



**SIEMENS**

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# 2015 Annual and Sustainability Report

[siemens.com.br](http://siemens.com.br)

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# How to read this Report

Reinforce Siemens' commitment towards transparency is the main objective of this Annual and Sustainability Report, produced in two versions: print and online.

Before preparing this report, we consulted our various stakeholders to learn what really interests them. Therefore, this report is a response to our customers, employees, suppliers, universities, entities and communities that in some way relate or intend to relate with Siemens.

All the information contained herein refers to the October 1, 2014 – September 30, 2015 period, contemplating the Brazil operation. Pursuant to our head office policy, we only report consolidated financial data. Complete financial data from the Siemens AG head office in Germany is available at: [www.siemens.com/annual/15/en/financial-report](http://www.siemens.com/annual/15/en/financial-report).

In Brazil, reports published by Siemens follow the guidelines defined in the Global Reporting Initiative (GRI), an international organization that standardizes publications of this sort. Throughout the chapters, information corresponding to GRI G4 indicators are pointed out according to their acronyms just below the text where they appear.

Access and download the following global Siemens apps: <http://www.siemens.com/social/en/applications.php>



**Publications App**



**Autobiography as an App**



**Siemens App**



**Fairs & Events App**

The online version of this report can be accessed through the following website: [www.siemens.com.br/relatorioanual2015](http://www.siemens.com.br/relatorioanual2015).

Besides more detailed information, it also contains videos, tables with Global Reporting Initiative indicators and links to other Siemens publications.

Aware that publications such as these must be dynamic and constantly satisfy society's demands, we invite you to participate in a survey about this publication.

Link: [www.siemens.com.br/relatorioanual2015/pesquisa](http://www.siemens.com.br/relatorioanual2015/pesquisa)



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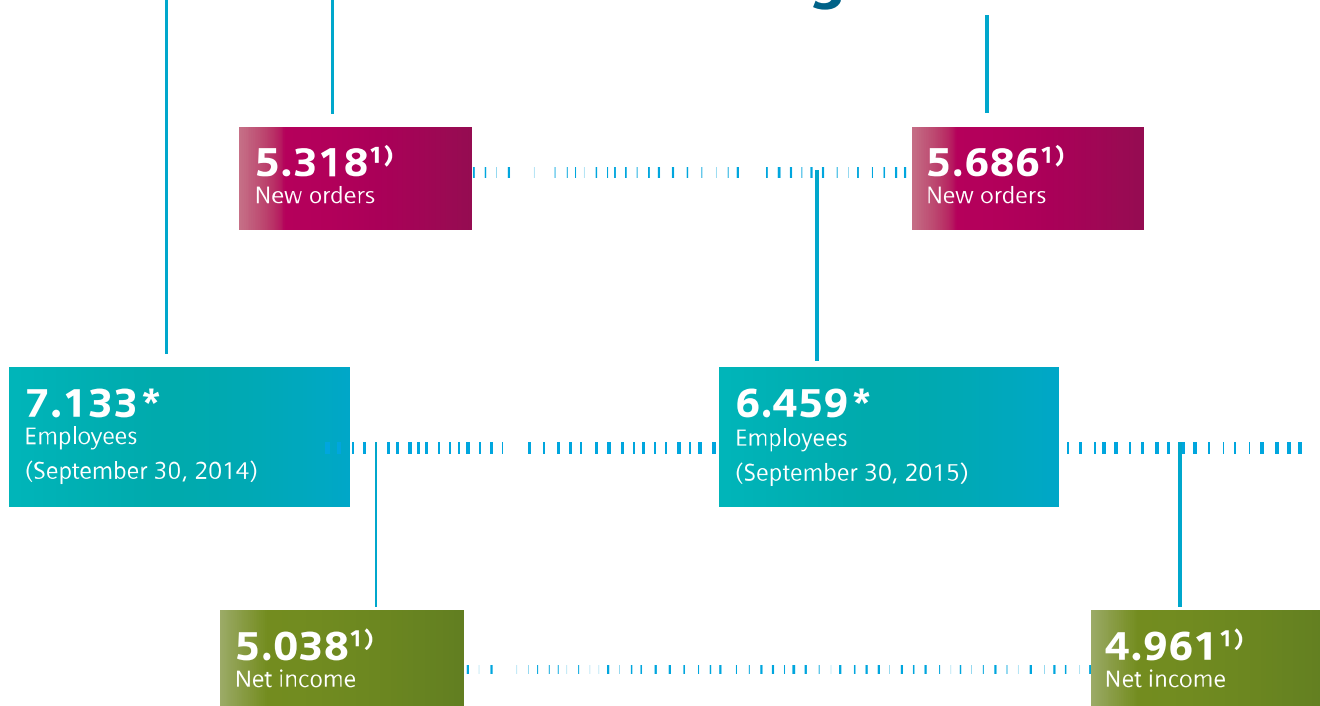
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# 2014 Siemens at a glance 2015



In millions of Reais <sup>1)</sup>

### Notes:

#### • In 2014:

International Business, Country Level, excluding exports  
Fiscal year (October 1 – September 30)

\* Total Siemens Brazil

#### • Em 2015:

International Business, Country Level, excluding exports  
Fiscal year (October 1 – September 30)

\* Total Siemens Brazil



“ The pressure our country is undergoing requires that the efficiency increase needed for Brazil’s infrastructure and industry be treated as a key factor of success for our companies and for our economy.”

---

Paulo Ricardo Stark  
President and CEO of Siemens Brazil



Dear reader,

The global economic dynamic in 2015 led developed countries back to a leading position in growth. Even though China still posted positive indicators, the Asian nation was not such a strong driver of global economic activities as seen in previous years. Likewise, the other emerging economies – Brazil, Russia and India – were unable to boost their attractiveness for international investments, which trend is not expected to change in the medium-term.

Brazil did not advance in the main global trade indicators, ranking in the last positions of competitiveness and complexity, further reinforcing that, even though the return of growth is a real perspective, the country will still need to undergo investments in infrastructure, efficiency, industrial productivity and debureaucratization.

Guided by the priorities of our customers and our “Vision 2020” global strategy, we aligned the company’s activities around the electrification, automation and digitalization chains. With this, we assume a leading role in times of crisis: we make investments in those sectors that are important for Brazil, making acquisitions and developments that broaden our portfolio of solutions in the most relevant sectors of the Brazilian economy; we further reinforced our Compliance program; and concluded the most important stage of the cultural and operational transformation process we kicked off at Siemens Brazil back in 2012.

As a result, we see potential to significantly expand our accessible markets. This new landscape allows us to foresee doubling our local business volume by 2020, which fact was corroborated by the preference of our customers, employees, suppliers and society in 2015.

We obtained important recognitions in 2015, such as: a significant improvement in customer satisfaction as reported in the 2015 satisfaction survey; the seal “Pro-Ethics Company”, granted once again to Siemens by the Office of the Comptroller General (CGU); inclusion in the Exame Sustainability Guide; ranking as one of the 35 best companies to begin a career, and also one of the 150 best companies to work. But, among all the recognition received, the most important was having received new orders, significantly surpassing the previous year’s volume, having gained market share in all Divisions, in the best demonstration of trust from our customers. It is with great pride, and also modesty, that we at Siemens receive all this recognition, because we know there is still a lot more to do.

The pressure our country is undergoing requires that the efficiency increase needed for Brazil’s infrastructure and industry be treated as a key factor of success for our companies and for

our economy. With this in mind, Siemens kicked off in 2015 a debate about opportunities that digitalization offers. This global macro-trend, which is revolutionizing manufacturing, trade, technology and society in an increasingly faster manner, will enable enormous gains in productivity.

Together with our customers and partners, we conducted studies, events, panels, discussions and projects that brought to light a little bit about the enormous productivity potential that the fourth industrial revolution can provide to Brazilian industries, by applying technologies and solutions developed at Siemens. Within this context, 2016 will be a year to focus on what creates result: efficiency gains through production digitalization. Our teams are prepared to identify the best path together with our customers.

We truly believe in this transformational capacity that, in face of the huge challenges that climate change imposes on society, Siemens has already delivered equipment and technological solutions that have allowed our customers worldwide to reduce their CO2 emissions by 487 million tons – equivalent to 50% of Germany’s total carbon dioxide emissions. And it now became the first company in the sector to assume the global commitment to totally neutralize its carbon dioxide emissions by 2030, reducing them to half by 2020. Some indicators already point to the success of this commitment, such as the Carbon Disclosure Program assessment, in which we received a score of 100 points out of 100 possible.

So many things made Siemens’ 110th anniversary in Brazil – celebrated in 2015 – even more important and reinforcing, for we are certain that we are in this country to do something more, something of value, something transformational for you.

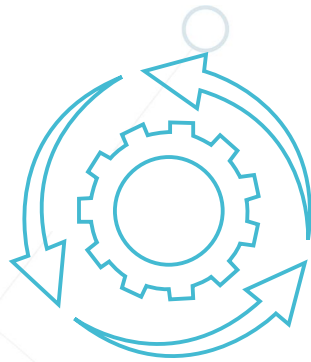
Me and my colleagues are working every day to continue deserving your trust and preference. Take a look at how we are doing this in the next pages.

Enjoy!

Paulo Ricardo Stark  
President and CEO of Siemens Brazil

# Our values

Our values – Excellent, Responsible and Innovative – guide all activities we execute. We believe that these values are fundamental for us to benefit from opportunities, whether internal, such as improvements to our products, services and operations, or external, such as needs that we can satisfy in all sorts of business markets.



## Vision 2020

Vision 2020 was created to boost Siemens development in the medium-term, answering three questions:

**What do we stand for?**

**What sets us apart?**

**How can we achieve long-term success?**

These questions are answered based on three pillars:

### 2. Our culture - A lived ownership culture

One engine of sustainable business is our ownership culture, in which every employee takes personal responsibility for our Company's success. "Always act as if it were your own Company" – this maxim applies to everyone at Siemens, from Managing Board members to trainee.

### 1. Our path - A clear mission

The manner how we perceive our aspirations:

We make real what matters, by setting the benchmark in the way we electrify, automate and digitalize the world around us. Ingenuity drives us and what we create is yours. Together we deliver.

# Transform to continue leading

The world is changing in a very intensive manner. In Siemens case, with more than 165 years of history on the planet, change is more than just a challenge – it represents the need to continue growing and leading markets.

At the beginning of the century, digital transformation surfaces as one of the most important trends, alongside two others of global relevance – electrification and automation. The themes associated to these trends present challenges and opportunities practically worldwide, and this is why we have aligned our businesses according to them.

One of the consequences of digitalization is the emergence of new potential competitors for our company. For example, companies born in the Information Technology segment. However, we perceive that Siemens, the leader in technology, benefits from this new reality, being one of biggest suppliers of information solutions in the world.

To continue being successful in the long term, Siemens established a strategic plan in 2014, projecting where it wants to be in the medium-term and defining the Vision 2020 program.

## 3. Our strategy

With our positioning in the electrification value chain, we have the know-how that extends from energy generation to transmission and distribution, passing through the concepts of smart grids and efficient application of electricity. And, with our key solutions in automation, we are well-positioned for the future and age of digitalization.

Siemens' products and solutions cover the electrification, automation and digitalization value chains. Our integrated structure, as well as expertise and comprehensive portfolios, allow us to explore potential interfaces in these chains.

Vision 2020 is broken down into three stages over time that will lead us to Siemens' objectives and targets. It starts out with strategic orientation, passing through operational consolidation and optimization,

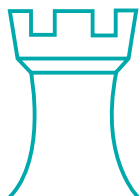
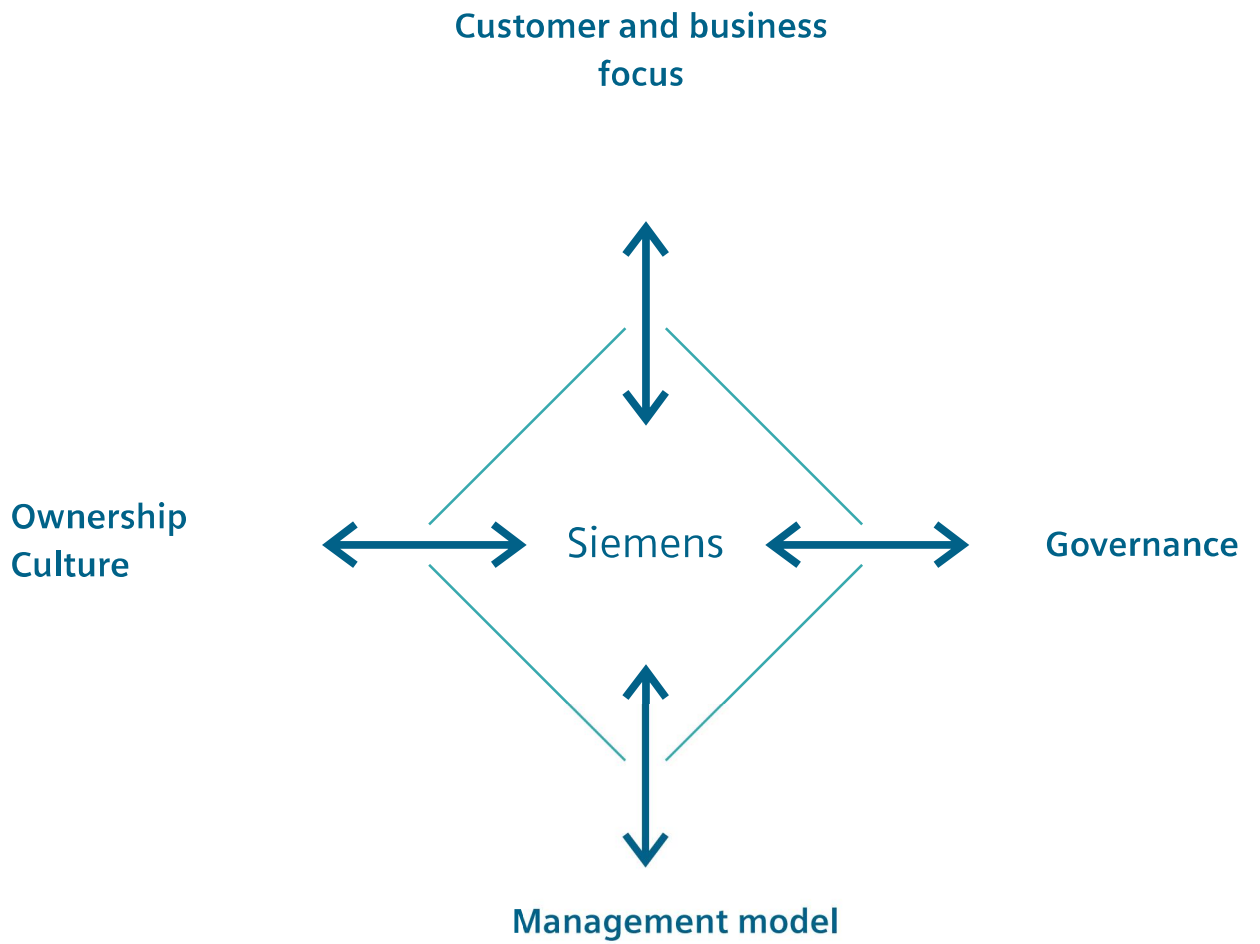
arriving at growth acceleration and the surpassing of its performance. At the base of actions, strengthening of the Ownership Culture and Leadership.

Siemens believes that being close to its customers is a fundamental factor for success. Through our sales approach in vertical markets, we are able to speak the language of our customers and, at the same time, offer more appropriate products and solutions to help them achieve their objectives.

Siemens' operations in Brazil are an integral part of the Vision 2020 context. In order to consult date our operations and seek greater process optimization, we focused on integrating companies acquired globally, such as Rolls-Royce and Dresser-Rand. We also readjusted our structure, now based on nine divisions. We executed a comprehensive brand reconstruction plan, and strengthened the lived ownership culture. Thanks to the adapting of internal processes and Sales structure, our evaluation from customers (Net Promoter Score) having increased our promoter index from 28% to 41%. Additionally, Siemens Brazil established a growth plan that will strongly contribute to the global targets of the Vision 2020 program. Internally, this plan is called 10in20.



# Our Strategy



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# 10in20

## Brazil's contribution to Vision 2020

Siemens Brazil plans to double its business volume by 2020. Why did we define and believe in such a bold mission? Because Brazil presents many opportunities in the medium and long-term. Infrastructure bottlenecks, the need to diversify its energy grid and management, and the search to expand competitiveness in several sectors are contemporary realities that need to be addressed, regardless of momentary economic volatilities.

Siemens has been a partner of Brazil for over 110 years. And during this time, it was present in all moments that represented leaps of modernity for the country. For more than a century, we have maintained our radar adjusted to the country's main needs, characteristics reinforced by the slogan that "what matters to Brazil, matters to Siemens". We are ready to continue helping Brazil master these challenges.

We have the capacity to explore synergies and new forms of business on account of our vast business presence. As such, we based our growth plan – 10in20 – on nine fronts:

1. Levering business through digitalization
2. Offering comprehensive energy-efficiency solutions
3. Expanding the offer of services
4. Developing consultative projects
5. Doing business in markets that demand supplier diversification
6. Developing decentralized energy generation
7. Developing railway electrification
8. Growing in the wind energy market
9. Increasing business in Oil and Gas



# Siemens in Brazil

Siemens has been present in Brazil's most important infrastructure modernization projects since the late 19th century. Even though the company's founding occurred in 1905, the Siemens signature was already present in local projects since 1867, when it installed the first telegraph line in the country, connecting the states of Rio de Janeiro and Rio Grande do Sul. From there, Siemens went on to become the biggest integrated technology company in Brazil.

This pioneering spirit has always been one of the company's strongest traits. We installed the country's first diesel-electric unit, the first automatic telephone exchange, the first transformer plant. We also introduced trends in the management area, having been the first company to receive ISO 9000 certification Brazil.

Equally important as the pioneering spirit has been our capacity to anticipate society's demands, shaping our own portfolio to quickly respond to all these changes. With this mindset, we developed and perfected technologies to generate energy in a sustainable manner, increase industry competitiveness, optimize urban and building infrastructure and expand access to healthcare.

All of our business divisions today focus on one of the most important trends in society – digitalization –, which is becoming ever more present in our products and services. Today, Siemens has more than 6,000 employees in Brazil, distributed in 12 manufacturing facilities, 7 Research and Development centers and 13 regional offices.

1905



SiemensSchuckertwerke's first office in Brazil, located on Rua do Hospício, in Rio de Janeiro, 1905

1867



Siemens install the first major telegraph line in Brazil, between the emperor's residence in Rio de Janeiro and the city of Rio Grande (RS).

1909



Siemens installs the first diesel-electric unit at the Municipal Theater of Rio de Janeiro.

1939



Siemens installs Brazil's first transformer plant, in São Paulo (SP).

1975

Siemens starts up its new transformer plant in Jundiaí (SP).

1905

Cia. Brasileira de Electricidade Siemens-Schuckertwerke is founded in Rio de Janeiro, becoming the first electric and electronics multinational in Brazil.

1922



Siemens supplies and installs Latin America's first automatic telephone exchange in Porto Alegre (RS), and the third in the Americas (after New York and Chicago)

1955

Supplied by Siemens to Coperbo (PE), Brazil's first steam turbine begins operating. Siemens inaugurates its Lapa (SP) plant.

1983



Siemens installs the first of 18 Itaipu generator rotors, with a power of 823.6 MVA.

1930



Office in São Paulo, 1930s

2015



São Paulo – Siemens headquarters in Brazil

1989

Siemens receives the first ISO 9000 certification in Brazil.

2005



Siemens celebrates its 100th anniversary in Brazil.

2012

Siemens inaugurates in Joinville (SC) its diagnostic imaging equipment plant.

2015



Siemens celebrates its 110th anniversary in Brazil.

1998



Siemens Brazil's telecommunications area receives the National Quality Award (PNQ).

2007



Siemens inaugurates in Jundiaí (SP) the largest integrated energy equipment plant in South America.

2009



Siemens inaugurates its first train modernization and assembly center in Latin America, in Cabreúva (SP)

2013



The first wind farms to use Siemens solutions are installed in the country.

# Siemens' presence in Brazil

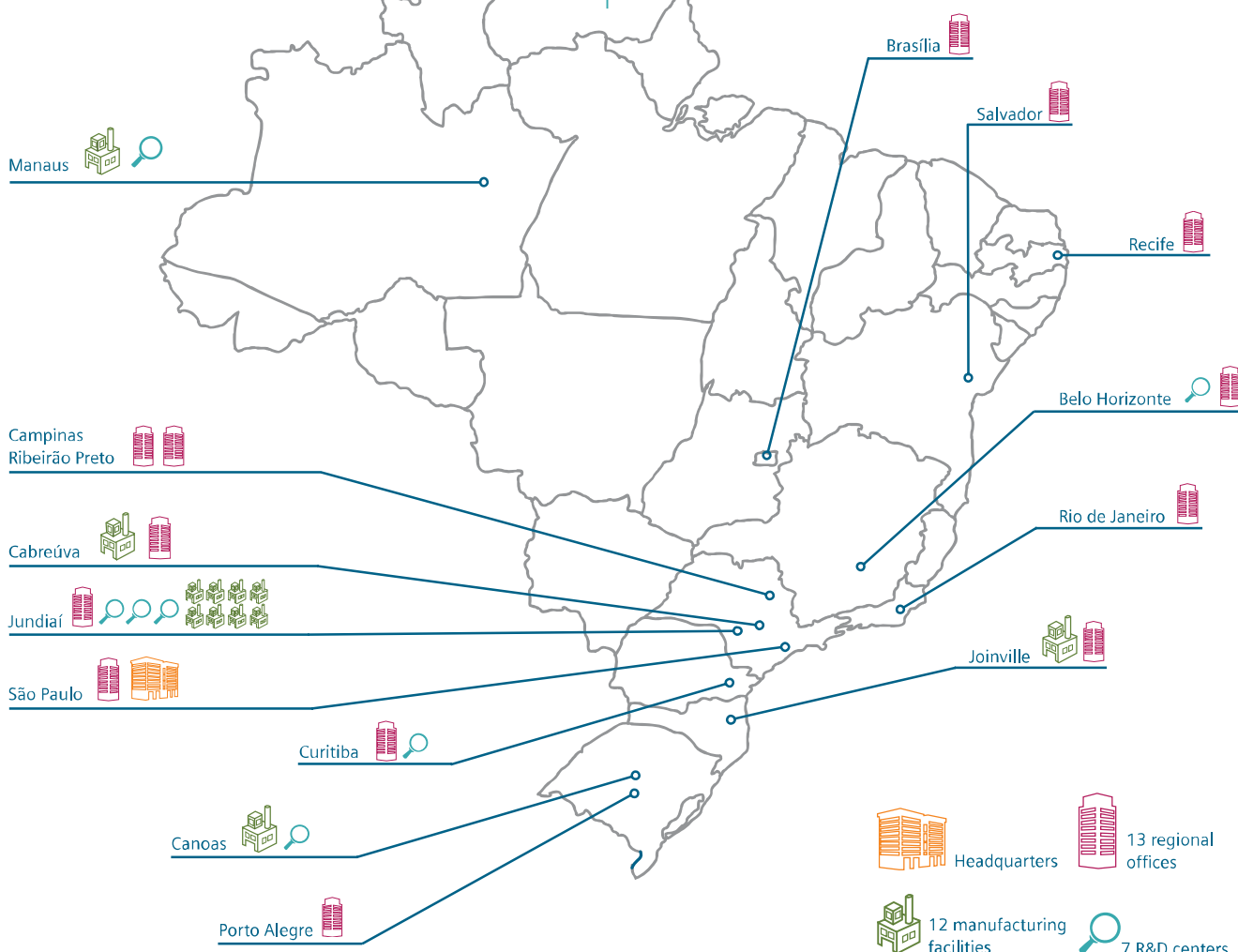
With activities spanning practically the entire country, the Siemens group in Brazil is composed of eight companies.

- Siemens Ltda.
- Siemens Eletroeletrônica Ltda.
- Siemens Healthcare Diagnósticos S.A.
- Siemens Industry Software Ltda.
- Chemtech Serviços de Engenharia e Software Ltda.
- Iriel Indústria e Comércio de Sistemas Elétricos Ltda.
- Guascor do Brasil Ltda.
- Dresser-Rand do Brasil Ltda.

\*The above data refers to the group's simplified structure in September 2015.

## Brazil within Siemens' global structure

Siemens' global structure was redefined in October 2013. Now, the most important countries in terms of business volume and growth perspectives are called Lead Countries. Brazil is deemed a Lead Country within the company's global structure.





# Company Structure in 2016



**Paulo Ricardo Stark**

President and CEO



**Martin Kerkhoff**

Chief Financial Officer



## Sustainable Energy

### Power and Gas

Rainer Brehm<sup>1</sup>

### Power Generation Services

Armando Juliani

### Wind Power and Renewables

Eduardo Angelo



## Future of Manufacturing

### Process Industries and Drives

Rainer Brehm

### Digital Factory

Renato Corte Brilho Buselli



## Intelligent Infrastructure

### Building Technologies

Renato Corte

Brilho Buselli<sup>2</sup>

### Energy Management

Guilherme Vieira

de Mendonça

### Mobility

Andreas Facco Bonetti



## Next Generation Healthcare

### Healthcare

Armando Lopes

## Business Partners

Accounting, Reporting and Controlling: Christoph Johannes Karl

Communications and Government Affairs: Wagner José Lotito

Compliance: Reynaldo Makoto Goto

Data Privacy: Reynaldo Makoto Goto

Export Control and Customs: Wilson Ziulli<sup>3</sup>

Human Resources: Sylmara Piedade Requena

Information Security: Cecilia Milanezi Neves

Information Technology: Damian Grosso

Legal: Fabio Luciano Gomes Selhorst

Procurement: Eduardo Jose Antonio Lo Valvo<sup>4</sup>

Risk and Internal Control: Andrea Fonseca Oliveira Kuboyama

Security: Andres Wuiver de Moura Brito

Taxes: Ivan Garcia Xavier Ferreira

## Special Responsibilities

DOC Financial Services: Dominique Jeanne

Stephanie Salini

EHS: Edison Risso

P2P Owner: Eduardo José Antonio Lo Valvo

Supplier Quality Management: Eduardo José

Antonio Lo Valvo

<sup>1</sup> Division headed by Ricardo Lamenza until May 2016. The area is now under the command of Rainer Brehm

<sup>2</sup> Until February 2016, the division was headed by Achilli Sfizzo Neto, who is now responsible for Siemens group company Chemtech. Since March 2016, the Building Technologies division is headed by Renato Buselli.

<sup>3</sup> Took over in March 2016, substituting Marcelo Hideo

<sup>4</sup> Took over in December 2015, substituting Roberto Bodo

# Manufacturing Facilities in Brazil

## Siemens Healthcare Logistics and Production Center



Joinville, SC Year founded: 2012

**Company:** Siemens Ltda.

**Production lines:** Magnetic resonance, computed tomography, analog /digital x-rays and ultrasounds.

## Cabreúva



Cabreúva, SP Year founded: 2011

**Company:** Siemens Ltda.

**Production lines:** Start switches, buttons and traffic lights, micro-switches, contactors and circuit breakers.





## Manaus



**Manaus, AM** Year founded: 1983

**Company:** Siemens Eletroeletrônica Ltda.

**Production lines:** 5SX mini circuit breakers, 3VF circuit breakers, overcharge relays, fuses, DR devices, surge suppressors, disconnecting switches, current transformers, drive buttons, contactors and NH cutouts.

## Canoas



**Canoas, RS** Fundação: 1964

**Company:** Iriel Indústria e Comércio de Sistemas Elétricos Ltda.

**Production lines:** Power outlets, switches and plugs, power distribution centers.

## Jundiaí Industrial Complex

**Jundiaí, SP** Year founded: 1975

**Company:** Siemens Ltda.

### Transformer Plant

1. Power Transformers
2. Dry Transformers
3. High-Voltage Products and Equipment
4. Industrial Turbines and Services
5. Insulating Kits (IKC)
6. Large Frequency Inverters
7. High-Voltage Power Capacitors
8. Medium Voltage Products and Solutions
9. Energy Automation and Control Products and Solutions

# Innovation

In 1847, when Siemens' history began in Berlin, 'start-up' was not a term used to designate small enterprises that introduced innovative solutions to the world. But it was precisely this concept that guided Werner von Siemens with his pointer telegraph.



**56.2 thousand**  
active patents

Innovation is at the core of Siemens and has been a company value for almost 170 years. At present, Siemens holds 56.2 thousand active patents worldwide. Annually, 7,650 new inventions are conceived by more than 7,800 R&D employees. In 2015, we invested globally €4.5 billion in research and development, which represents roughly 5.8% of our revenues.



**7.650**  
new inventions

In 2015, Siemens celebrated the 110th anniversary of its subsidiary in Brazil. During this time, the company played a key role in the introduction of new technologies in various segments – from energy generation to laboratory diagnostics, passing through innovations for industry, transport, energy transmission and distribution, among others. As part of a robust global structure, Siemens Brazil benefits from the transfer of techno-

logy in all these segments, but not just these.

Brazil also plays an important role in Siemens' global scenario, with its six Research, Development and Engineering centers in various locations, employing specialists many of which hold Masters and PhD degrees: Transformers, medium voltage panels, turbines, capacitors and energy automation (Jundiaí/SP); automation and control of information systems (São Paulo/SP); circuit breakers (Manaus/AM); power outlets, switches and sensors (Canoas/RS); smart grid solutions (Curitiba/PR and Belo Horizonte/MG).





## Partnerships

More and more, Siemens thrives in the innovation field by leveraging its strength through partnerships with entities, academic institutions and start-ups. An important tool in this area is the “Academies” initiative, maintained by Siemens since 2013. The objective is to strengthen the company’s presence in academic institutions, reinforcing the bond with professors, students, and researchers in careers associated to our business segments.

The website: [www.siemens.com.br/academies](http://www.siemens.com.br/academies) contains technical reports, information about company programs and initiatives, as well as data about careers at Siemens. 2015 yielded a very important contribution to the company’s image among professionals in the innovation area. Through an Employer Branding campaign, the company disseminated information about the many perspectives at Siemens in the field of technology, particularly with a focus on digitalization. In external events, the target audience was impacted with information about what Siemens does of relevance in the innovative digitalization area, acting as a true dictator of trends. The company’s attractiveness for those looking to dedicate their careers to innovation was vastly reinforced with this initiative.



[www.siemens.com.br/relatorioanual2015/inovacao](http://www.siemens.com.br/relatorioanual2015/inovacao)

## Highlights in 2015

Throughout 2015, several activities associated to innovation stood out internally and externally at Siemens:

**2015 Siemens Innovation Award: Earmarked for students, the award was based on a thought-provoking question: How can digitalization transform Brazil’s future? Broken down into four categories – Future of Manufacturing, Intelligent Infrastructure, Sustainable Energy and Healthcare –, the award received 301 applications. The award-winning project presented a solution that coordinates information to avoid flood problems in big cities.**

**Projects with incentives: Over the last years, Siemens has benefited from incentive instruments, such as the INOVA Talentos program, organized by Euvaldo Lodi Institute (IEL) and the National Council of Scientific and Technological Development (CNPq); the SENAI SESI Innovation Bid, which supports the development of innovative projects throughout Brazil; and also the Law of Good, through which the company currently maintains 21 projects. One of them is dedicated to developing software for balancing turbine rotors, incorporating functions not foreseen in similar domestic or imported ones. Also in the turbines area, a second project aims to create a computerized tool for the optimized development of base frameworks for supporting steam turbines. Increasing thermal characteristics of reels (high-voltage) through the introduction of channels is the objective of another project incentivized by the Law of Good. A team at Siemens is also working on a low-voltage cast resin transformer project. Additionally, the company is also focused on projects in the industrial control and automation segments, and data transmission in urban mobility, among others.**

**The company supports innovation projects in all Research and Development areas at Siemens Brazil, such as transformers, steam turbines, medium voltage panels, high-voltage equipment, smart grid solutions and software, electronic medical equipment and sub-sea technologies.**

# Products and Solutions

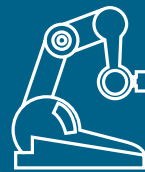
In order to continually satisfy society's demands, Siemens is always paying close attention to the need of reshaping its portfolio. Over the last years, the company bundled its products and solutions into the electrification, automation and digitalization segments.

Siemens manages its business through Divisions, which are aligned according to four business areas: Sustainable Energy (Power & Gas, Wind Power and Renewables and Power Generation Services), Future of Manufacturing (Digital Factory and Process Industries and Drives), Intelligent Infrastructure (Energy Management, Mobility and Building Technologies) and Next Generation Healthcare (Siemens Healthcare, a Siemens group company).

In fiscal 2015, 43% of Siemens global revenues stemmed from products and solutions in its environmental portfolio. Thanks to it, our customers in various regions of the world were able to mitigate 487 million tons of greenhouse gases, an amount equivalent to 50% of Germany's emissions.



**Sustainable  
Energy**



**Future of  
Manufacturing**



**Intelligent  
Infrastructure**



**Next Generation  
Healthcare**







# Sustainable Energy

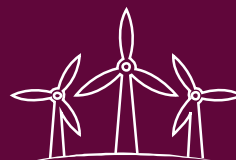
Supplying energy to a growing population increasingly concentrated in urban areas is one of the main challenges of society today. Brazil stands out in this scenario with clear benefits and important points of attention.

In terms of positive aspects, the country excels at renewable sources in its energy grid, being one of the most sustainable in the world. But this advantage may translate into uncertainty, as energy generation from renewable sources depends on the availability of natural resources, such as water and wind. Given the impossibility of controlling such supply, the country needs to have other sources for generating energy, such as thermal power plants. Another challenging aspect is the long distances that separate the current generating sources from large urban consuming centers. To master this difficulty, the concept of distributed generation has become the most viable alternative for the medium and long-term. Siemens

offers products and services for the renewable sources market and for thermal power plants, having also recently expanded its portfolio of solutions for the field of distributed energy. 2015 was a period of many difficulties for Brazil's energy sector, as a consequence of the economic slowdown and also stagnation in the Oil & Gas sector. Nonetheless, Siemens won important projects in its Power & Gas, Wind Power and Renewables and Power Generation Services Divisions.



**Power  
and Gas**



**Wind Power and  
Renewables**



**Power Generation  
Services**



#### Interact with the Annual and Sustainability Report



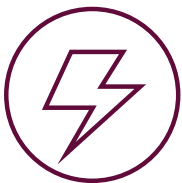
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- Install the Siemens app
- Point the camera at the image of the Annual and Sustainability Report

# Power and Gas

Siemens' Power and Gas division possesses the most complete portfolio focused on energy generation, encompassing gas and steam turbines, generators and instrumentation and control systems for combined cycle or coal-based power plants, as well as compressors, solutions for electrical and automation systems.

**70%**

of our energy grid is composed of clean sources



Siemens offers high efficiency solutions and reliability, ensuring both energy generation and the optimization of natural resources

Global acquisitions in the aero-derivative turbine segment of Rolls Royce and Dresser-Rand have led to a significant increase of share in this market.

Brazil holds a rare and highly advantageous condition in the world as it possesses all sources of energy. Today, roughly 70% of our energy grid is composed of clean sources, hydroelectric being the main one. However, other sources should gain more relevance over the next years, such as wind and thermal power generation.

With its portfolio and high specialization, Siemens is the right partner for the country, regardless of energy source used. In the case of thermal power plants, Siemens offers high efficiency and reliability, ensuring energy gene-

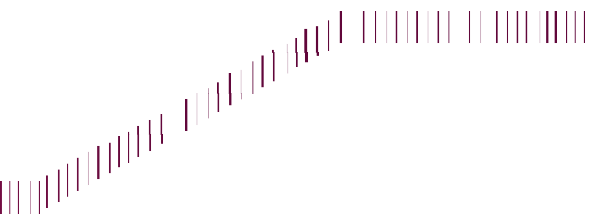
ration and optimization of natural resources used with low emission levels. The increase in energy consumption in Brazil shows that the use of thermal power plants and high efficiency solutions will become even more indispensable in this model.

Without a doubt, distributed generation will be relevant for the energy grid, benefiting from yet another source of energy available. Taking advantage of the wind in the Northeast and South, water generation in the North and Southeast, the country can obtain advantages with this model, for which it will need to master the challenge of transmitting energy over the vast territory. It is also important to point out the good perspectives in energy cogeneration, another strong area for Siemens, be it for manufactu-

“Brazil has huge potential to generate energy from various sources, making use of its natural resource, like the wind in the Northeast and South, for example, and making use of conventional solutions. Siemens supplies solutions for all types of energy generation and envisions several process optimization possibilities through digitalization resources, which should further expand the intelligence of generation systems, contributing to increase their productivity.”

Until May 2016, Ricardo Lamenza headed the Power Divisions. The executives responsible now are: Rainer Brehm (Power and Gas), Armando Juliani (Power Generation Services) and Eduardo Angelo (Wind Power and Renewables), as informed on page 13 of this report.





ring industries to have their own energy or to commercialize it to the external network.

One of Siemens' challenges in the energy market is to guide the sector towards the benefits of digitalization solutions. As the pioneer in technologies that benefit from data generated from its installed base, Siemens is also a source of innovation to help the energy sector modernize itself, and benefit from its own information, increasing productivity, reducing environmental impact and improving life in society.

 [www.siemens.com.br/relatorioanual2015/powerandgas](http://www.siemens.com.br/relatorioanual2015/powerandgas)



**Ricardo Lamenza**

Power Divisions Director

## Biggest turbine in the sugar-ethanol sector manufactured in Brazil

Brazil's biggest steam turbine produced for the sugar-ethanol sector carries Siemens' name. The 73.5 MW machine produced at the company's Industrial Complex in Jundiaí (SP) was purchased by Usina Delta, in Minas Gerais, to expand its capacity. With the new turbine, the mill now produces 375,503 MWh/year, the sufficient to supply a city with more than 350 thousand inhabitants.

The client's main demand was to optimize the sugar and ethanol mill in order to maximize energy generation during harvesting and in the off season, by implementing regenerative cycle. The objective was to allow Delta to satisfy internal consumption needs and sell the excess energy to the National Integrated System. In order to satisfy the client, Siemens produced an SST-600 steam turbine for Usina Delta.



The highly customizable machine delivers excellent performance and high reliability. With an excellent cost-benefit ratio for installation and operation, Siemens' SST-600 also offers excellent flexibility for complex industrial processes.

The SST-600 turbine can be used for condensation and also back pressure and is apt for high conditions of steam temperature and pressure. Another advantage of the machine is its capacity to satisfy different installation conditions, such as in axial escapement, offering the possibility of a significant cost reduction for customers.

Another product benefit: in addition to being the first turbine in the sector that waives the use of a speed reducer, it also offers advantages for outdoor installation, significantly reducing construction costs.

# Power Generation Services

Equally as important as buying high-quality equipment for energy generation is ensuring that it will operate in an efficient manner throughout its entire lifecycle. This is the main attribution of the Power Generation Services Division.

The Division's team of specialists ensures that steam, gas and wind turbines, generators for thermal power plants and process compressors offer high productivity to companies wherever they are.

One of the aspects of Siemens' global strategy of expanding its presence in energy-related markets, impacted the services segment in a significant manner. The global acquisitions of Rolls Royce and Dresser-Rand in the aeroderivative turbines segment represented a significant increase in the company's share of the market. Throughout 2015, the Dresser-Rand structure in Brazil was integrated into Siemens, while the Rolls-Royce integration is currently underway.

But it wasn't just acquisitions that brought growth to the area. High demand for energy generated by thermal power plants, due to the long drought period that our country suffered, continued in 2015, further expanding the need for equipment maintenance and overhauling processes. This trend should grow even more in the Brazilian market over the next years, pointing to continuous demand for this type of service.

By helping maintain and revitalize the installed base of power plants and industries in Brazil, the Power Generation Services division also offers benefits in terms of sustainability. By enabling better use of resources like water, gas and electricity, Siemens' service solutions boost customer productivity while also benefiting the environment.

As a clear demonstration of our commitment, several long-term contracts are based on efficiency increases coupled with better equipment performance.



The global acquisitions of Rolls Royce and Dresser-Rand in the aeroderivative turbines segment represented a significant increase in the company's share of the market.



[www.siemens.com.br/relatorioanual2015/powergenerationservices](http://www.siemens.com.br/relatorioanual2015/powergenerationservices)

## Companhia Siderúrgica Nacional

A machine that has been operating uninterrupted for 14 years needs to receive maintenance at some point in time. But this is something that's not very easy when it comes to a steam turbine installed in one of Brazil's biggest steel companies, Companhia Siderúrgica Nacional (CSN), responsible for generating roughly 120 MW of energy for the plant, an amount equivalent to the consumption of more than half a million residences.

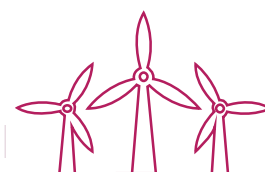
This was part of the challenge presented by our customer to Siemens' Power Generation Services division, besides others. The SST-800 turbine installed at the plant in inner state Rio de Janeiro was no longer delivering 120 MW in nominal power, due to the natural wear from all these years of use without maintenance stoppages. However, the stoppage programmed could not take any longer than the timeframe defined by the customer: 120 days. After all, by not producing its own energy, the customer would have to purchase energy from the grid, generating a financial impact for the company and, eventually, for the region where the plant is installed.

Siemens accepted this very rigorous challenge. The preparation phase, which normally consumes around three months, needed to be executed in 45 days, including the ordering, receiving and release of imported parts from Germany. Also part of the project was the production of nationalized spare parts manufactured at Siemens' plant in Jundiaí (SP) and at other partners, as well as maintenance of the plant's ancillary systems (condenser, lubrication systems, etc.). Roughly 100 direct professionals, from Brazil and Germany, were involved to fulfill this demand.

The result exceeded expectations: the turbine practically resumed its nominal power after undergoing complete maintenance, which included parts substitutions and systems adjustments. In addition to the project precisely satisfying the customer's demand, another key factor was timeframe, since the Power Generation Services team was able to conclude the initial stage of the project in half the usual time.



# Wind Power and Renewables



**7 million**  
tons of CO<sub>2</sub> are prevented from being emitted thanks to the use of wind energy



[www.siemens.com.br/relatorioanual2015/windpowerandrenewables](http://www.siemens.com.br/relatorioanual2015/windpowerandrenewables)

The past years were marked by vertiginous growth in the wind energy business in Brazil. In 2014 and 2015, the country occupied the #4 position worldwide in terms of wind farm installations.

2.4 GW and 2.7 GW, respectively, were installed in Brazil these two years, behind China, United States and Germany. Today, Brazil has 8.2 GW of wind energy installed, which corresponds to 5.8% of all electrical energy generated in the country. This figure should increase to 11% by 2023, representing the biggest growth in Brazil's energy grid.

This data attests the high potential of Brazil's market for wind energy solutions. Today, Siemens already has 166 machines generating wind energy in Brazil, in states such as Ceará, Pernambuco, Bahia and Rio Grande do Norte. Our latest turbine model, SWT-2.3 120, has 59-meter long blades that give it its high energy generation power. The feedback from Brazilian customers has been highly positive, with expressive productivity indicators. In addition to supplying generation equipment, Siemens has also stood out in the market for its wind farm operation and maintenance contracts, generally for periods of up to 10 years.

To ensure machine availability and wind farm productivity to customers, Siemens invests in the training of its field technicians team. The trend is to take advantage of local labor, thus contributing to increase professional qualification in the country.

Siemens' technology also stands out for features aligned with the digitalization concept, which allow concessionaires to capture a large amount of information that can optimize current operations, as well as contribute to strategic decisions in the future.

Another benefit refers to the environment. In Brazil, it is estimated that 7 million tons of CO<sub>2</sub> are prevented from being emitted thanks to the use of wind energy. This figure is equivalent to the emissions of 4 million automobiles. It is also important to mention the production process of a wind turbine: in just five months of operation, it offsets the emissions necessary for its industrial production.

## New SWT-2.3 120 wind turbine



With almost 170 wind turbines already installed in Brazil, Siemens continues promoting the evolution of its products in the domestic market. The company's latest launching in the segment is the SWT-2.3 120 model developed based on the proven efficiency of the G2 platform, one of the most robust and successful wind turbines of all time, with more than 8,000 units installed worldwide.

The SWT-2.3 120 incorporates a wide variety of technological innovations to offer high performance even in locations with medium to low-speed winds. One of the differentials of the new product is its longer blades, which increased from 53 to 59 meters, generating even more energy. This size extension leads to an annual increase of 9% in energy

generation, boosting profitability perspectives for new wind farms.

What also stands out in the SWT-2.3 120 is its new nacelle, designed to benefit from optimized maintenance processes, thanks to better access to components. The steel housing was designed to offer maximum protection for internal components, such as the gearbox, with two planetary stages and one helical for expanded capacity.

Equipped with the NetConverter® conversion system, the new SWT-2.3 120 turbine is capable of generating energy, even with variations in speed, frequency and voltage, while also transmitting this energy in a stabilized manner to the transformer. Aligned with automation and digitalization concepts, Siemens' new turbine is equipped with the WebWPS SCADA system, which provides electrical, mechanical, meteorological data, as well as status and eventual operation failures.

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# Future of Manufacturing

Known as Industry 4.0, the current phase is an undeniable milestone in the history of industrialization worldwide.

Several factors define it, such as the need to produce more, in less time and with greater flexibility, in order to satisfy increasing demand for customization in the market. For such, the “digital factory” is based on a fundamental concept – the convergence between the real and virtual environments –, allowing products and processes to be designed, tested and developed before production per se. Another indispensable aspect for the future of manufacturing is the need to increase the energy efficiency of plants, reducing energy costs and promoting greater business profitability. Siemens’

solutions for industry are strongly based on automation and digitalization concepts through its Digital Factory and Process Industries and Drives Divisions. Brazil’s industrial segment has faced several challenges that put its productivity and competitiveness into check. It is in this context that Siemens stands out for offering in its portfolio of products and solutions the answers customers need to tackle face on these market challenges.



**Digital  
Factory**



**Process Industries  
and Drives**





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# Digital Factory



Industrial processes will be influenced more and more by the digitalization concept.

Designing, simulating and perfecting products and processes in the virtual environment before production will be the trend for all industrial segments and, in order for this to successfully occur, the convergence must be total between these two environments – virtual and real –, with development programs functioning in perfect harmony with production equipment.

Our Digital Factory Division offers a comprehensive portfolio to help industry move towards modernization with greater productivity, regardless of business field.

With our solutions, customers add several benefits to their business. One such benefit is greater agility in updating processes, helping reduce product launching time. It is also possible to predict the reduction in nonconformities. Harmony between all production processes also yields another benefit: greater machinery and equipment uptime, representing a true optimization of resources. And naturally, a reduction in costs, since our solutions can lead to costs 30% lower just in in the engineering stage.

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**30%** | cost reduction in the engineering stage



With an expanded network of distributors, covering all industrial segments in Brazil, and a portfolio that combines high technology products, solutions, services and software, strength, and an excellent cost-benefit ratio, Siemens has been consistently growing in the domestic market, with the potential of further strengthening Brazil's industry. ”

**Renato Buselli**

Digital Factory Division Director

GRI Indicators - G4: 2 • 4 • 8 • EC2 • EC7 • EC8 • EN27

## Ambev

Siemens' consolidated partnership with Ambev wrote another chapter of success in 2015. Latin America's biggest beer company (it is also part of the largest beer group in the world, Anheuser-Busch InBev) built in Ponta Grossa (PR) a new industrial plant in Brazil. Designed to produce 380 thousand hectoliters of beverage per month, the new Ambev plant is part of the company's strategy to increase operational efficiency and productivity in Brazil.

For such, it entrusted Siemens not only the supply of automation solutions, but also involved the company as technical consultant at the very beginning of the project design. In this early phase, Siemens worked with the customer in designing the technical automation concept for the new facility, as well as coordinated partner machine suppliers and technical support.

The challenges were many: how to create, today, the brewery of the future? How to execute within a short period of time, a new installation project with suppliers of raw-materials to end-products from various parts of the world, with no connection between them, with minimum investment in capital goods? How to offer transparency in terms of production performance in real-time?

Siemens mastered these challenges with its know-how and experience. For Ambev's new plant, the company implemented automation and digitalization solutions, such as the BRAUMAT process control system, PROFINET software, SIMATIC IT MIS system and SINAMICS converters.

The result: simpler and quicker commissioning for the plant, yielding a shorter time-to-market, a homogenous automation system from raw material to end product, comprehensive project and product support for all machinery suppliers involved, as well as production data transparency, allowing for more complete analyses and more assertive decision-making.

# Process Industries and Drives

Solutions from the Process Industries and Drives Division help increase industry productivity while at the same time lend greater quality to processes.

Our frequency converters are capable of producing savings of up to 50% in electricity consumption at a plant. The cost of electricity represents a major impact for Brazil's industrial segment. In order to satisfy Brazil's high demand, Siemens now produces medium and low voltage converters at its Jundiaí (SP) complex. However, the Division's portfolio includes many other industry solutions.

Today, the Process Industries and Drives division is considered the preferred partner for implementing digital solutions, as seen in the pharmaceutical industry.

6  
out of  
10

top pharmaceutical industries use Siemens solutions

Through our SIMATIC solution, we are present in six of the top 10 companies in the segment, leading automated production one step further.

By helping increase quality in the sector, Siemens is working closely with a segment that radically depends on high quality and has highly regulated activities. Contributing to the pharmaceutical industry also means improving the lives of people.



“Electrical energy is one of the biggest expenses in industrial production, impacting the price of products and compromising industry competitiveness. Siemens offers energy efficiency solutions and also the financial model that makes them viable.”

**Rainer Brehm**

Process Industries and Drives Division Director

[www.siemens.com.br/relatorioanual2015/processindustriesanddrives](http://www.siemens.com.br/relatorioanual2015/processindustriesanddrives)

## BIOMM S.A.

BIOMM is a company dedicated to the development, production and commercialization of biopharmaceutical products. When it kicked off the project for its new insulin plant in Brazil, BIOMM contacted Siemens with a very challenging demand: create machine monitoring based on a standardized and integrated automation platform. Besides integration, other objectives

were to reduce operating costs (operations, maintenance and training), boost productivity and allow for expansions in subsequent project phases.

In order to satisfy BIOMM's demands, Siemens drew on its proven global experience in the pharmaceutical segment and its portfolio of integrated products and solutions,

promoting synergies between its business divisions – Energy and Process Automation – to offer a complete solutions package to BIOMM. The process automation technology package contemplated: S7 400 programmable logic controllers (PLC), PCS 7 control software and Pharma manufacturing execution system (MES).

Developed through local engineering, the installed project allowed the company to generate detailed reports about production, lending more assurance to company management and decision-making, as well as preparing the path for future platform expansions. The customer's positive feedback demonstrated its satisfaction with the project, as well as its intention to broaden its partnership with Siemens in the future.



# Intelligent Infrastructure

Living in cities has become a consolidated trend over the last decade, leading to the formation of towns with millions of inhabitants. The benefits of being in an environment that comprises work, access to healthcare, culture and leisure are daily contrasted by challenges of urban mobility, guaranteed distribution of energy, access and safety.

To live in big cities with quality of life has been the population's aspiration and a huge challenge for governments. How to ensure that a city with millions of inhabitants can offer electricity to its inhabitants, even when its located thousands of kilometers away from the generating source of energy? And, with energy arriving in this city, how to ensure that distribution is efficient and uninterrupted, even in adverse situations? And more: being in this metropolis, how to transport millions of people every day during peak hours in a safe, comfortable manner, while also spending less energy? And in buildings, which are responsible for consuming enormous quantities of energy: how to maintain them both safe and spending energy in an optimized manner? Siemens bundled its solutions for these segments into three Divisions: Energy Management, Building Technologies and Mobility. For these three areas, 2015 was a period of severe difficulties, with many investments having been postponed. Nonetheless, the three Divisions stood out in their respective markets, with highly relevant projects.



## Energy Management



## Building Technologies



## Mobility





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# Energy Management



Efficient and sustainable use of energy poses many challenges for the future and only pioneer strategies and innovative solutions can pave the way for intelligent supply all over the world.

Today, it's already possible to totally digitalize energy distribution processes.

Siemens' answer to these two challenges is a new approach to the energy supply process, strongly supported on digitalization concepts. Through a holistic vision, transmission and distribution processes and the concept of intelligent networks converge for energy to be available whenever it's necessary, in the ideal amount, while also reducing costs and increasing efficiency of the entire system.

Based on this new approach, Siemens does more than supply equipment to generate, transmit and distribute energy, expanding its presence in segments that will become even more relevant, such as data management, process monitoring, smart meters, among others. Within this context, an important highlight is the recent joint venture between

Siemens and Accenture, to create OMNETRIC, a new company that merges Siemens' expertise in electrical systems with that of its partner in Information Technology.

Digitalization went from being a future potential in the energy segment to becoming a reality. Today, Siemens already operates as a provider of solutions for totally digitalized processes, such as in the distribution field. With automation solutions and various software applications, many Siemens customers are already capable of maintaining processes totally digitalized, from energy supply to consumer energy bill. CPFL, in São Paulo state, concluded in 2015 a pilot-project in this format, and other energy concessionaires are working







“ Siemens’ presence in the energy management area transcends the supply of transmission and distribution equipment. Today, we’re capable of helping expand the intelligence of these systems through solutions such as smart meters, data management and process monitoring, contributing to the profitability of companies and increasing efficiency of the country’s electrical system. ”

### Guilherme Mendonça

Energy Management Division Director

with Siemens to advance in the digitalization of their operations.

As it positions itself in an innovative manner in the energy segment, Siemens establishes, once again, new parameters in this market. As the leader in practically the entire energy value chain – from generation to management –, the company was proactive in positioning itself according to market needs today and tomorrow. The result is an approach that targets supplying energy more and more efficiently and, at the same time, in a sustainable manner, with fewer losses, better utilization of resources and more energy available for society.

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## CPFL



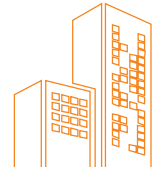
Siemens’ EnergyIP metering data management system treats information that comes from the meters of energy-concessionaire clients. A recent project by CPFL Energia, one of the biggest companies in the sector in Brazil, relied on Siemens’ solution.

Thanks to EnergyIP, CPFL is now capable of monitoring and managing more than 4,000 group A points (big consumers of medium and high voltage), and expects to incorporate the other 22,000 clients within the next months. Siemens’ software provides up-to-date information to the metering center, which in turn transmits them to CPFL’s other corporate systems (billing, customer relations, etc.).

With EnergyIP, validation of metering data for billing purposes is done automatically. One of the benefits of the solution resides in the ease and quickness at identifying interruptions in supply.

The system allows measuring at intervals of five and five minutes, generating a much more significant amount of data that result in the load curves that can be provided more quickly to customers, when requested.

With the features of this Siemens solution, CPFL will optimize its metering and billing processes and reach a new level of operational efficiency.



# Building Technologies

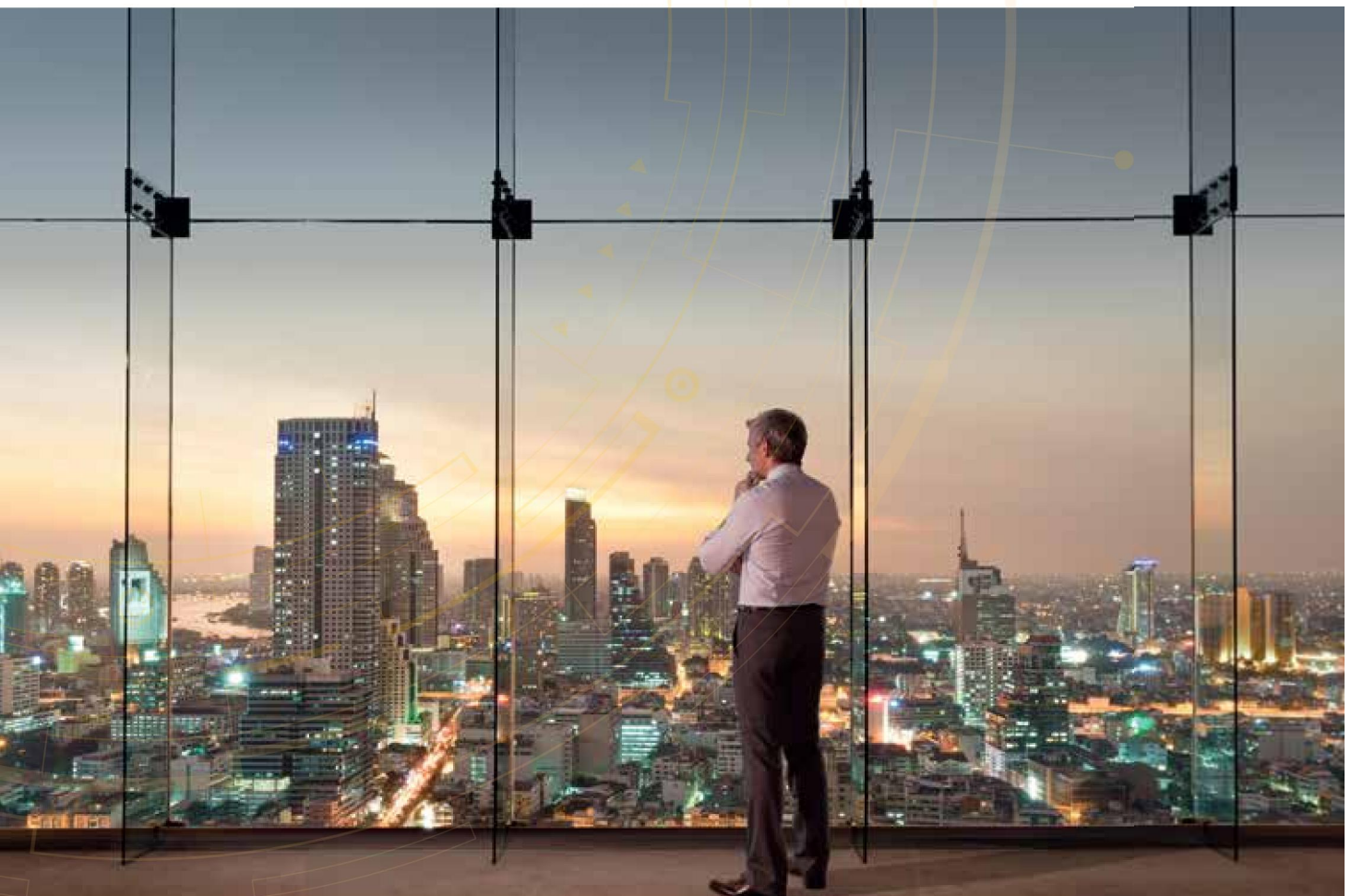
The global urbanization trend has led people to concentrate in cities and, in this urban environment, buildings assume an increasingly more relevant role – including from a consumption perspective of resources, such as electrical energy.

The Building Technologies Division provides technology to increase building safety in terms of fire protection and access control, as well as make them more efficient in terms of energy consumption. Its joint work with other Siemens divisions, allows optimizing resources and effectively increasing energy efficiency for our customers.

In 2015, the Division introduced in Brazil its new product for the building

automation area, Designo CC. In addition to the possibility of integrating systems already implemented in a building with new buildings, this Siemens innovation helps produce energy savings through automation, which can vary between 20% in an initial stage and more than 70% in more advanced stages.

The Brazilian market presents high potential for building automation. One





# 20%

savings in an  
initial stage

of the challenges in the segment is to raise awareness of sectors that have not yet perceived the savings potential in their own installations. In order to satisfy the significant potential of the Brazilian market, the Building Technologies Division worked all of 2015 with its partners to prepare them to offer Siemens technology to their customer.

“Safer buildings in terms of fire protection and access control are a permanent need in urban settings. With its building technologies, Siemens also adds to this concept, solutions to further increase the energy efficiency of these structures, acting as a complete partner for companies in various segments and sizes.”



## Achilli Sfizzo Neto

Building Technologies Division Director



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# Desigo CC

Buildings are one of the biggest energy consumers on the planet, which results in consequences from an environmental and economic perspective, impacting the profitability of companies. Just as important as this issue is the focus of corporations on the safety of their buildings, be it in terms of access control or fire prevention. A solution that combines all these variables is a valuable contribution for companies in all segments and sizes. Desigo CC is Siemens' answer for taking building management to a new level of efficiency.

Desigo CC was conceived and developed based on information from building operators worldwide. Siemens' new control center helps improve building performance by integrating a wide variety of systems, including building automation, fire protection, lighting, IP cameras, power and energy. Additionally, its modular characteristic provide the customization that clients need, satisfying small commercial buildings to large industrial complexes, thus allowing the building operator to control its processes and project a building's future in accordance with its growth.

The control center comes with tools and resources that expedite and simplify the many tasks and processes that are fundamental for an effective, safe, comfortable and efficient operation of an installation. Desigo CC is an intelligent control center that adapts to every building.

With Siemens' new building automation, it's possible to identify sources of events with ease, separate user and engineering modes, as well as separate operation and configuration tasks. The customization concept means that Desigo CC recognizes the essential items of the operation in each client, functioning as a truly intelligent system to the point of even anticipating a user's next movements.

Another competitive advantage of Desigo CC is its capacity to adapt to future changes, since it was designed to offer support to the main open communication standard protocols (BACnet, OPC, Modbus, SNMP, OnVIF, HTTP, SMTP). This also represents a platform for future growth.

Until February 2016, Achilli Sfizzo Neto headed the Building Technologies Division, which is now under Renato Buselli's responsibility

# Mobility



The transporting of people and goods in big cities is a challenging act all over the world. It impacts the quality of life of people, the productivity of companies and, ultimately, a country's economic growth.

Siemens' Mobility division is committed to offering solutions that help society master this challenge, generating the smallest impact possible on the environment.

Today, Siemens is the only supplier in this market that combines all solutions for mobility: electrification systems for railways, subway lines and electric buses; locomotives; multimode signaling systems; digitalization software, as well as services.

In Brazil, Siemens has played an important role in several projects that became major references in terms of cutting-edge technology.

Cargo transportation also constitutes a modernization trend in Brazil. The electrification of railways offers enormous potential for increasing energy efficiency, as well as a clear environmental gain, with the substitution of diesel for electric trains.

In addition to transporting goods in a more environmentally friendly manner, the system that's based on energy also has the possibility of generating electricity for the external grid. In European countries, Siemens is one of the main suppliers in this business model, and is ready to transfer this competence to Brazil.

**Electrified train systems can also generate energy for the grid.**

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# São Paulo Subway Line 4-Yellow

São Paulo's Subway Line 4-Yellow transports roughly 700,000 passengers daily. Operations started up in May 2010, allowing the São Paulo subway system to add a new line that connects the downtown region (Luz station) to the Morumbi neighborhood.

Line 4-Yellow is the only subway line in South America to use the driverless system and is one of the biggest in the world. By using Siemens driverless technology, it was possible to reduce intervals between trains on São Paulo's Subway Line 4-Yellow without compromising line safety.

The tracks, trains and control center are monitored by Siemens' automated control system, Trainguard® MT CBTC. The Trainguard system allows operating trains in

a totally automatic manner, and also allows monitoring trains in real time, from ventilation system, energy consumption, auxiliary and signaling systems to visual communication with users.

Siemens' modern and innovative technologies adopted on Line 4-Yellow are, on average, 20% more efficient in terms of energy consumption when compared to traditional subway systems. With Siemens' driverless technology, Line 4-Yellow is already responsible for avoiding the release of thousands of tons of CO2 into the atmosphere, considering the thousands of passengers that utilize the subway as mean of transportation, rather than individual transport systems (automobiles) or collective systems that run on fossil fuels (buses).



“Brazil is facing many possibilities in the mobility segment, such as the electrification of railways. In addition to the increase in energy efficiency, the change has the potential to become a milestone in environmental terms. Siemens possesses high technology and significant experience in other countries to consolidate this potential.”

**Andreas Bonetti**

Mobility Division Director



São Paulo's Subway Line 4-Yellow, the first in Latin America to use the driverless system.

# Next generation healthcare

More than furnish equipment for laboratory and imaging diagnostics, Siemens Healthcare's mission is to enable its customers to overcome their clinical routine challenges and, at the same time, achieve their strategic goals.

Providing quality healthcare in a sustainable manner is one of the biggest demands in society today. While the life expectancy of the population increases, thanks to advancements in medicine and other factors, healthcare systems are being placed under more and more pressure. In this scenario, the importance of diagnostics increases even more, since it contributes to the monitoring of treatments, reduces the need of internment and intervention in cases of diagnoses detected at an early stage and, lastly, reduces costs

throughout the entire chain. Always looking towards the future, Siemens is one step ahead in this matter, providing solutions that offer clinical, operational and financial excellence to its customers. 2015 was an excellent year for Siemens Healthcare in Brazil, as it won new projects and also consolidated partnerships with customers regarding new plans to expand or renovate their installed bases.



**Healthcare**





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# Healthcare

Siemens Healthcare is continuously innovating to enable its customers to achieve their strategic objectives and master their clinical routine challenges.



“ We seek to develop and span the spectrum of solutions and services capable of adding value to the entire healthcare chain. Our objective is to contribute with proposals that anticipate diagnoses and guide treatments in order to reduce health complications and medical leaves; at the same time that processes and costs are optimized in the sector. With this, we provide our customers greater access to healthcare and a better quality of life to people. ”

**Armando Lopes**

Healthcare Division Director

395

healthcare professionals from around the world answered a survey on what they wish from an ultrasound system

The term “Enabler” defines our ambition of doing more than supply diagnostic solutions, but also offer customers answers that improve their operations and help them accomplish their strategies, thus ensuring business success. By better understanding the challenges of the sector, we can invest more assertively in technology, innovations and services that offer clinical, operational and financial excellence.

An example was the launching of ACUSON S HELX Evolution Touch Control, in 2015. The line was conceived through empirical research conducted with 395 healthcare professionals from all over the world to discover what they wanted in an ultrasound system and the result was equipment that offers better workflow, image performance and intuitive technology (easy to use).

Additionally, another competitive advantage of Siemens is the breath of its vast portfolio: we are the only company in the market that combines complete imaging and laboratory diagnostics solutions. Laboratório Richet, in Rio de Janeiro, for example, which possesses

an extremely modern research and analysis center, already utilizes our in vivo and in vitro solutions.

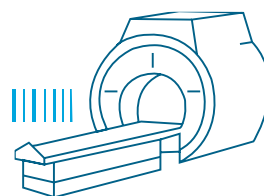
In terms of productivity and optimization of resources, our solutions also allow for more customized and less costly treatment for the entire chain. The hybrid room in Hospital Israelita Albert Einstein (HIAE), equipped with an Artis zeego, allows conducting minimally invasive procedures, considerably reducing patient trauma and internment time. The first PET/MR of the Americas, Biograph mMR, also acquired by HIAE, allows performing two exams simultaneously: magnetic resonance and positron emission tomography (PET). The technology lends greater assertiveness, since it allows aligning all morphologic, metabolic and physiologic information of a patient.

Laboratories and hospitals perceive technology as a major ally for their performance and increased competitiveness. Such is the case at Laboratório São Marcos and Santa Casa de Porto Alegre, which bet on Siemens’

## Alliar

Magnetic resonance exams are controlled remotely by a multidisciplinary team of professionals located in a single Command Room, which is capable of activating all resources, altering protocols, post-processing images, just as if the person were inside the exam room. This could be a futuristic projection, but the scene described is already a reality at Grupo Alliar Médicos à Frente, one of the largest diagnostic medicine chains in Brazil, which inaugurated its remote command room at the end of 2015.

The structure utilizes exclusive technology Expert-i, responsible for remotely connecting equipment. From the center, it’s possible to make adjustments to magnetic resonance equipment in any region of the country and perform exams in accordance with a patient’s specifications, clinical history and medical request. For each type of exam there exists a predefined standard with data configured by the Command Room.



Equipped with a SOMATOM Scope CT scanner, the unit can perform exams in distant locations, as well as offer an additional resource to clinics and hospitals. With this same objective, Sesc Rio acquired 22 Mammomat Inspirations mammographs to create Sesc's Women's Mobile Healthcare Units nationwide.

Another milestone achieved in the research area in 2015 was the inauguration of a MAGNETOM 7T MRI at the University of São Paulo's Medical School (USP). This exclusive Siemens technology is the most powerful magnetic resonance equipment in Latin America. The 7T allows performing several studies, from identifying death causes in a less invasive manner to early detection of tumors and neurodegenerative disease studies, like Alzheimer's and Parkinson's. In the area of scientific cooperation, Hospital Sírio-Libanês reinforced its partnership with Siemens. In addition to the International Center of Cardiovascular Reference, the hospital inaugurated its International Center of Oncology Reference in 2015.

There were several achievements, but there are more to come. Siemens Healthcare continues perfecting and expanding solutions that add value to the healthcare chain, be it in the public or private spheres. A healthcare system managed based on early diagnosis and use of imaging and in vitro technologies for guiding therapies benefits all of society. With this, it is possible to improve the quality of life of the population, reduce the number of health internments and medical leaves, reduce the risk of infections and other complications, in addition to also optimizing costs in the sector.

APTIO technology. At Santa Casa, for example, the 37-meter conveyor has 20 pieces of equipment attached that execute roughly 85% of the 300 thousand exams requested monthly, with expressive gains in turnaround time and productivity.

Another contribution that Siemens offers are its exclusive solutions for managing installed bases, such as Teamply, which allows analyzing equipment performance, implementing actions for greater productivity and use

of medical assets. We also introduced LifeNet, which was designed to allow clients to access the equipment base, offering greater transparency to an installed base status, situation of maintenance processes, ensuring greater availability of resources.

In the pursuit of offering greater access to healthcare, Siemens, in partnership with Truckvan, introduced at the Feira Hospitalar 2015 Trade Fair, in São Paulo, the first mobile tomography solution produced 100% in Brazil.

**Grupo Alliar's magnetic resonance equipment is connected to the Center using a hardware kit that includes cameras, audio interfaces for communication and several sensors. This allows for the interaction between patients, assistants and operators, as well as room monitoring, ensuring greater equipment uptime.**

**The result is a huge gain in productivity and quality in exam results, in view that in the Command Room doctors from different areas of radiology can lend their knowledge to all sites integrated with the network.**

**Grupo Alliar Médicos à Frente is one of biggest diagnostic medicine chains in Brazil, comprising 23 brands in São Paulo, Minas Gerais, Espírito Santo, Rio de Janeiro, Mato Grosso do Sul, Paraná, Paraíba, Pará and Bahia. Alliar has been partnering with Siemens since 2008 when it kicked off its clinic association process that led to the group's creation.**



# Sustainability

In 2015, sustainability was treated as one of the most critical global topics on the political and business agendas, particularly in relation to the decarbonization commitment of the global economy, which aims to limit global warming by up to 20°C. Siemens accepted without restrictions or exceptions, committing to do its part in the global target.

We apply sustainability principles throughout Siemens' entire value chain – from our suppliers, operations and society, to our customers – through the design of sustainable products and solutions. Our environmental portfolio helped our customers and partners reduce 487 million tons of CO<sub>2</sub>. This value corresponds to half of Germany's emissions.

In addition to solutions for our customers, we decided to act on our own operations. Siemens was the first global industry to commit to neutralizing its own carbon footprint by 2030. In 2020, our goal is to cut carbon dioxide emissions by half, which currently amounts to 2.2 million metric tons annually. In order to achieve this goal, Siemens will invest €100 million through 2017, in order to increase energy efficiency of its own production units and buildings. With this investment, the company expects to generate annual savings of €20 million.

Also in 2015, Siemens Brazil obtained some important recognition as the most sustainable company in the electric-electronics sector in the Exame Sustainability Guide. The guide analyzes the strategy and practices in all areas of companies, to wit: corporate governance, transparency, business ethics, corruption combating, environmental responsibility, relations with employees, suppliers and communities, among others.

Around the world, Siemens' recognition as a sustainable company was reaffirmed through independent entities such as the Dow Jones Sustainability Index and the Carbon Disclosure Project (CDP). We obtained the highest score possible – 100 points in 100 possible – in the CDP, which index reflects climate protection measures implemented by the company.



**CO<sub>2</sub> neutralized**

in Siemens' own operations by 2030.







# Stakeholder Dialogue



Sustainability has been anchored in Siemens' strategies and integrated into its management model for over 170 years. We are guided by business sustainability and transparency practices with our internal and external stakeholders. We aim to minimize risks for society, the environment and the company. Similarly, we identify business opportunities to ensure that we are sustainable in the long term.

We are convinced that sustainability, especially regarding energy efficiency and use of resources, is a business opportunity and of value for society. We develop partnerships to acquire, complement and transfer our knowledge, in order to offer competitiveness to our customers and partners, and also contribute to the development of local society. Advanced sustainability is the key element for being the company of choice for employees.

 [www.siemens.com.br/relatorioanual2015/gestãodestakeholders](http://www.siemens.com.br/relatorioanual2015/gestãodestakeholders)

## Materiality of sustainability as guide

In order to identify the demands of different publics that influence directly or indirectly the strategic and operational interests of Siemens, we periodically conduct a survey. The origin is a materiality matrix that provides us guidelines for our business activities. The topics in 2015 are the same as those defined in 2014:



The base for this survey and gathering information to build this report follows Global Reporting Initiative (GRI) – G4 guidelines, the same applied in 2014, which analyze the level of importance of economic, social and environmental performance.

# Sustainability at Siemens



The importance of sustainability is evident given its central position in the company's organization, in our programs and measures we execute. Our activities pertaining to the theme are headed by the Chief Sustainability Officer (CSO), who is a member of the Board of Directors and Chairman of the Siemens Sustainability Board, which structure consists in representatives from business divisions, corporate areas and countries. Paulo Stark, CEO and President of Siemens Brazil, represents the region in this organization. The Sustainability Officer and respective team coordinate the program through a global network of Sustainability Officers, allocated in business areas, corporate areas and countries.

## Sustentabilidade no Brasil

2015 Exame  
Sustainability  
Guide



Most Sustainable  
Company in the  
Electric-Electronics  
Category

In Brazil, the Sustainability Officer possesses a team of specialists dedicated to ensuring that measures aligned with global strategies are adopted. Like Siemens AG, the Brazil structure includes a Sustainability Committee that's responsible for defining strategies, monitoring the program's evolution and promoting sustainability in and outside the organization. The committee is composed of key company executives, proving the importance that the theme also has in Brazil.

Sustainability  
Commitment  
and Leadership  
Engagement



Composed of top  
Siemens Brazil executives

Sustainability governance in Brazil, supported by the Environment, Corporate Citizenship and Environmental Portfolio Development pillars, defined specific objectives for the country:

- Promote business in Brazil through Siemens' Environmental Portfolio;
- Be recognized as a model of corporate citizenship in the country;
- Comply with environmental protection commitments and local regulations;
- Be a reference in sustainability.



[www.siemens.com.br/relatorioanual2015/sustentabilidade](http://www.siemens.com.br/relatorioanual2015/sustentabilidade)

# Environmental Management



In 2015, the Environmental Protection, Health Management and Safety (EHS) area presented its new global strategy coined "One World, one life, we care". This strategy is supported by four key programs: Zero Harm Culture @Siemens, Health@Siemens (more in the Occupational Health & Safety chapter), Serve the Environment and Product Excellence.

The environmental objectives, goals and indicators are defined and divulged by the Environmental Protection, Health Management and Safety (EHS EP) area. Environmental performance indicators are monitored quarterly through the Siemens Environmental and Technical Safety Information System (SESIS). This tool subsidizes critical performance analyses, facilitating the preparation of reports and environmental management of all environmentally relevant operations.

Siemens defines environmental targets for itself and makes a point of divulging them. By 2020, the company proposes to increase waste and energy manage-

ment efficiency by 1% a year, as well as reduce Ozone Depleting Substances (ODSs) 100% by 2040 and neutralizing its carbon footprint by 2030 (more in the Sustainability chapter). In Brazil, the 2015 target to increase energy efficiency by 1% was not met. However, other positive results were achieved. One example refers to the reduction in waste sent to landfills, as well as reduction in water consumption.

Over the last years, Siemens accomplished major feats in the field of energy efficiency. Two locations possess LEED Gold certification (Leadership in Energy and Environmental Design) – the company's headquarters in Anhanguera (SP) and the Rio de Janeiro unit in Ilha do Fundão. All manufacturing facilities have already obtained and systematically maintained their ISO 14001 certifications.

In order to achieve the environmental objectives and goals set forth in the strategic plan, Siemens projects a series of actions and investments especially targeted at reducing its energy consumption. In relation to communication,

several engagement and awareness campaigns were conducted, such as Environment Week, which addressed the topic of generating waste and reducing food waste in 2015.

These actions will positively impact not only the environment, but also reduce costs. To continue advancing in its environmental results, the EHS EP area will conduct in 2016 a mapping of opportunities relative to environmental targets. An example is the pilot project underway at the Transformer plant in Jundiaí (SP). Employees from Siemens and also energy efficiency graduates from the European Energy Manager (EUREM) will map and assess energy consumption forms at the facility, with the objective of proposing improvements.

Just as the company has achieved a significant maturity level in mapping occupational-accident risks, one of the objectives of this new strategic orientation is to achieve the same level in assessing environmental incidents, with an eye on the major savings potential of resources for the company.

## 2020

**By 2020, the company proposes to increase energy and waste management efficiency by 1% a year**



[www.siemens.com/relatorioanual2015/gestaoambiental](http://www.siemens.com/relatorioanual2015/gestaoambiental)



# Supplier Management

The main objective of supply chain management at Siemens is to contribute to business success in a substantial and sustainable manner. Our supplier management process is fundamentally based on four pillars: productivity, quality, availability and innovation.

With this, we comply with sustainability requirements in all purchases, ensuring our commitment to society and the environment.

Sustainability requirements at Siemens are guiding principles that are part of our process, and include supplier selection, qualification, assessment and development stages. We require that all suppliers comply with our "Code of Conduct for Suppliers and Business Partners", where we define as obligatory the respect towards basic rights of employees, respect towards environment, health and safety, zero tolerance towards corruption and bribery, among others.



Another obligatory requirement is utilization of the "Transparency Portal" for all suppliers in the selection phase, so as to avoid purchasing from companies that are not reputable, that is, companies with some type of sanction and/or restriction for contracts with government.

For strategic and critical suppliers, Siemens identifies potential risks in the chain through risk analyses and qualification, getting suppliers that represent risks to participate in External Sustainability Audits (ESAs) conducted by external partners, which focus on Code of Conduct requirements and aim to verify their effective implementation by partners.

Local suppliers represent 90% of purchases for Siemens Brazil. In order

**90%** of purchases at Siemens Brazil are made from local suppliers

to boost competitiveness, focus on improving performance, increasing productivity and developing competencies, Siemens develops various programs with its suppliers to identify improvement opportunities. Examples of initiatives include programs with critical and strategic suppliers for which potential improvements are discussed, both for Siemens and the supplier. Through these initiatives improvement opportunities are identified that benefit all sides of the chain, increasing knowledge, reducing costs

and improving relations with our suppliers.

It is important to point out that Sustainability is a strategic topic for Siemens, especially when referring to the supply chain. All employees in purchasing activities undergo obligatory "Sustainability in the Supply Chain" training, which teaches them to apply this sustainability knowledge in day-to-day tasks, aimed at establishing a sustainable and mutual development partnership with suppliers.



[www.siemens.com.br/relatorioanual2015/gestaodefornecedores](http://www.siemens.com.br/relatorioanual2015/gestaodefornecedores)

# Quality Management

In recent years, Siemens experienced a significant improvement in terms of process optimization.

Integrated operation, which already comprised quality management, business excellence and project management actions, benefited from a new approach towards the theme, making it a fundamental part of Siemens' strategy in the pursuit of sustainable growth.

The Transformation Program launched in 2012 intensified the pursuit of continuous improvement (more in the Transformation Program chapter). Now mature, the program has generated significant results to the point of many of its good practices being absorbed by the organization. The new Siemens Excellence System now ensures that change becomes a continuous process in the company.

One of the tools for this is Lean philosophy, which assesses the operation, identifies its points of waste and streamlines the process, making it more efficient and agile with a customer focus. A consistent Lean certification program has been going on at Siemens since 2012. At present, 134 company employees in Brazil are certified in the use of Lean tools.

Assess, eliminate waste and streamline processes are part of the optimization stage of a company. The next step is to automate systems to ensure that changes are institutionalized and become permanent. This was another important movement by the area in 2015. More than just a Quality initiative, it is a strategic approach.



By bringing the Quality/Lean areas closer to the Information Technology (IT) structure, Siemens evolves in the optimization of its processes, including through the use of tools that allow better utilizing data generated from its own activities. This is digitalization in practice. This new structure, which combines Quality and Business Excellence tools with the IT structure, is called Business Process Transformation.

It is also important to mention Puma, a productivity-oriented tool that monitors operations in various aspects (relations with suppliers, production costs, etc.), identifying improvement opportunities aimed at boosting productivity and profitability.

Proof of process improvements at Siemens Brazil is the Werner von Siemens Award presented by the head office in Germany, which in 2015 received 81 projects from Brazil. Only Germany pre-

**172** areas certified

sented more projects, attesting the level of development that Brazilian initiatives have achieved in terms of quality.

In 2015, Siemens was recertified by TÜV Rheinland (German association for management systems certification). The process took place in August and September 2015, with the participation of a team of external auditors aimed at verifying company conformity with quality, environment, occupational health and safety standards (ISO 9001, ISO 14001 and OHSAS 18001).

At the conclusion of the process, the systems maturity was evident: a total of 172 areas recertified in terms of Quality Management, Environment and Occupational Health & Safety.

 [www.siemens.com.br/relatorioanual2015/gestaodaqualidade](http://www.siemens.com.br/relatorioanual2015/gestaodaqualidade)



# Compliance

## Siemens Compliance System

Siemens does not tolerate inappropriate business practices. In 2007, the company established a Compliance System globally that defines instruments for ensuring a transparent corporate environment. The structure is coordinated by a dedicated internal area, as well as representatives from business areas and partners from Siemens Group companies.

An important part of the Compliance System is team training. In 2015, more than 4,000 employees were trained. The company also counts on Compliance Expertise Certification, which is based on a rigorous verification process of employee know-

ledge. In 2015, Siemens Brazil's Compliance area also evolved in relation to improving its internal processes, having incorporated Lean philosophy in several of them.

Siemens was one of the first companies in Brazil to receive the Pro-Ethics seal back in 2010. In 2015, Siemens was once again certified by this seal. Additional recognition in the year was the company's inclusion for the first time in the Exame Sustainability Guide. Commitment to transparency and ethics were some of the main points that Siemens stood out in the survey assessment.

**4.000**  
employees  
trained

## Tone from the Top

The three action levels that form Siemens' Compliance System are: Prevent, Detect, Respond.

The Prevent level includes policies and procedures, training and a clear and direct communication system. The Detect level includes whistleblowing channels, audits, investigations and controls. The Respond level includes all mechanisms that the company has for clarifying accusations.

Created two years ago, the EduComÉtica program is a Sie-

mens initiative that introduces concepts of ethics and transparency to students at public and private schools. As done in previous years, 2015 also included Compliance Week, an event reproduced at all Siemens locations in Brazil, which is based on fun and game activities conceived to reinforce compliance concepts among employees.

## Collective Action

As the leading company in several markets it does business, Siemens also perceives as being its responsibility to promote ethics and integrity outside the company. In order to realize this, it utilizes channels such as industry associations and chambers of commerce. In 2015, Siemens Brazil participated in a training workshop on The United Nations Global Compact, gathering companies, government representatives and academia. Another event during the year was the series of compliance training at entities like the Brazilian Association of Infrastructure and Base Industries (ABDIB) and the Brazilian Association of High Technology Products for Healthcare (ABIMED).

In 2015, Siemens held two workshops for business partners with a focus on the Clean Company Law.

## Tools

To execute our Compliance System, we base our actions on process support tools, such as risk analysis of business partners, risk analysis of projects in bid phase, among others.

A key part of the Compliance System is the whistleblowing channels. One of them is "Tell Us", which was created to receive possible compliance violations. "Tell Us" is available online 24x7 in seven languages through the following link: <https://www.bkms-system.net/tell-us>.

The company also offers a toll-free number for contact: 0800 89 24 041.



[www.siemens.com.br/relatorioanual2015/compliance](http://www.siemens.com.br/relatorioanual2015/compliance)



# Integrity

For Siemens, only clean business is Siemens business.

2015 was marked by in-depth discussions about improper relationships between the public and private sectors in Brazil. For Siemens, this issue is very clear: we only conduct clean business.

Thanks to our rigorous Compliance System, which establishes our transparency and ethics policies, we created conditions for Siemens to do business in conformity with laws, regulations, codes and procedures, combating any and all organizational fraud and misconduct. This approach also extends to business done in the past, and because of this, the company has played a leading role in this matter over the last years.

Through our whistleblowing channels, possible anti-competitive conduct situations were reported in São Paulo's railway sector. In 2013, Siemens proactively reported these accusations to

the Administrative Council of Economic Defense (CADE) and the Public Ministry in its state and federal levels. To arrive at this stage of voluntarily self-reporting itself, Siemens conducted a complete internal investigation utilizing Compliance System tools.

In March 2014, the company signed a cooperation agreement with the Public Ministry of the State of São Paulo, called a Conduct Adjustment Term (TAC). The agreement formalizes the cooperation structure between the company and the São Paulo Public Prosecutor's Office in the investigation process pertaining to business contracts with suspected irregularities. Since then, Siemens has actively cooperated with the public ministry and other government bodies. The process will continue in 2016 with witness testimonies.

The efficiency of Siemens' Compliance System and top management's commitment towards the theme once again led the company to receive the Pro-Ethics seal from the Office of the Comptroller General.

[www.Siemens.com.br/relatorioanual2015/integridade](http://www.Siemens.com.br/relatorioanual2015/integridade)

## Step Change

An important fact in Siemens Brazil's Legal Department in 2015 was the launching of the "Step Change" program, comprising six initiatives that aim to increase collaboration with the head office and local business partners, continuously inspiring trust and credibility:

- One Team** – collaborate and act in a consistent manner
- Communicate and Be Closer** – global and locally
- Proactively Develop and Show Credentials** – proactive development
- Take Ownership** – make things happen
- Think Strategically** – plan ahead
- Timely Respond** – answer in time

After establishing the "commandments", an action plan was grouped into five metaprojects: People, External Partners, Head Office, Efficiency and Processes, Business Partners, with the participation of all members in the sector. The series of actions allowed the Legal department to increase productivity and efficiency, despite suffering a staff reduction from 43 down to 31 professionals.

“Siemens is fully aligned with business transparency concepts.”



**Fabio Selhorst**  
General Counsel



# Siemens Excellence System

Introduced in 2012, the Transformation Program was conceived to create an engagement climate in the company where it is possible to believe that changes are possible and beneficial.

## 2012

Start of the Transformation Program

After three years and many objectives achieved, the program was institutionalized, going from being a specific action to becoming a management tool – the Siemens Excellence System.

In the beginning of its execution, the Transformation Program aimed to leverage actions for Siemens Brazil to become an agile company, with an excellent work environment, capable of better serving its customers, engaged in society and always one step ahead of the competition.

In its origin, the program was structured into nine metaprojects, which were dedicated to relevant themes for the company at that time – from process optimization to individual productivity, passing through leadership, management, society engagement, among others. In the three years, the program was adapted as its own initiatives evolved and as company conditions changed.

When Siemens AG presented its Vision 2020 in 2014, it became clear that a lot of things that were being focused on in

the Transformation Program were also present in the company's new global vision, such as the pursuit of efficiency to ensure sustainable growth.

Now institutionalized, the Siemens Excellence System (SES) is broken down into eight requirements, targeted both at business priorities and improving company administrative processes.

To arrive at the final format of the SES, the company area responsible for the Transformation Program conducted an extensive benchmarking study at other companies and entities. The exchanging of experiences contributed to format the new management system. The main reference was the National Quality Foundation's Management Excellence Model.

Through the new model adopted, the company now has a continuous manner to seek administrative improvements. With this system, Siemens has a structured model to periodically revisit its strategy, define priorities and communicate new directions for the organization.

It is estimated that once a year, management will undergo this process, feeding the continuous improvement culture in the company, no longer depending on ad hoc actions to assess its procedures and then define adjustments.

The evolution of this self-management creates the bases for establishing a Siemens Brazil Agenda, in which the stages of evaluating and adjusting company activities are planned in a systematic manner, incorporating excellence in all Siemens processes.



 [www.siemens.com.br/relatorioanual2015/sistemadexcelencia](http://www.siemens.com.br/relatorioanual2015/sistemadexcelencia)

# Employees

## Policies and benefits

The vision to offer employees the opportunity to invest in the company was introduced by our founder, Werner von Siemens, back in the 19th century. Siemens' Share Matching Plan (SMP) makes it easy for employees to purchase Siemens AG shares. Every employee has the possibility to invest a percentage of its salary in company shares. For every three shares purchased by an employee and maintained invested until the end of the vesting period, Siemens offers an additional share. In 2015, a new feature was introduced in the program, with the objective of encouraging employees even more to participate as company shareholders: the vesting period was reduced from three down to two years.

Over the last years, adoption of the

partial home office practice has been extremely valued by employees in all levels at Siemens. According to results from the "Guia Você S/A – Best Companies to Work" survey, home office has been pointed out for two consecutive years as a key advantage at Siemens and a factor of employee professional satisfaction.

With the home office practice consolidated, we've been able to advance and incorporate the concept of smart working\*, adapting the design of some of our locations, such as Anhanguera (company headquarters) and Jundiaí II, both in São Paulo.

Since 2011, Siemens offers its employees the possibility of taking a 180-day maternity leave. Roughly 90% of professionals who returned to work after this period, continued working in the company in the 12 following months. Female professionals at Siemens have at their disposal another benefit that rated very positively: a nursery allowance, where each female em-



“Siemens wants to be recognized as the first option for top professionals in the market.”

**Sylmara Requena**

RH Director

ployee with children up to three years old, receives an additional wage to pay for a nursery or hire a nanny.

Created as a protection tool for employees when they retire, PreviSiemens is a true attraction, retention and succession plan tool for Siemens Brazil. Considered the most valued benefit by company employees, the private pension plan offered to the company's workforce currently has 6,211 participants, of which 998 are former employees. PreviSiemens ended fiscal 2015, with a net worth of R\$1.337 billion.

\*See page 54.

 [www.siemens.com.br/relatorioanual2015/colaboradores](http://www.siemens.com.br/relatorioanual2015/colaboradores)



## Labor Relations

To ensure that Siemens is in conformity with labor legislation, avoiding social wear, costs and losses in labor lawsuits is one of the main attributions of the Labor Relations area. In 2014, Siemens introduced the "Labor Opinion in Offer Phase" policy, a procedure that aims to detect labor risks and minimize them already in the bid preparation phase of a project. The set of actions is obli-

gatory for all Siemens Business Units, allowing that the area responsible has a chance to point out the labor risks that should be obligatorily considered and calculate the amount to be presented to the client (proposal). With this, the company avoids that during project execution there's a discrepancy between the effective labor cost and what was planned during the bid phase.

## Education and training

Throughout 2015, Siemens invested more than R\$22 million in education and training programs. This amount is the sum of Siemens' investments in three pillars: behavioral training (Business Learning), technical training (defined in the performance assessment process between employees and their managers and implemented in the Business Units) and external training (languages, post-graduate degrees, among others).

Other courses are also available for company employees with different objectives and content: Time Management, Presentation Techniques, Communication in the Business Environment, among others. Locally, the HR area also conducts programs conceived by the head office in Germany and applied regionally, with special focus on high potential professionals.

An example is the Siemens Leadership Excellence Programs and others according to business area (Core Learning Programs). A wide variety of e-learning content is also available. This dynamic is in harmony with new work dynamics, including home office and the smart working concept, in addition to satisfying the decentralizing of company activities throughout the country.

### R\$ 22 million

invested in education and training programs

## For the 8<sup>th</sup>

time, Siemens was elected one of the Best Companies to Work in 2015

## Climate and motivation

For the 8<sup>th</sup> time, Siemens was recognized in 2015 as one of the Best Companies to Work by Guia Você S/A, one of the main references in good people-management practices in Brazil. The award reflects the opinion of those who work in companies.

In the 2015 evaluation, Siemens stood out for its structured professional-development system, employee health and safety, permanent focus on optimizing production processes and benefits from the practice adopted and consolidated by the company through its home office policy.

## Diversity

### 25%

of employees are female

At Siemens, diversity is considered a critical success factor for the company. One of the focuses of this approach is the inclusion of women in business and administrative areas. As a company dedicated to engineering ever since its founding, Siemens reflects the reality of this environment, which at universities already has a majority of men over women. Inserted in this same context, Siemens has a 75%-25% men-women ratio.

Another important aspect in the field of diversity is the inclusion of people with special needs. Successful initiatives are already a reality at Siemens, such as at

the Cabreúva Distribution Center (SP) and the company's head office in Anhanguera (SP). The company acknowledges that the theme needs to be faced as a management matter, not an HR program, creating discussions and structuring action to broaden the inclusion of this public in its staff.



# Culture and leadership development

The Ownership Culture concept, one of the pillars of the Vision 2020 program, also impacts themes related to leadership at Siemens. In the universe of people administration, it is known that culture is not something you implement, but rather something you develop, and HR is contributing towards this end. An important example is the performance assessment process – Performance Management Process (PMP).

Throughout 2015, with the objective of reflecting the Ownership Culture, the PMP was perfected by the company on a global basis. Brazil was one of the countries that decided to adopt the changes

in this fiscal year, applying the concept in the assessment of its leaders.

Another example of the lived Ownership Culture is seen in Limits of Authorities (LoAs) processes based on approvals for various initiatives in business areas. With a focus on the new culture, this process today has become simpler and more agile, thanks to the granting of autonomy to local decisions.

It is also important to emphasize a relevant aspect of the cultural transformation process that is being carried out through the smart working concept, where physical space is now used in a more flexible manner,

in consonance with the autonomy and trust expressed in the lived ownership culture.

From the perspective of filling strategic positions, the company maintains programs for planning its successors, such as the Succession Risk Management (SRM).

**Ownership Culture, one of the pillars of the Vision 2020 program**



## Talent acquisition

When resorting to the market to attract young professionals, Siemens has a very clear focus: to guarantee the succession of its leaders, ensuring that key company positions always have a line of succession. In line with this concept, the Talent Development Program (PDT) is one of the main tools. Created back in the 1970s, PDT received roughly 7,000 applications of university students from all regions of Brazil in 2015. For 2016, 85 new interns were selected by the program. Historically, roughly 72% of interns become full-time employees.

In 2015, the program also benefited from actions of the Employer Branding campaign, a series of initiatives executed to share with the market the changes in professional profiles valued by the company, presenting Siemens as a corporation aligned with future trends in this field. Another highlight in 2015 was

**72%**  
Historically, the interns become full-time employees.



the Excellence@Finance project, developed by the finance area with HR's participation to divulge and attract young high potentials with a finance background.

An important tool for succession preparation is the Trainee Program, which identifies among company employees those with potential to occupy leadership positions. In 2015, nine professionals were selected for the program. Every year, the class is renewed through

an internal selection process. Throughout the year, the group must develop a real project for the company with results that yield gains (measurable or not) for the company.

In addition to these programs, Siemens also offers a consistent Internship Program (curricular), which contributes to the professional development of employees, with roughly 72% of interns becoming FTEs.

 [www.siemens.com.br/relatorioanual2015/culturaedesenvolvimentodeliderancas](http://www.siemens.com.br/relatorioanual2015/culturaedesenvolvimentodeliderancas)

# Occupational Health & Safety

Occupational safety actions at Siemens are structured pursuant to the Zero Harm Culture (ZHC) concept.

ZHC is a catalyzer of actions with the clear objective of not incurring any accidents at Siemens units.

Over the last years, the Internal Accident Prevention Week (SIPAT) was modified to get more employees to participate, using actions that involve fun and games and impact. Another change occurred in the Internal Accident Prevention Committees (CIPAs), incentivizing managers to encourage colleagues to participate in them and obtain greater interest in safety themes.

In 2015, the "Testimonials that save lives" campaign was created, which encourages employees to describe a personal experience that can serve as example for avoiding accidents. In all meetings, Siemens holds a "Safety Moment", which proposes a topic to discuss before the beginning of each meeting, including top management themes.



In the health area, Siemens' main achievement in 2015 related to its Healthy @Siemens certification from Germany. The seal is presented to company subsidiaries that achieve a given level of maturity. Brazil was the first country in

the Americas to obtain this certification.

The traditional vaccination campaigns continued in 2015, as did the "Save your Skin" and "Health Week" programs. Actions earmarked for women's health were also maintained, including the possibility of undergoing prenatal exams at the Anhanguera (SP) and Manaus (AM) sites. Workplace exercise activities have enjoyed a growing number

of participants, especially at manufacturing facilities.

With a focus on mapping the company's psychosocial risk, Siemens introduced in 2015 the "Selfie" program, which is based on a questionnaire prepared by the World Health Organization. As in previous years, the "Pink October" breast cancer prevention campaign included the participation of 70% of women. In November, the men's health campaign "Blue November" had the same per-



## SIPAT

was modified to get more employees to participate

centage of participants, whereby the focus was on prostate cancer.

Another program maintained was the running and walking group through ADC, as well as solo Pilates and muscle strengthening classes. Massage therapy sessions conducted by visually impaired professionals also continued in 2015. With an eye on post retirement, Siemens maintains the "Perspective Program", with speeches on health, relationships, leisure, personal finances and entrepreneurship.

Progressive reduction in the frequency rate of accidents with leave



# Corporate Citizenship

## Main results in 2015:

### Você S/A – Best companies to work 2015

The employee approval rate about Corporate Citizenship at Siemens increased from 73.3% in 2012 to 86.3% in 2015

- 10 macro-projects in 12 cities in Brazil;
- 519 volunteers;
- 11,081 hours of work donated.

Siemens seeks to engage at least 10% of its employees, but aspires to involve much more of them, since it believes that it can make a difference in many lives.

# 86,3%

employee approval  
rate about Corporate  
Citizenship

## Main Volunteering Projects

### Social Responsibility@PDT

Our main internship program for building leaders, the Talent Development Program (PDT) is inserted within the context of Corporate Citizenship.

### Formare Educators

Project Formare is a Siemens Foundation Brazil initiative, which trains youngsters between the ages of 16 and 18 at Siemens' Jundiaí (SP) unit. (More in Siemens Foundation)

### EduComÉtica

The initiative was created by Siemens' Compliance area in Brazil. (More about EduComÉtica in Compliance)

### Social@Finance

Initiative consolidated as a team building tool by employees in the financial area, who currently get together to fix up educational institutions around Siemens' headquarters in São Paulo (SP).

### Green Team

Created at the Manaus (AM) unit, the Green Team's main objective in the beginning was to raise employee awareness about environmental responsibilities. The initiative is now present in other Siemens locations around the country.

### Local Networks

Employees from regional sales offices throughout the country also contribute and engage their colleagues in school activities in their regions.

### Ecological Trail

Hermann Wever Ecological Trail. The main objective is to raise awareness of children regarding the importance of protecting the environment. More than 3,000 students have visited the trail and its 45,000 square meters of protected Atlantic rain forest.

### Emotional Intelligence

In partnership with Siemens Foundation, the program focuses on emotional intelligence at schools and is executed under Grupo Ser's coordination, which prepares Siemens volunteers to work with students and professors.

### Pink October and Blue November

Internal awareness campaigns about breast cancer in October and, in the following month, the campaign to raise awareness about prostate cancer.

### Donations

In 2015, Siemens Brazil donated R\$450,000 to actions that help improve the quality of education in the country.



[www.siemens.com.br/relatorioanual2015/principaisprojetosdevoluntariados](http://www.siemens.com.br/relatorioanual2015/principaisprojetosdevoluntariados)



# Siemens Foundation

## Our Vision

Be recognized as an exemplary social transformation agent in Brazil.

## Our Mission

Contribute to the country's development through initiatives that aim to improve the educational system and foster the utilization of basic innovative technologies

## Siemens Foundation Brazil

In 2016, Siemens Foundation celebrates its 30th anniversary, having originally been named Peter von Siemens Foundation. Classified as a Civil Society Organization of Public Interest (OSCIP), Siemens Foundation Brazil works in alignment with Siemens' Corporate Citizenship strategy, with a focus on education and basic technologies.

# 30 years

of Siemens Foundation Brazil

## Project Experimento

Earmarked for early childhood education professors and elementary and high school teachers, Project Experimento was introduced in Brazil in 2015. The project is based on the principle of learning through investigation.



## Escola Formare

Project Formare is a Siemens Foundation initiative in partnership with Fundação Iochpe, which graduated its third student class in 2015, in Jundiaí (SP). This professional learning program develops through volunteer actions the potentiality of youngsters from underprivileged families residing nearby Siemens. This year, 20 high school students between the ages of 16 and 18 graduated as Electromechanical Assembly and Production assistants.

## Emotional intelligence at School

The "Emotional Intelligence at School" program is another consolidated Siemens initiatives that continues benefiting communities surrounding the company. The objective of the program, conceived by Grupo Ser, is to improve performance of elementary students.

## Scholarships

Siemens Foundation Brazil is also responsible for the scholarship program earmarked for employee children, respecting socio-economic criteria and functioning as a complement to educational investment. In 2015, the foundation supported 74 children of Siemens employees nationwide.

## Recognition – LIDE Education Award 2015

Siemens Foundation Brazil was a recipient of the LIDE Education Award 2015 in the innovation category, organized by the Group of Corporate Leaders (LIDE).

## Global Award – Empowering People Award introduced in 2015

Siemens Stiftung (Siemens Foundation Germany) introduced in 2015 a global award for technology projects aimed at helping people in developing regions overcome basic need problems. The finalists will be invited to present their projects and participate in the 2016 award ceremony in Germany.

### Read about basic technology projects at:

<http://www.empowering-people-network.siemens-stiftung.org/>

### For more about Siemens Foundation Brazil, go to:

<http://www.siemens-fundacao.org/>

# Awards and recognition

Throughout 2015, Siemens received recognition from various publications, companies and entities:



## Exame Sustainability Guide

Siemens was elected the most sustainable company in the electric-electronics sector in the 2015 edition of the Exame Sustainability Guide. This is the first time that the company appears in the annual ranking of best companies.



## Pro-Ethics

Siemens was recognized as a Pro-Ethics company by the Office of the Comptroller General (CGU). Siemens was one of the first companies to receive the Pro-Ethics seal back in 2010 and was once again recognized in 2015.



## 150 Best Companies to Work

For the 8th time, Siemens was considered one of the “Best Companies to Work” in the Guia Você S/A, one of the main references of good people-management practices in Brazil. Based on interviews with employees, the award reflects the vision of those who work at the companies.



## LIDE Award

Siemens Foundation was a recipient of the LIDE Education Award 2015 in the innovation category, organized by the Group of Corporate Leaders (LIDE).



## Best Companies to Begin a Career

Also conducted by Você S/A magazine, this award takes into consideration career plan, professional development, identity, quality of life and leadership for youngsters between the ages of 18 and 26, listing the 35 best companies. Siemens ranked among the best companies to begin a career for the second consecutive year.



## ABRASCA Award

Siemens' Annual and Sustainability Report 2015 came in 4th place in the award presented by the Brazilian Association of Publicly Held Companies (ABRASCA).



## Great Place to Work (GPTW)

Chemtech, a Siemens Group company, appeared in Época magazine's Great Place to Work (GPTW), which elects the 100 Best Companies to Work in different segments. The Brazil ranking for multinationals in 2015 ranked Siemens among the best corporations in the country.



## Top of Mind

In Grupo Revenda's Top of Mind event, Siemens stood out in the Circuit Breakers category, once again ranking among the three brands with the highest recall



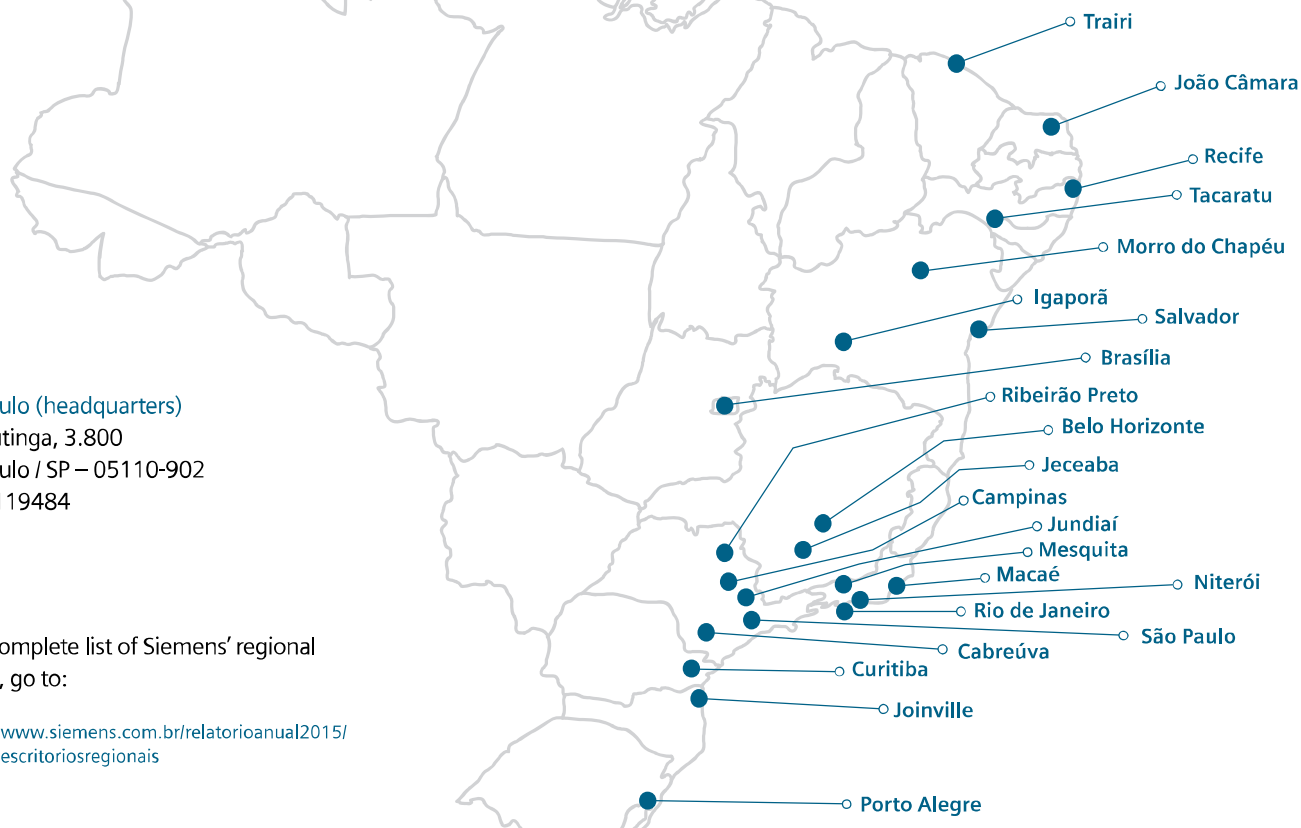
**ABREME Award** Siemens won the main category “Best Supplier of the Year” from the Brazilian Association of Electrical Material Resellers and Distributors (ABREME) and received the Gold award in the category “Electrical Devices Segment”. The award is fruit of a survey conducted with distributors throughout the country who acknowledge the suppliers who stood out the most in their activities throughout the year.

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0800 119484

For a complete list of Siemens' regional offices, go to:

 [www.siemens.com.br/relatorioanual2015/escritoriosregionais](http://www.siemens.com.br/relatorioanual2015/escritoriosregionais)



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