & EMPLOYMENT (2014)	
Divisions	Number of employees
Power and Gas (PG)	29
Wind Power and Renewables (WP)	3
Energy Management (EM)	77
Power Generation Services (PS)	19
Building Technologies (BT)	158
Mobility (MO)	101
Digital Factory (DF)	108
Process Industries and Drives (PD)	17
Healthcare (HC)	77
Financial Services (FS)	-
Other Operations (OP)	55
TOTAL	644

- Siemens has been active in Finland since 1855.
- In fiscal 2013 (October 1, 2012 September 30, 2013), Siemens' sales to customers in Finland and the Baltic States amounted to EUR 508 million, and new orders totaled EUR 395 million.

(Source: Siemens)



National Developments in the last years		
National Developments in the last years		
Existing plants were extended	NO	
New plants were opened	NO	
Sites were downsized	Redundancy related to Finance Bundling year 2011: - 4 jobs in Finance; Redundancy in MOL & RL, ET TS, I CS year 2012: - 17 jobs; Redundancy in BT and MOL/RL year 2013, - 24 jobs; Redundancy related to Small Countries Consept year 2013 – 25 jobs.	
Sites were closed	NO	
Sites were restructured	ATOS Carve out, approx. 300 employees were carved out.	
Our expectation for future development		
Development of the site	Employee satisfaction and competence development opportunities should be given more.	
Employment	A common concern.	
Labour standards	Assurance the future to get back and forth to a reasonable level.	
Innovation & investment	Differences in job concern even inside Siemens-Nordic.	
Corporate culture	If we could invest in staff professional skills development	



**Political Views and Statements** 

### SEC - Member





Name: Imponen Merja

Place: Siemens Osakeyhtiö / Espoo

Profession: Sales assistant

SEC-Member since 2010

Elected by Employees

TU-membership: PRO

E-Mail: merja.imponen@siemens.com

### My point of view

from the SEC member

The European representation of workers' interests in the Siemens Group is important  $\dots$ 

"for getting information about the future fast to respond to and influence in every SEC-country"

# Our main subject for the European SEC-Agenda "Siemens 2020"

Reasons and arguments for this priority

Strengthening employee participation and representation of interests "If we could invest in staff skills development as the company would have motivated employees who remain in the company."

# Our expectations for European cooperation in the SEC

It's important that we maintain and strengthen our competitiveness and we will get exact information from SEC.

SEC can be a tool to for dialogue with top management and it has a significant impact on the company and employees.

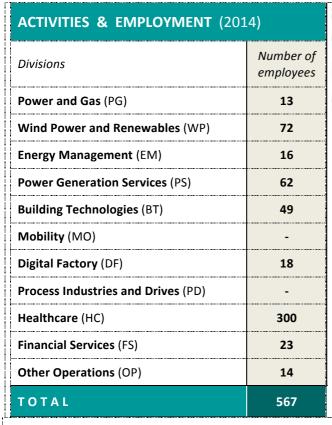
### Our currently main topic at Siemens

There is too much organizational changes

- => ( e.g. the Small county concept )
- to keep "know-how" in the company
- ensuring continuity of employment

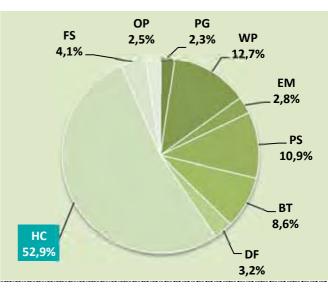
#### National systems and rights of employees' representation in FINLAND **KEY FACTS Proportion of Employees in Unions** 74 % **Collective Bargaining Coverage** 91 % **Trade Unions Workplace Representation** Union density is high in Finland, with almost three-Employee representation at the workplace is primarily quarters of employees in unions. Individual unions, elected representative. Legislation gives union representatives the right to be involved in so-called which have considerable autonomy, are organised in three confederations, broadly along occupational and "cooperation negotiations" in companies and other educational lines. The three confederations are SAK, organisations with 20 or more employees. (The STTK and AKAVA. employment threshold was reduced from 30 in 2007). **Election/mandating for the EWC Board-level Representation** The mechanisms for choosing representatives from Workers in companies with more than 150 employees Finland for European level bodies – both European have the right to participate in management decisions. Works Councils and the European Company – are not The mechanism for doing so can be agreed between the set out in detail by the legislation. Representatives are company and the employee representatives. However, if to be chosen by employees, usually by the union reprethere is no agreement, it is up to the company to decide sentatives in the workplace, in line with local practice the level at which employee are represented: in a singleand without a specific election. tier board, a supervisory board or at operating level. Source: ETUI For more information see: www.worker-participation.eu TRADE UNIONS - represented at SIEMENS Federation of Professional and Managerial Staff (YTN) YTN is responsible for activities relating to negotiations and contracts for AKAVÄ's field members in commercial, service and industrial sectors (such as members of TEK, IL, ...) Pro union (white collar workers; 130 000 members) Tekniikan Akateemiset (TEK; engineers; 70 000 members) IL (engineers) Employees' representation at SIEMENS: We are responsible at the following levels: interon regional on national Bipartite bodies (employlevel ees/employers) company company level Representation of interests: We have legal rights and possibilities to take influence: In economic affairs In personnel affairs In working standards In qualification and further (e.g. investments / R&D) (e.g. recruitment, dis-missals (e.g. working hours, work training temporary work) systems) (skills & competences) Levels of participation Levels of participation Levels of participation Levels of participation Information Information Information Information Consulting Consulting Consulting Consulting Codetermination Codetermination Codetermination Codetermination Approval **Approval** Approval Approval requirement requirement requirement requirement Veto-Rights Veto-Rights Veto-Rights Veto-Rights **Instruments of participation** (e.g. committees, boards, regular meetings) Regular meetings with CEO; National Law; National Agreement on cooperation; Unions

## **Siemens in IRELAND**



- The company has been active in Ireland since 1874.
- In fiscal 2013 (October 1, 2012 September 30, 2013), Siemens' sales to customers in Ireland amounted to around EUR 179 million and new orders totaled more than EUR 351 million.

(Source: Siemens)



National Developments in the last years		
Existing plants were extended	NO	
New plants were opened	NO	
Sites were downsized	Forced redundancies (approx.20) in the Siemens Head Office in Dublin, across all sectors. Mainly administrative positions in the office.	
Sites were closed	NO	
Sites were restructured	NO	
Our expectation for future development		
Development of the site	The headquarters will need to move, since the rent is too high	
Employment	Will decrease, unless new projects/sales occur	
Labour standards	Gradual improvement	
Innovation & investment	Not a great emphasis in Ireland (except perhaps Healthcare)	
Corporate culture	Will change, due to more integration with UK business	



**Political Views and Statements** 

from the SEC member

### SEC - Member





Name **Terry Kennedy** 

Place: Siemens Healthcare, Dublin

Profession: Materials Dep.

SEC-Member since 2014

Elected by: Colleagues

TU-membership: YES

E-Mail: terry.kennedy@siemens.com

### My point of view

The European representation of workers' interests in the Siemens Group is important  $\dots$ 

"too many decisions get made at Board level that none of the regular employees can understand the reason for, so there needs to be a group of people asking Senior Management the hard questions."

# Our main subject for the European SEC-Agenda "Siemens 2020"

Reasons and arguments for this priority

Strategic HR-planning and sustainable HR-development We need more access to education Inhouse Training

# Our expectations for European cooperation in the SEC

We need more support and respect.

Management to be able to carry out the role as an elected representation.

### Our currently main topic at Siemens

In Siemens Ireland, we are trying to cope with the aftereffects of the "Siemens 2014" program and our further integration with the UK.

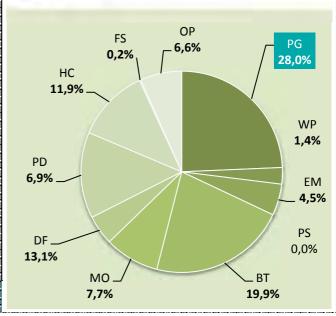
#### National systems and rights of employees' representation in IRELAND **KEY FACTS Proportion of Employees in Unions** 31 % **Collective Bargaining Coverage** 44 % **Trade Unions Workplace Representation** Around a third of employees in Ireland are union mem-There is no statutory system for permanent employee bers. There is only one union confederation, the ICTU, representation in Ireland. Those who work in unionised workplaces – about half the total – have representation but individual unions, in particular the larger ones, have considerable power and influence. though the union. New procedures have been introduced as a result of the EU directive on information and consultation, but they may not make much difference. **Election/mandating for the EWC Board-level Representation** With no universal statutory structure of employee rep-Employee representatives in Ireland's single-tier boards resentation, Irish members on European bodies are are only found in the state-owned sector, where they normally elected by the workforce as a whole in a spenormally account for a third of the total. Privatisation cial ballot. However, the situation is different for some has cut the number of companies covered and the proof the structures of the European Company. cess is continuing. Source: ETUI For more information see: www.worker-participation.eu TRADE UNIONS - represented at SIEMENS Services Industrial Professional Technical Union (SIPTU; 200 000 members) Technical Engineering and Electrical Union (TEEU; 40 000 members) Employees' representation at SIEMENS: We are responsible at the following levels: Bipartite bodies (employinteron regional on national company level **Tevel** ees/employers) company Representation of interests: We have legal rights and possibilities to take influence: In economic affairs In personnel affairs In working standards In qualification and further (e.g. investments / R&D) (e.g. recruitment, dis-missals (e.g. working hours, work training temporary work) systems) (skills & competences) Levels of participation Levels of participation Levels of participation Levels of participation Information Information Information Information Consulting Consulting Consulting Consulting Codetermination Codetermination Codetermination Codetermination Approval **Approval** Approval **Approval** requirement requirement requirement requirement Veto-Rights Veto-Rights Veto-Rights Veto-Rights **Instruments of participation** (e.g. committees, boards, regular meetings) We need regular meeting at sector level to get a common agreement for all Siemens employees

# **Siemens in NETHERLANDS**

ACTIVITIES & EMPLOYMENT (2014)	
Divisions	Number of employees
Power and Gas (PG)	540
Wind Power and Renewables (WP)	59
Energy Management (EM)	112
Power Generation Services (PS)	360
Building Technologies (BT)	488
Mobility (MO)	195
Digital Factory (DF)	106
Process Industries and Drives (PD)	307
Healthcare (HC)	261
Financial Services (FS)	5
Other Operations (OP)	148
TOTAL	2.581

In fiscal 2014 (October 1, 2013 – September 30, 2014), Siemens' sales to customers in the Netherlands amounted to EUR 1.05 billion and new orders totaled EUR 2.714 billion.

(Source; Siemens)



National Developments in the last years		
Existing plants were extended		
New plants were opened	-	
Sites were downsized	2013 SIT Hengelo due to reorganisation 100 employees left. 15 with permanent contracts and 85 tempory workers. Because of less orderintake, less productioncapicity will be needed. However in recent months the orderintake is slightly recovering.	
Sites were closed	-	
Sites were restructured	Closing of the panel building plant in The Hague. 36 employees lost their job. The activities are transferred to Germany.	
Our expectation for future development		
Development of the site	2 Windpower projects total value 2 billion	
Employment	Increase of employment in Windpower because of the new projects	
Labour standards	New set of rules from the government for Labour culture	
Innovation & investment	I think this will all depend on the restructuring of Siemens Worldwide	
Corporate culture	We want to stimulate the sense of ownership for the employees	



**Political Views and Statements** 

### SEC - Member





Name: Ron Arndts

Place: Siemens Netherlands N.V. / Th

Profession: Country Division Controll

SEC-Member since 2013

Elected by Workscouncil in The Netherlands

TU-membership: **NONE** 

E-Mail: ron.arndts@siemens.com

### My point of view

from the SEC member

The European representation of workers' interests in the Siemens Group is important  $\dots$ 

"for strengthening employee participation and representation of interests."

# Our main subject for the European SEC-Agenda "Siemens 2020"

Reasons and arguments for this priority

Strengthening employee participation and representation of interests "Employees are the main asset of the company. Motivation of the employees is very important. Reward good employees and take measures to employees who are negative and not willing to cooperate with the company."

# Our expectations for European cooperation in the SEC

"I expect the support from Global and local management the relevant issues we are talking. The SEC can make the local management aware of the SEC topics.".

### Our currently main topic at Siemens

**Strategic Resource Development**. (Are our current employees still fit to do their job or do they need additional skills.)

Another main topic is the process to make healthcare an independent division and sale of the Healthcare IT division.
(What does this mean for the Healthcare colleagues? E.g. will they still work under Siemens Netherlands terms and conditions.)

#### National systems and rights of employees' representation in NETHERLANDS **KEY FACTS Proportion of Employees in Unions** 20 % **Collective Bargaining Coverage** 81 % **Trade Unions Workplace Representation** A fifth of employees (20%) are union members in the Employee representation at the workplace is essentially Netherlands, and the proportion has been gradually through works councils elected by all employees. They falling in recent years. There are two main confederashould be set up in all workplaces with at least 50 tions, the FNV – the larger of the two – and the CNV, employees and more than three-quarters of workplaces of this size have them. initially divided on ideological/confessional lines, although now with good relations. A third grouping, the MHP, represents more senior staff, although it has recently split. Election/mandating for the EWC **Board-level Representation** It is the works councils who choose employee repre-Works councils have the right to nominate up to one sentatives from the Netherlands on bodies related to third of the members of supervisory boards in larger European Works Councils and European Companies, companies – above 100 employees among other things. with a clear hierarchy running from the central works However, neither employees of the companies nor trade council to individual works councils. unionists dealing with them can be nominated, so the works council nominees are often distant from employees' day-to-day concerns. Source: ETUI For more information see: www.worker-participation.eu TRADE UNIONS - represented at SIEMENS Federatie Nederlandse Vakbeweging (FNV) Bondgenoten (470 000 members) Christelijk Nationaal Vakverbond (CNV) Fakmensen (130 000 members) De Unie (white collar workers; 80 000 members) Vereniging voor hoger Personeel (VHP) Metalektro (white collar workers; 40 000 members) Employees' representation at SIEMENS: We are responsible at the following levels: on national Bipartite bodies (employinteron regional company company ievei level ees/employers) Representation of interests: We have legal rights and possibilities to take influence: In economic affairs In qualification and further In personnel affairs In working standards (e.g. investments / R&D) (e.g. recruitment, dis-missals (e.g. working hours, work training temporary work) systems) (skills & competences) Levels of participation Levels of participation Levels of participation Levels of participation Information Information Information Information Consulting Consulting Consulting Consulting Codetermination Codetermination Codetermination Codetermination **Approval** Approval Approval Approval requirement requirement requirement requirement **Veto-Rights** Veto-Rights Veto-Rights Veto-Rights Other points to take influence: We need to improve every change in personnel regulations **Instruments of participation** (e.g. committees, boards, regular meetings) 6 regular meetings with the board and supervisory board 6 informal meetings with the board and chairman; Regular meetings with division head

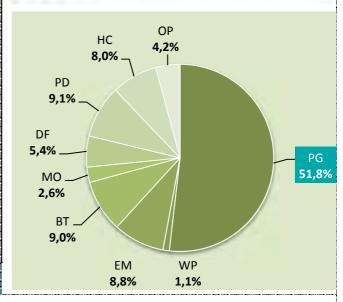
# **Siemens in NORWAY**



ACTIVITIES & EMPLOYMENT (2014)	
Divisions	Number of employees
Power and Gas (PG)	1.043
Wind Power and Renewables (WP)	22
Energy Management (EM)	178
Power Generation Services (PS)	-
Building Technologies (BT)	181
Mobility (MO)	53
Digital Factory (DF)	108
Process Industries and Drives (PD)	183
Healthcare (HC)	160
Financial Services (FS)	-
Other Operations (OP)	84
TOTAL	2.012

- The company has been active in Norway since 1898.
- In fiscal 2013 (October 1, 2012 September 30, 2013), Siemens' sales to customers in Norway amounted to more than EUR 830 million, and new orders totaled nearly EUR 880 million.

(Source: Siemens)



National Developments in the last years		
Existing plants were extended	Yes	
New plants were opened	Bømlo (At South West near Haugesund, SubSea Technology Production ca. 100 people. The Segments Power Electronic and Sub Sea is expanding. But we don't get acceptance for new recruiting staff to fill this need. We are afraid our competitors win the growth potential.	
Sites were downsized	BT has been downsized by some 40 staff. In addition we have lost some 20 due to uncertainty. This downsizing happened over very long time. (to long time) New information came in "portions".	
Sites were closed	The Security Operational CCTV surveillance centre – part of BT, was sold to NOKAS. April 2013.	
Sites were restructured	Minor changes in basically all parts of the business and also relatively stronger changes in HR and CC	
Our expectation for future development		
Development of the site	Growth in PEC and SubSea (OG) and also Ship, Trondheim	
Employment	From 2000 in 2014, to 2400 in 2018	
Labour standards	Standards will be challenged. But we have new negotiated standards on "travels" and "Temporary Work". Pension will be discussed.	
Innovation & investment	We hope for more focus on Communication and Cooperative skills in our organization	
Corporate culture	More open and dynamic dialogue with Top Management	



### SEC - Member





Name: Roy Lund

Place: Siemens AS / Trondheim

Function: Union president Siemens Norway, Executive Board member

SEC-Member since 1996

Delegated by **All Unions in Siemens Norway** 

TU-membership: Fellesforbundet

E-Mail: roy.lund@siemens.com

My point of view

from the SEC member

The European representation of workers' interests in the Siemens Group is important  $\dots$ 

"for getting crucial information fast and if a SEC-member from a local country need to escalate important issues."

Our main subject for the European SEC-Agenda "Siemens 2020"

**Political Views and Statements** 

Reasons and arguments for this priority

Strengthening value creation in Europe

"Europe has lost it's stronghold as Nr One in Industrial and R&D Leader to Asia and South America. Siemens is One Major Multinational Company that has the ability to turn back this negative trend. This is fundamental for securing future jobs for our members both in Europe and in Norway."

# Our expectations for European cooperation in the SEC

"We want SEC to coordinate the Strategy of our Company to secure the future of our members in Siemens Norway. It is important that we maintain and strengthen our competitiveness and hence I think SEC can be a tool to have this kind of dialogue with top management and also that the SEC Network is a good base of analyzing the situation and be a "critical" and important influence to the Company."

### Our currently main topic at Siemens

**Organizational Changes:** Organizational changes take too much focus in general. (Oil and Gas has done changes most every year last six years) Should have more focus on continuous improvements, productivity and development.

**Processes when change in organization:** cut downs, change of positions due to changes. These processes involve too much frictions. We are currently working with this

Temporary work

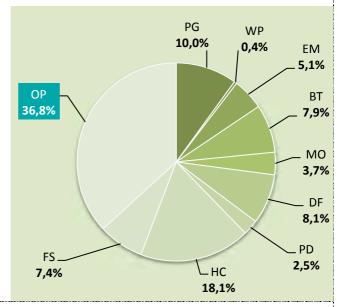
#### National systems and rights of employees' representation in NORWAY **KEY FACTS** 52 % 70 % **Proportion of Employees in Unions Collective Bargaining Coverage Trade Unions Workplace Representation** More than half Norway's employees are in unions and Union representatives provide the most important although union density has declined slightly in recent element of workplace representation in Norway and play years, union membership has increased. The majority of the main role in information and consultation, employee unions are grouped in four confederations, LO, UNIO, representation and local negotiations. YS and Akademikerne. While UNIO and Akademikerne primarily organise more highly qualified employees, there is direct membership competition between LO and YS unions. **Election/mandating for the EWC Board-level Representation** There is a difference in the way that Norwegian repre-The right to have a single employee representative at sentatives on European Works Councils and those withboard level starts with companies with 30 employees in in the European Company are chosen. While represent-Norway. In companies with more than 50 workers, one atives for the EWC are elected by all employees, reprethird of board members are elected by and come from sentatives in the European Company structure are, in the employees. the first instance, chosen by the local unions. Source: ETUI For more information see: www.worker-participation.eu TRADE UNIONS - represented at SIEMENS 7 Unions: TEKNA (academics; 60 000 members) NITO (engineers; 70 000 members)), NEGOTIA (office personal, 20.000 members), PARAT (production workers, 35.000 members). These are non-political. Forbundet for Ledelse og Teknikk (FLT; technicians; 20 000 members), Fellesforbundet (FF, blue collar workers; 150 000 members); Handel og Kontor (HK; white collar workers; 70 000 members). These are Social democratic Employees' representation at SIEMENS: We are responsible at the following levels: interon national Bipartite bodies (employon regional incompany company level ees/employers) Representation of interests: We have legal rights and possibilities to take influence: In economic affairs In personnel affairs In working standards In qualification and further (e.g. investments / R&D) (e.g. recruitment, dis-missals (e.g. working hours, work training temporary work) systems) (skills & competences) Levels of participation Levels of participation Levels of participation Levels of participation Information Information Information Information Consulting Consulting Consulting Consulting Codetermination Codetermination Codetermination Codetermination **Approval Approval** Approval Approval requirement requirement requirement requirement Veto-Rights Veto-Rights Veto-Rights Veto-Rights **Instruments of participation** (e.g. committees, boards, regular meetings) Networking with Management, Members and unions between all meetings Board Siemens AS (Norway) Part of Shareholders Law Cooperative meeting at Siemens Norway – level (All Unions meet top management) National Agreement on Cooperation Cooperative meeting on Divisional levels Health, Safety and Environment meeting (National Law)

# **Siemens in POLAND**

ACTIVITIES & EMPLOYMENT (2014)	
Divisions	Number of employees
Power and Gas (PG)	136
Wind Power and Renewables (WP)	6
Energy Management (EM)	70
Power Generation Services (PS)	-
Building Technologies (BT)	107
Mobility (MO)	50
Digital Factory (DF)	111
Process Industries and Drives (PD)	34
Healthcare (HC)	246
Financial Services (FS)	101
Other Operations (OP)	501
TOTAL	1.362

 In fiscal 2013 (October 1, 2012 – September 30, 2013),
 Siemens' sales to customers in Poland closed by amount of EUR 485 million, and new orders totaled more than EUR 640 million.

(Source: Siemens)



National Developments in the last years	
Existing plants were extended	NO
New plants were opened	NO
Sites were downsized	NO
Sites were closed	NO
Sites were restructured	NO

Sites were restructured	NU
Our expectation for future development	
Development of the site	Site expansion
Employment	Transition from part-time workers to full-time workers
Labour standards	Satisfied with current standards
Innovation & investment	Development of a research center, production sites in Poland
Corporate culture	Following the direction of changes that are happening right now
Other	Currently at Siemens we prepare the implementation of new organization structures including full regional setup.  New setup of Corporate Unites (focus on central functions)  We adjusted position levels for new organization structure (key functions only)  October 1st planned IMT carve out (62 employees)



Political Views and Statements from the SEC member

### SEC - Member



Name: Joanna Tarnowska

Place: Warsaw

Function: Senior Corporate Commun cation Specialist

SEC-Member since 2012

Elected by General Election

TU-membership: NO

E-Mail: joanna.tarnowska@siemens.com

### My point of view

The European representation of workers' interests in the Siemens Group is important  $\dots$ 

"it gives the opportunity not only to listen but also express employees needs and expectation, and exchange practices which can be later inject in local Siemens community."

Our main subject for the European SEC-Agenda "Siemens 2020"

Reasons and arguments for this priority

Strengthening employee participation and representation of interests Participation in board meetings (at least once per year, the goal of that should be to become active part in creating strategy and goal in yearly company needs, not only business like but focus on employee communication of the business need and including in this strategy the employee point view)

# Our expectations for European cooperation in the SEC

Closer, friendly communication, exchanges practices and experiences in terms of for example internal communications.

Cross division cooperation. Most of our projects are cross units (involving the CSR, HR and Communication Dep. With close cooperation with CEO and CFO)

### Our currently main topic at Siemens

Change (after the sector structure change employees are afraid of change, afraid to lose work or even to change position levels, the communication about changes is from employees point of view to general and do not include the detailed responsibilities).

How to communicate, how to cooperate better, how to communicate change as something positive to people. How to create people's commitment, involving in the work but with personal benefits.

Actually we are working on "ready to grow" project – the main purpose of it is to engage employees into self-development from business career perspective and personal level. We based our intranet project site on essential level according to UK practice but we decided to present it as a combination of corporate branding and symbolic way of growth.

Our practice: We start the mentoring program as a part of international program Lean in STEM (science, technology, engineering&math), it is not only the branding point of view but also giving a chance for womanengineer to become mentor for one of the student, that helps discover the own strength and skills.

Leadership program – internal mentoring program involving the top and middle level of management. This is special series of workshops based on development centre method. This is support not only for business on the company level but also its strength the process of local organization culture. We plan to start SEC intranet site 7 th of October. Our site is planned as a total full synergy with other departments like HR the main one and GSS, CSR). We want to present the projects and benefits which already do exist in our company like EVP and also to gather the voices of

people's opinions.

We currently work on the more interactive way of communication with me (not only by mails and meetings but also kink of platform to exchange the ideas or sharing problems, we do plan to have more open and personal – 1:1)

### National systems and rights of employees' representation in POLAND

### **KEY FACTS**

**Proportion of Employees in Unions** 

15 % Collective Bargaining Coverage

30 %

#### **Trade Unions**

Trade union density is relatively low at around 12% of employees and membership is divided between a large number of organisations. There are two large confederations, NSZZ Solidarność and OPZZ, and one somewhat smaller one, FZZ. However, a significant number of union members are in small local unions not affiliated to any of the main confederations.

### **Workplace Representation**

Until recently unions provided the only legally constituted representation for employees at the workplace. However, legislation implementing the EU directive on information and consultation provides for the creation of works councils and large numbers have been set up. Initially, where unions were present, they could dominate the choice of works council members, but this arrangement was judged unconstitutional and new rules mean that works councils must be elected by the whole workforce.

### **Election/mandating for the EWC**

In most cases the union or unions choose the Polish representatives for the bodies linked to European Works Councils or European Companies. The exception is board members, who are to be elected by all employees.

### **Board-level Representation**

Polish legislation provides for employee representatives at supervisory board level in state-owned and privatised enterprises, as well as even greater powers in some state-owned enterprises. However, there is no right to employee representatives on the boards of private companies.

Veto-Rights

Source: ETUI For more information see: www.worker-participation.eu

### TRADE UNIONS - represented at SIEMENS

- Niezależny Samorządny Związek Zawodowy "Solidarność" (Independent Self-governing Trade Union; NSZZ "Solidarność"; 700 000 members)
- Ogólnopolskie Porozumienie Związków Zawodowych (OPZZ; All-Polish Trade Union Federation; 550 000 members)

Employees' representation at SIEMENS: We are responsible at the following levels:			
A	ter- ompany level		partite bodies (employ- s/employers)
Representation of interests: We have legal rights and possibilities to take influence:			
In economic affairs (e.g. investments / R&D)	In personnel affairs (e.g. recruitment, dis-missals temporary work)	In working standards (e.g. working hours, work systems)	In qualification and further training (skills & competences)
Levels of participation	Levels of participation	Levels of participation	Levels of participation
Information	Information	Information	Information
Consulting	Consulting	Consulting	Consulting
Codetermination	Codetermination	Codetermination	Codetermination
Approval	Approval	Approval	Approval
<pre>requirement</pre>	requirement	- requirement	requirement

Veto-Rights

**Instruments of participation** (e.g. committees, boards, regular meetings)

Veto-Rights

· Workshops, regular meeting, intranet

Veto-Rights