



SIEMENS



2014 Annual and  
Sustainability Report

What's important for Brazil is important for Siemens.



110  
years  
in Brazil  
1905 - 2015

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

# Contents

## Introduction

Page 03 Siemens at a Glance  
 Page 04 Letter from the CEO  
 Page 06 Our Path  
 Page 08 Our World

## Siemens in Brazil

Page 12 Siemens in Brazil  
 Page 14 Siemens' Presence in Brazil  
 Page 15 Company Structure  
 Page 16 Manufacturing Facilities  
 Page 18 Innovation

## How to read this Report

This is the print version of our 2014 Annual and Sustainability Report. We are proud to share this information with society since we feel that this reinforces Siemens' commitment to transparency.

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, 2013 – September 30, 2014 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/14/en/financial-report](http://www.siemens.com/annual/14/en/financial-report).

Since 2010, we've been following the guidelines defined by the Global Reporting Initiative (GRI), an international organization that standardizes publications of this sort. Throughout the chapters, information corresponding to GRI G4 indicators is pointed out according to their acronyms just below the text where they appear.

This print version is a summary of the online version, available at [www.siemens.com/relatorioanual2014](http://www.siemens.com/relatorioanual2014). Besides more detailed information, it also contains videos, tables with Global Reporting Initiative indicators and links to other Siemens publications in Brazil and worldwide.

More and more, we wish to satisfy the demand for information about us. For such, we invite you to participate in a survey about this publication at the following link: [www.relatorioanual2014.com.br/pesquisa](http://www.relatorioanual2014.com.br/pesquisa).

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



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



[twitter.com/siemens\\_brasil](https://twitter.com/siemens_brasil)



[www.facebook.com/siemensbrasil](https://www.facebook.com/siemensbrasil)



[www.youtube.com/siemens](https://www.youtube.com/siemens)



[www.respostassustentaveis.com.br/](http://www.respostassustentaveis.com.br/)



[www.linkedin.com/company/siemens](https://www.linkedin.com/company/siemens)

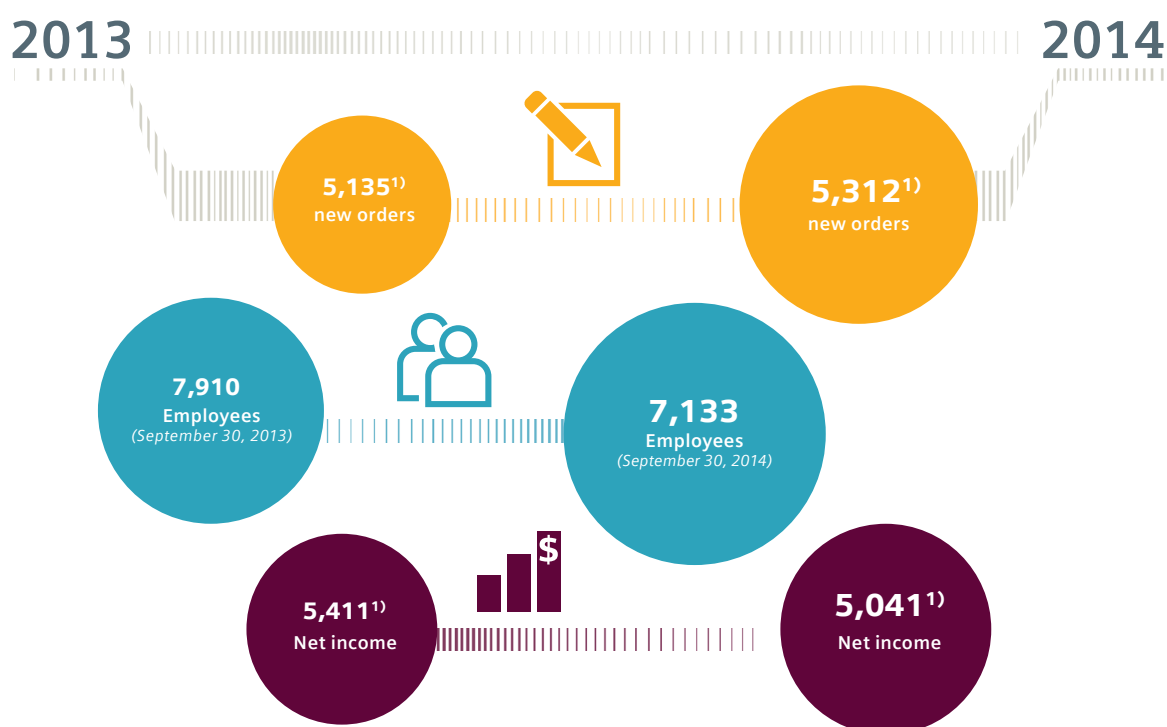
## Products and Solutions

Page 22	Sustainable Energy
Page 26	Future of Manufacturing
Page 30	Intelligent Infrastructure
Page 36	Next Generation Healthcare

## Sustainability

Page 42	Stakeholder Dialogue
Page 43	Sustainability Program
Page 46	Environmental Management
Page 47	Supplier Management
Page 48	Quality Management
Page 49	Compliance
Page 50	Integrity
Page 51	Transformation Program
Page 52	Employees
Page 55	Occupational Health and Safety
Page 56	Corporate Citizenship
Page 58	Siemens Foundation
Page 60	Awards

## ||| Siemens at a Glance



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

### Notes:

#### • In 2013:

International business, Country level. Excluding exports Country lead Brazil (does not include OSRAM). Fiscal year (October 1, 2012 – September 30, 2013).

#### • In 2014:

International business, Country level, excluding exports, including Rail Automation, VAI Metals, Serviços de Monitoramento Eletrônico and Aparelhos Auditivos. Fiscal year (October 1, 2013 – September 30, 2014).



*"Digitalization has become an increasingly indispensable tool in today's world and we already have countless examples of solutions that satisfy this need."*

|| | Dear reader,

An analysis of 2014 shows that it was a very dynamic year with highs and lows in the global economy, and also in Brazil. One of the main factors for this instability was the slowdown in China's economic growth, which affected several countries and altered the flow of capital.

Nonetheless, Siemens posted excellent results in 2014, registering a 3.4% increase in new orders compared to 2013, for the second consecutive year. Siemens' positive results in Brazil, which in a certain way contradict most results in various segments, can be explained by the company's strategic positioning.

Over the last few years, Siemens shaped its portfolio according to global macro-trends, anticipating major demand increases in areas like energy, infrastructure, industrial productivity, and products and solutions for the healthcare sector. 2014 proved the excellent alignment of Siemens' strategies in relation to the country's needs, resulting in excellent performance and market share growth for practically all business units in their respective markets.

Besides the strategic alignment of our portfolio, we must also point out operational changes as decisive factors for this continued performance improvement. Initiatives of our "Transformation Program", an internal platform created and implemented in Brazil in 2012, allowed Siemens to be more agile and boost the company's competitiveness, through more efficient processes that resulted in products and solutions more aligned with our customers needs.

On a global level, Siemens unveiled in 2014 its new corporate concept Vision 2020, defining the foundations for the company in the future and guiding its activities towards developing the electrification, automation and digitalization markets. Vision 2020 is also strongly based on business excellence concepts, such as process automation and customer focus, perpetuating the foundations of our "Transformation Program".

We continue to restate our commitment to integrity, contributing in an unprecedented manner with the Public Prosecutor's Office regarding the potential occurrence of irregularities in the past, including a possible cartel in the subway-railway sector. Our interest resides in pinpointing the parties at fault, even if this involves employees or former employees of the company.

In the year that marks Siemens' 110th anniversary in Brazil, we expect a difficult year in the economy and also in 2016. However, the country continues and will continue being an extremely important market for our company. Despite the perspective of difficult times, Siemens will remain firm and active, thanks mainly for having prepared itself over the past few years for a more severe period, and for having shaped its portfolio to satisfy Brazil's immediate and long-term needs.

In the short term, it is possible to foresee good perspectives in segments such as high-efficiency solutions in the energy sector, rebirth of the sugar & ethanol segment, continuity of investments in healthcare and urgent demands in logistics, like ports and airports, which makes us confident for yet another year of growth in our business units.

Looking into the future, Siemens also identifies several opportunities in Brazil. Examples include infrastructure and healthcare demands for a growing population and a higher life-expectancy rate. We also see opportunities in Brazil's industry sector, which could effectively accelerate its development through Industry 4.0, which is highly based on automation concepts.

All these fields will increasingly be influenced by the digitalization movement, and Siemens was one of the first companies in the world to identify it. With its experience in all these segments and the ability to shape itself in advance relative to society's needs, Siemens continues being a technological partner committed to help Brazil in its path towards sustainable growth.

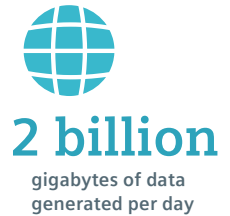
Continue counting on me and all my colleagues at Siemens.

Paulo Ricardo Stark  
President and CEO of Siemens Brazil

# Change as opportunity

Change is a fundamental item in today's world, since it creates opportunities, shapes scenarios for corporate decisions, questions established points of view and inspires new actions. A look at today's digital transformation – a relevant megatrend of our time – shows how profoundly our world has changed in just a few years. More than that: it also signals the change of paradigms that the future holds for us.

Around the year 2000, there was roughly 2 billion gigabytes of data accumulated around the world. Today, that same quantity of information is generated per day. And, directed at the increased merging between the real and virtual worlds, this trend is growing.



Siemens was one of the first companies in the world to identify the opportunities provided by the megatrends of digital transformation, globalization, urbanization, demographic change and climate change, and to rigorously align its business activities according to them.



## Why?

Because we know we can't be successful in the long term, unless we perceive changes as opportunities and work together to satisfy them.

# Vision 2020

If you want to gear a company to the future, you've got to provide answers to the following questions:

- | What do you stand for?
- | What sets you apart?
- | How will you achieve long-term success?

And that's what we've done. Vision 2020 is paving the way to a successful future. And to make it happen, we're focusing on three topics:

## | 1. A clear mission

A mission expresses a company's self-understanding and defines its aspirations. Siemens' new mission is:

**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.**

## | 2. 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 member to trainee.

## | 3. A consistent strategy

With our positioning along the electrification value chain, we have knowhow that extends from power generation to power transmission, power distribution and smart grid to the efficient application of electrical energy. And with our outstanding strengths in automation, we're well-equipped for the future and the age of digitalization.

## ||| Our values

**Responsible** – committed to ethical and responsible actions

**Excellent** – achieving high performance and excellent results

**Innovative** – being innovative to create sustainable value

## ||| Our strategy

To capture the various opportunities present in Brazil's electrification, automation and digitalization areas, a company needs a clear orientation, a strong internal structure and people to pursue the objective defined, turning plans and ideas in reality.

And this is exactly what our strategy does: it contains a clear focus on customers and business, a well-defined governance and an integrated management model that defines concrete goals and actions for rigorously following the path we've established.

### | Customer and business focus

Siemens products and solutions encompass the electrification, automation and digitalization value chain. Our integrated setup enables us to exploit potential interfaces between these markets.

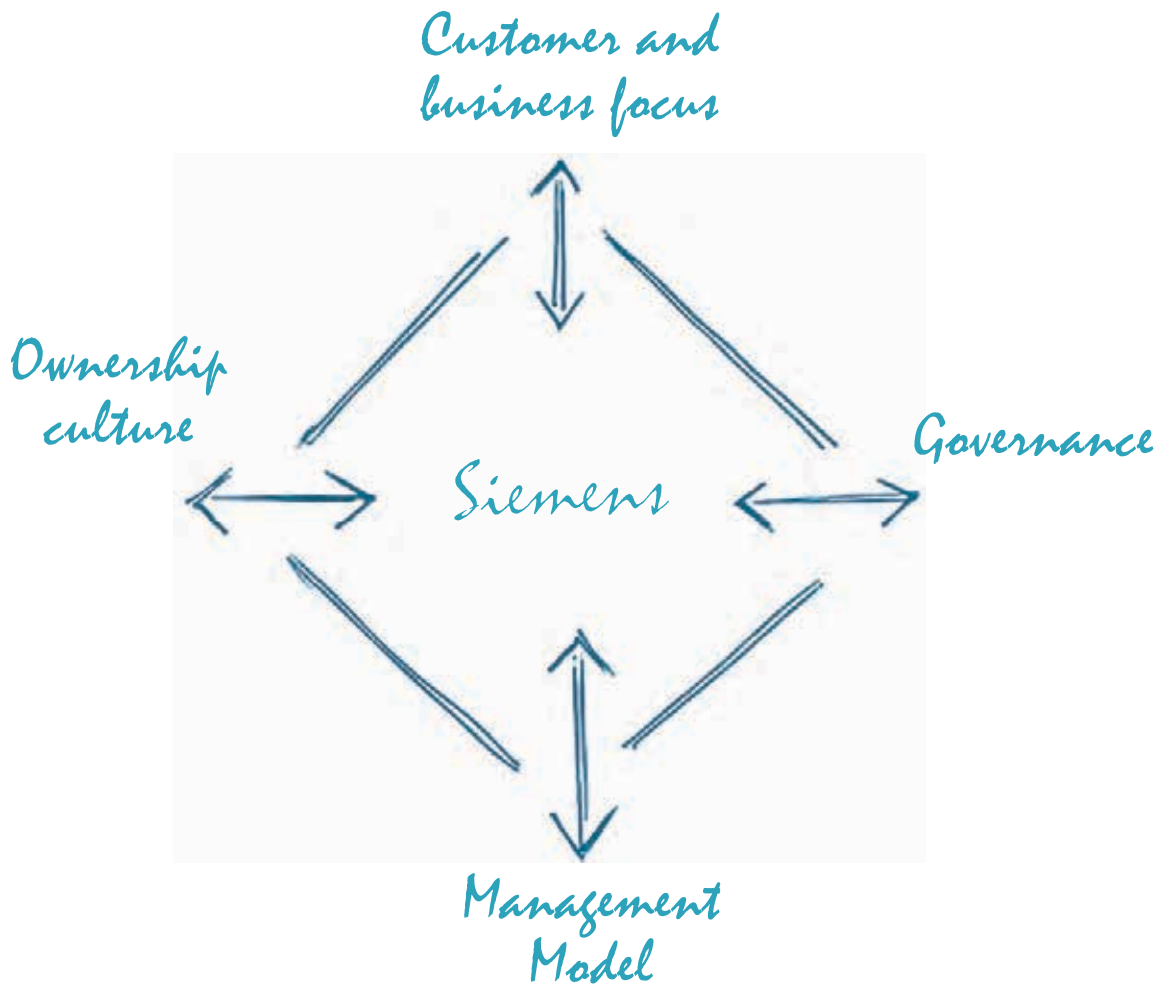
### | Governance

We want to lead Siemens in such way that we focus on our customers at all times and further expand our market penetration while maintaining lean and flexible structures. That's why we selected a market-integrative setup that combines a common regional organization with a coordinated vertical approach.

### | Management model

To enable us to manage our company more effectively, we've expanded our integrated management model One Siemens that combines under one roof the overarching targets and priorities with which we're implementing our strategy. This model is based on Financial Framework, Operating System and Corporate Memory, and Sustainability and Citizenship.





## | Ownership Culture

Throughout its history of more than 160 years, Siemens was led for generations by owners who had a passionate interest in the firm's long-term successful development. They all knew that every individual makes a contribution every day to the Company's enduring success. We're following this conviction and wish to foster this ownership culture.

We believe in the following principles:

- Owners ensure our business success
- Our behaviors bring the ownership culture to life
- Owners care for each individual
- Ownership culture is based on our Company values: responsibility, excellence and innovation
- Owners identify themselves fully with Siemens





"I try to do things right the first time with quality, avoiding rework and being sure that products are delivered on time to our customers."

**Ana Paula Barbosa de Araujo**  
Manaus / AM

**Reynaldo Makoto Goto<sup>1)</sup>**  
Canoas / RS

"In the day-to-day at the Canoas plant, we've evolved in our sense of responsibility and entrepreneurship, focusing more on customers, reducing the backlog of orders down to zero."



**Marco Antonio Rodrigues Silva**  
Jundiaí, São Paulo / SP

"I believe that any daily task that can be improved adds value to the end product, seeing that Siemens' future is a direct result of my work, every one's work."



**Djay Diego Eckhoff**  
Joinville / SC

"The company is our second home. It's bad when we forget a window open during the day and it rains when we aren't there. The same applies when we leave a machine turned on unnecessarily at the company. Having a global vision of how the company functions helps us avoid negative impacts."



"In monitoring the activities of physically challenged people, I help promote an environment that facilitates the execution of activities, increasing their agility and making their work more efficient."

**Thaluana Dos Santos Nova**  
Anhanguera, São Paulo / SP

**Paula Spedaletti De Deus**  
Anhanguera, São Paulo / SP

"Ownership culture is to ensure that our objectives are the same as our catering partner, achieving surprising savings in terms of water usage, at a low cost and with no impact on meal quality."



**Higson Rodrigues**  
Manaus / AM

"It's great knowing that each piece of equipment or process improvement I make is helping produce more, with efficiency and quality."



<sup>1)</sup>In 2014, responsible for the Canoas' plant.



**1905**

Rio de Janeiro

# Siemens in Brazil

2015 marks the 110th anniversary of Siemens founding in Brazil. Even before this date, the company already participated in important projects in the country, always associated to improving infrastructure and the population's quality of life. During this period of more than a century, Siemens became Brazil's biggest integrated technology company.

The starting point of this successful trajectory occurred in 1867, with the installation of Brazil's first telegraph line, already demonstrating the pioneering spirit that has characterized the company in several fields. We also installed the country's first transformer plant, in 1939, and received the first ISO 9000 certification in Brazil, in 1989.



**1867**

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



**1905**

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

**1909**

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

**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).



**1939**

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

**1955**

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

**1975**

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



**1983**

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



**1930**

São Paulo



**2015**

São Paulo

As the biggest integrated technology company in Brazil, Siemens continues to evolve and set extraordinary milestones. Over the last years, we have helped improve the quality of life of Brazilians with technologies that directly improve public transportation for millions of people. Our solutions have also helped sports and event arenas to achieve superior levels in several cities.

Siemens currently has more than 7,000 employees in Brazil working at 12 manufacturing facilities, 7 Research & Development centers, as well as 13 regional offices.



**1989**

Siemens receives the first ISO 9000 certification in Brazil.



**1998**

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

**2005**

Siemens celebrates its 100th anniversary in Brazil.

**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).

**2012**

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



**2013**

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

**2014**

Siemens inaugurates its technological innovation center in Belo Horizonte.

# ||| Siemens' presence in Brazil

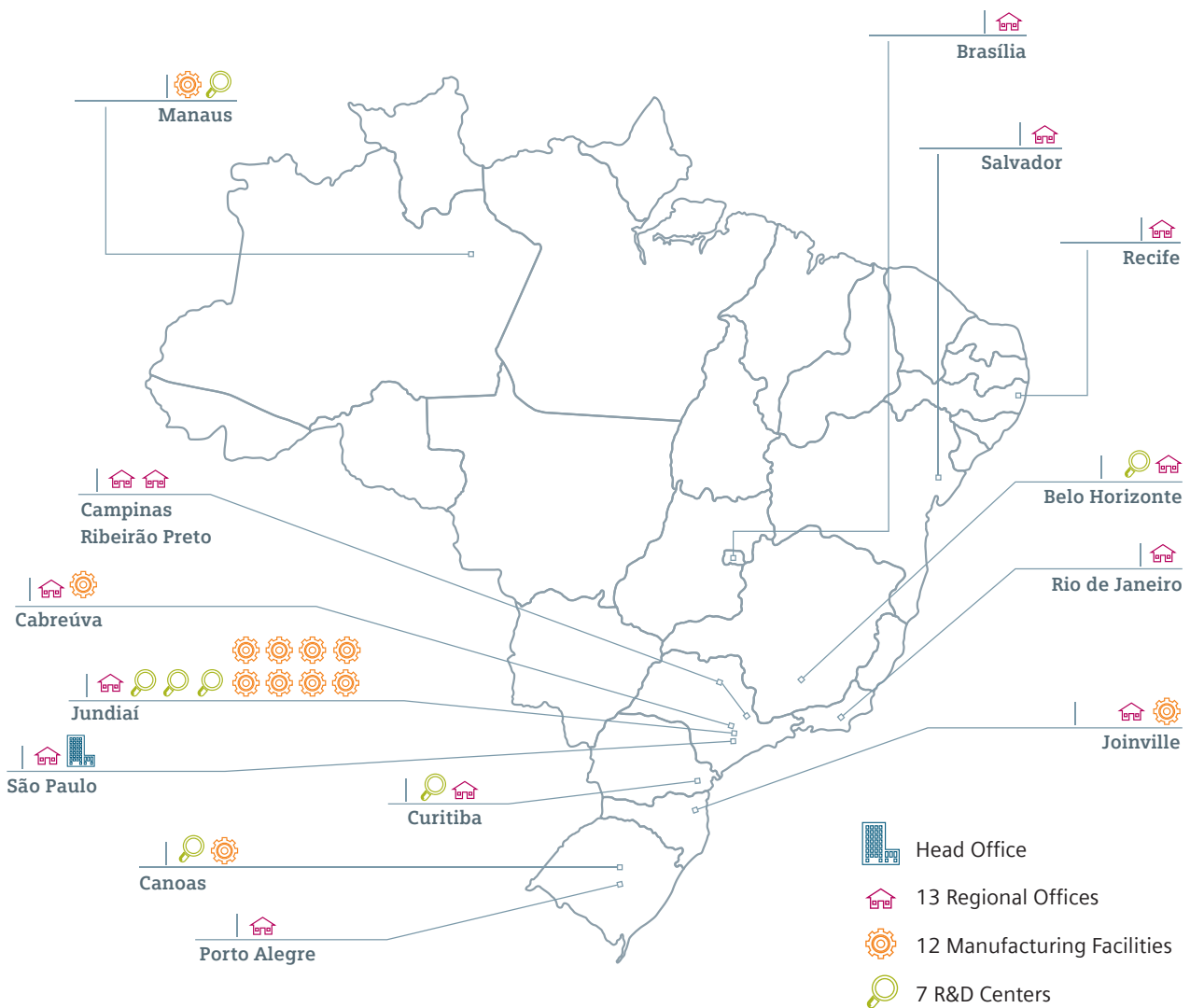
With activities spanning practically the entire country, the Siemens Group in Brazil is composed of seven companies.\*

- Siemens Ltda.
- Siemens Eletroeletrônica Ltda.
- Siemens Healthcare Diagnósticos Ltda.
- Siemens Industry Software Ltda.
- Chemtech Serviços de Engenharia e Software Ltda.
- Iriel Indústria e Comércio de Sistemas Elétricos Ltda.
- LMS da América do Sul Serviços de Engenharia Ltda.

\* The above data refers to the Group's structure in March 2015.

## | Brazil within the 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 Siemens' global structure.



## ||| Company Structure



**Paulo Ricardo Stark**  
Presidente and CEO



**Martin Kerkhoff**  
Chief Financial Officer

### ||| Sustainable energy

#### Power

Ricardo Lamenza

#### Power and Gas

Ricardo Lamenza

#### 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

Achilli Sfizzo Neto

#### Energy Management

Guilherme Vieira de Mendonça

#### Mobility

Andreas Facco Bonetti

### ||| Next generation healthcare

#### Healthcare

Armando Lopes

### ||| Corporate areas

**Corporate Finance & Controlling** Martin Kerkhoff

**Corporate Human Resources** Sylmara Requena

**Communications & Government Affairs** Wagner Lotito

**Corporate Information Technology** Damian Grosso<sup>1</sup>

**Corporate Legal** Fabio Selhorst

**Corporate Supply Chain Management** Roberto Bodo

**Export Control & Customs Office** Marcelo Hideo da Silva

**Project Management Office and Business Excellence** César Zanini

**Quality Management** César Zanini

**Regional Compliance Office** Reinaldo Goto<sup>2</sup>

**Siemens One and Corporate CRM** Gilberto Luiz Schaefer<sup>3</sup>

**Strategy & Technology and Innovation Management** Ronald Dauscha

### ||| Cross-sector services

**Global Shared Services** Martin Kerkhoff

**Siemens Real Estate** Robson Luiz De Vecchi

<sup>1</sup>Took over in April 2014, substituting Monika Teslinski

<sup>2</sup>Took over in January 2015, substituting Wagner Giovanini

<sup>3</sup>Took over in January 2015, substituting Luis Carlos de Souza

## ||| Manufacturing Facilities



### 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 ultrasound.



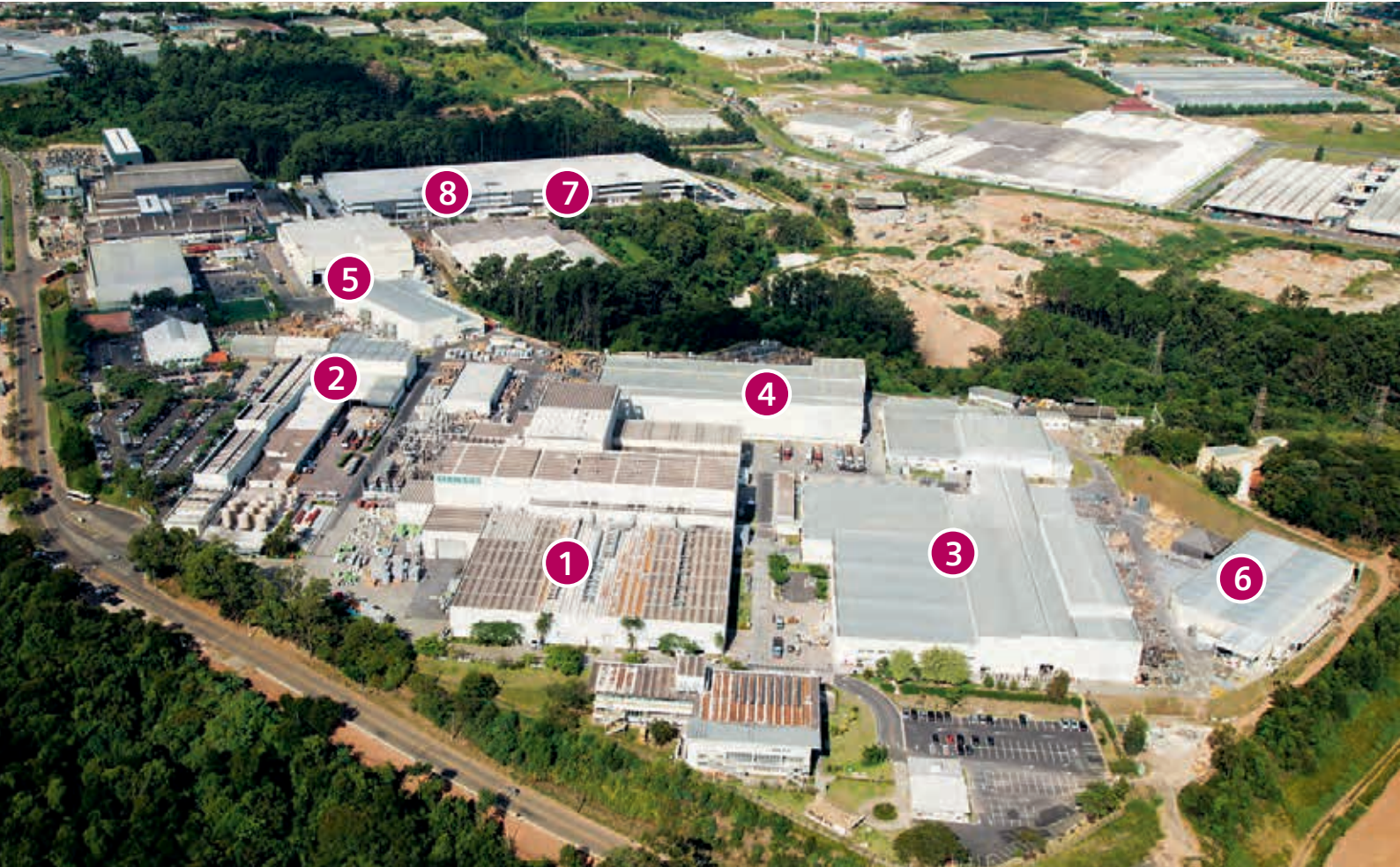
### Cabreúva

| Cabreúva, SP | Year founded: 2011 |

**Company:** Siemens Ltda.

**Production lines:**

Start switches, buttons and traffic lights, micro-switches, contactors and circuit breakers.



## | Jundiaí Industrial Complex |





## 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 | Year founded: 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 Transformer Plant
2. Dry Transformer Plant

**Production lines:**

Power transformers, HDVC, SVC, special transformers for rectifier & furnace applications, dry transformers, digital monitoring systems, retrofits and repairs

3. High Voltage Products and Equipment Plant

**Production lines:**

Circuit breakers and disconnecting switches from 72.5 kV to 800kV, air core reactors and line traps.

4. Industrial Turbine and Services Plant

**Production lines:**

Industrial steam turbines up to 100 MW.

5. Large Frequency Inverter Plant

**Production lines:**

Low and medium voltage frequency inverters, SINAMICS GH180 Perfect Harmony and SINAMICS G150, S150\* and S120CM\*.

6. High-Voltage Power Capacitor Plant

**Production lines:**

High-voltage power capacitors from 100 to 1200 kVAR (60Hz) and from 80 to 1000 kVAR (50 kVAR) (standalone and racks assembled).

7. Medium Voltage Products and Solutions Plant

**Production lines:**

Indoor circuit breakers, outdoor circuit breakers, medium voltage air isolated panels, medium voltage gas isolated panels and medium voltage solutions.

8. Energy Automation and Control Products and Solutions Plant

**Production lines:**

Protection, control and supervision systems, telecom and energy automation solutions.

# Innovation

Siemens has been an innovative company ever since its founding in 1847, in Germany. Being innovative is, in fact one of the company's values: we always direct our actions in the pursuit of innovation, believing that this is the path for boosting competitiveness, productivity and sustainability of our activities and that of our customers' businesses.

Siemens currently has roughly 60,000 active patents worldwide, resulting in roughly 8,000 new inventions produced annually at its more than 140 research and development centers in 30 countries. In 2014, the company invested €4.1 billion in research and development, amounting to 5.7% of its global revenues.

And in its almost 110 years of history in Brazil, Siemens has locally produced and developed a complete portfolio of products and solutions for all types of segments. Brazil's importance in the Americas, its economic growth potential and the country's capacity to produce knowledge for other countries has also allowed for the continuous localization of non-routine research, development and engineering initiatives.

As a result, Siemens inaugurated yet another research and development center in 2014, focusing on the improvement of cutting-edge technologies. The structure inaugurated last year and headquartered in Belo Horizonte (MG), has Senergy as its origin, a local company acquired by Siemens in 2012. The nucleus is already a global center of competence for the detection of non-technical energy losses, as well as a reference in the exporting of software and solutions.

The new R&D center is part of Siemens' strategy of offering smart grid solutions in the domestic and international market, demonstrating the company's commitment to the development of innovative solutions in the Brazilian market.

In Brazil, in addition to the center of competence for detecting energy losses, Siemens has seven other Non-routine Research, Development and Engineering centers (R&D&E), employing roughly 500 technicians, engineers, Masters and PhDs dedicated to the development and perfecting of products and solutions for our customers. The professionals at these centers research solutions in the following segments: 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 and sensors (Canoas/RS); smart grid solutions (Curitiba/PR and Belo Horizonte/MG).

## Partnerships with universities and start-ups

As it broadens its research and development activities of products for the local market, Siemens Brazil reinforces its specialization of specific solutions, boosting its position as a reference in the production of knowledge. This task has significantly benefited from partnerships with universities and start-up companies, increasing the production of local value.

Since 2013, Siemens has maintained the "Academies" initiative that aims to strengthen the company's presence in the academic field, working closely with university professors and students in careers aligned with our activities. Through the [www.siemens.com.br/academies](http://www.siemens.com.br/academies) website, this group has access to technical material, information about the company's programs and initiatives, as well as information about careers at Siemens, in a direct channel between the company and academia.



## 2014 Highlights

In 2014, we participated in several innovation-related projects, to wit:

### Work with entities:

through its executives, Siemens participates in some of the most important initiatives related to innovation in Brazil's industry: Corporate Mobilization for Innovation (MEI), National Confederation of Industry (CNI); Brazil-Germany Chamber of Commerce and Industry Innovation Committee (AHK-SP); Brazilian Corporate Council for Sustainable Development (CEBDS), among others.

### INOVA Talentos:

in the field of local development, the Steam Turbines area obtained in 2014 an important resource to be used in Research & Development. Through the INOVA Talentos program organized by Instituto Euvaldo Lodi (IEL) and the National Council of Scientific and Technological Development (CNPq), the area will contract a specialist in 2015 to develop a study on vibrations in steam turbine casings. The objective is to produce a study that allows increasing knowledge of the Jundiaí (SP) site in producing this type of equipment.

### Science Tunnel:

as part of the "Germany+Brazil 2013-2014" celebrations, the Science Tunnel conducted by the Max Planck Society, was brought to the country for the first time and counted on Siemens support. Created in 2000, the science Tunnel has already visited 20 countries in all five continents, and received more than 9 million students, educators and people in general, presenting in eight modules content that's at the threshold of our current scientific knowledge. Occupying an area of 1200 m<sup>2</sup>, the exhibition presented the themes through large images, graphs, exhibits, interview videos and animations. To arouse the interest of youngsters towards the fascination of science and technology, and the power of engineering in creating solutions is paramount for maintaining the cycle of innovation. The Science Tunnel is an important initiative to show youngsters that technology combined with big ideas can transform society and, consequently, improve people's lives.

### Support to innovation projects:

in all areas of research and development at Siemens Brazil, such as transformers, medium voltage panels, smart grid solutions and software, and subsea technologies.

# 60,000

active patents

# 140

Research and Development (R&D) centers in 30 countries



roughly

# 8,000

new inventions

# Products and Solutions

|| | With a complete and diversified portfolio, Siemens provides products and solutions in the fields of electrification, automation and digitalization. To tap all the market potential in these areas, we bundled our businesses into nine divisions.



The business strategy that defined this approach is based on Siemens' own history, which has done business in the areas of electrification and automation ever since the company began operating more than 160 years ago. The incorporation of digitalization was a natural movement in the company's evolution, always anticipating society's trends. Today, our environmental solutions portfolio is responsible for 46% of the company's global revenues. Through Siemens' products and systems, our customers were able to mitigate 428 million tons of greenhouse gases, an amount that corresponds to the emissions of 13 big cities in the world.

| We deliver what really matters |

GRI-G4 Indicators: EC7 • EC8 • EN27





## Sustainable energy

Drive Energy Transition in Brazil

## Future of manufacturing

Increase innovation for industry competitiveness



## Intelligent infrastructure

Tap infrastructure bottlenecks



## Next generation healthcare

Increase healthcare access and quality for 200 million people



# Sustainable energy

 [www.relatorioanual2014.com.br/energiasustentavel](http://www.relatorioanual2014.com.br/energiasustentavel)

Brazil occupies a singular position in terms of power generation, with most of its energy matrix dominated by renewables, reinforcing the country's commitment to sustainable development. However, a large part of these sources are located far away from large urban centers, increasing the need to decentralize energy generation. Another important aspect is the intermittence of these sources, which calls for reserve systems, like thermal power plants, to ensure supply. Be it in the field of renewable or conventional sources, Siemens offers a complete portfolio to help Brazil satisfy its energy generation needs in a sustainable manner. The company's products and solutions for energy generation are bundled in three divisions – Power and Gas, Power Generation Services and Wind Power.

## Power and Gas

Cutting-edge technology for high energy-generation efficiency



# Wind Power and Renewables

Solutions for taking advantage of renewable sources

# Power Generation Services

Maintenance and modernization solutions that ensure a safe and flexible supply of energy





“A continental country like Brazil benefits from the decentralization of energy generation, since today the most important production centers are distant from the main consumption centers. Whichever the source, Siemens can help increase process efficiency, shortening the distance between the two ends.”

Ricardo Lamenza  
Director of the Power Divisions

## Power and Gas

The Power and Gas Division manufactures products and solutions for energy generation, such as gas and steam turbines, generators and instrumentation and control systems for combined cycle or coal-based plants. The division portfolio also includes compressors, solutions for electrical and automation systems.

In 2014, Siemens announced the acquisition of two important businesses that expanded the division's portfolio: Rolls-Royce's energy aero-derivative gas turbine and compressor business and the proposal for Dresser Rand, which manufactures equipment for oilfields. The acquisitions, which occurred on a global level, will also boost Siemens' business activities in Brazil in 2015.

2014 was a critical year for the electricity sector due to the water shortage crisis and depletion of hydroelectric power plant reservoirs, which account for roughly 80% of energy generated in Brazil. Within this scenario, the country only didn't experience another energy supply crisis thanks to the utilization of thermal power plants.

Investing in this segment continues being a top priority to ensure the supply of energy. Siemens offers several high tech products and solutions for the segment, and with the highest proven efficiency in the world, helping resolve the energy supply issue while mitigating environmental impacts.

At the same time that they help companies generate energy for their own consumption, Siemens' steam turbines contribute so that the excess energy generated is fed to the power grid, increasing energy generation for society's use.

**80%**

of the energy generated in Brazil comes from Hydro power plants



### Energy for a city with 400 thousand inhabitants:

in 2014, Siemens delivered the biggest steam turbines ever produced by the company in Brazil, to Celulose Riograndense (CMPC) in Guaíba (RS). The two units generate 92MW and 100.5 MW of energy, respectively.





## Power Generation Services

To overcome many of the challenges in the energy generation area, Siemens customers also count on specialized support from the maintenance, modernization and repair areas of the Power Generation Services division, which focuses on steam, gas and wind turbines, generators for thermal power plants and process compressors.

2014 was a challenging year for Brazil from an economic perspective, as well as due to the water crisis that plagued several states. The little water in hydroelectric power plant reservoirs led to an increase in the use of thermal power plants, which were forced to postpone some programmed maintenance pro-

cesses to early 2015, to satisfy demand.

A good perspective for the next year is the integration of Rolls-Royce's gas turbine and compressor area, which has a significant installed base in Brazil and will slowly generate new business for Siemens in the repair and maintenance areas. In the oil and gas segment, Siemens has the perspective of doubling its volume once the integration process is consolidated.

An important trend in the services area are long-term contracts based on efficiency increases, linked to the improved performance of installed machines. With the already existing

machine modernization processes, Siemens helps boost productivity of these industries, generating better utilization of resources and, consequently, also making the process more sustainable.



The little amount of water in hydroelectric power plant reservoirs led to an increase in the use of thermal power plants

**Modernization and upgrade of International Paper's machines in Mogi Guaçu (SP) increased steam turbine generation capacity from 27 MW to 29 MW, generating energy for its own use and surplus for the power grid**

## Wind Power and Renewables

2014 was a milestone year for Siemens' Wind Power Division in Brazil, with the execution of six wind farm projects and the conclusion of several of them. The implementation activities of these projects occurred in parallel, calling for the involvement of the division's entire structure in Brazil, corporate support areas and help from our Wind Power partners in the United States.

One of Siemens' competitive advantages as a manufacturer of windmills is its strong local and international presence, which ensures the continuity of projects in accordance with the time frames and specifications of each customer. The concerted effort this past year can be seen today in the form of 205 wind turbines already installed, adding 475 MW of clean energy to Brazil's grid.

When analyzing the Wind Power division from the perspective of Siemens' new Vision 2020, the connection with business potential is clear. If one of the pillars of the company's global vision for the medium-term is electrification, Wind Power offers enormous potential, even in Brazil, which market is already number two in the Americas in terms of wind energy installed capacity, second only to the United States. Just as important as the wind energy market already installed in Brazil is the country's potential, which still has many regions that can be used to build new wind farms.

To realize this potential, Brazil's wind energy market needs to overcome some challenges such as adjusting the production chain, given the high level of nationalization required for fi-

nancing. In our latest projects, we have already reach 66% of local content in executing projects, contributing to the development of the country's industry and skill building of professional teams.


**205** wind turbines installed, second in the Americas in terms of wind generation installed capacity

### Wind farms

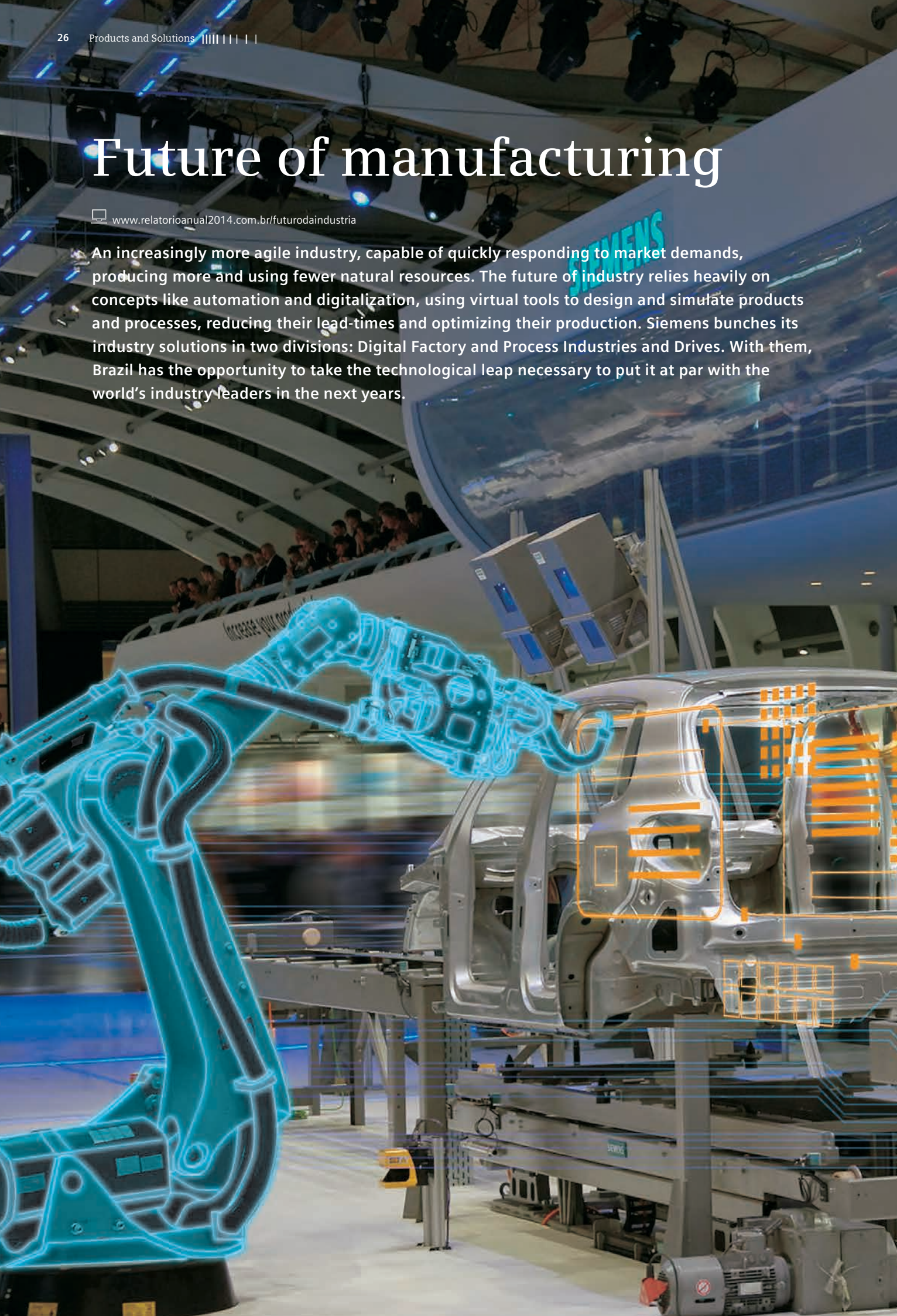
Conclusion of three more ENEL wind farms located in the northeast: Igaporã (BA), Tacaratu (PE) and João Câmara (RN) – projects with the biggest rotor blades produced by Siemens in Brazil (53 meters).



# Future of manufacturing

 [www.relatorioanual2014.com.br/futurodaindustria](http://www.relatorioanual2014.com.br/futurodaindustria)

An increasingly more agile industry, capable of quickly responding to market demands, producing more and using fewer natural resources. The future of industry relies heavily on concepts like automation and digitalization, using virtual tools to design and simulate products and processes, reducing their lead-times and optimizing their production. Siemens bunches its industry solutions in two divisions: Digital Factory and Process Industries and Drives. With them, Brazil has the opportunity to take the technological leap necessary to put it at par with the world's industry leaders in the next years.

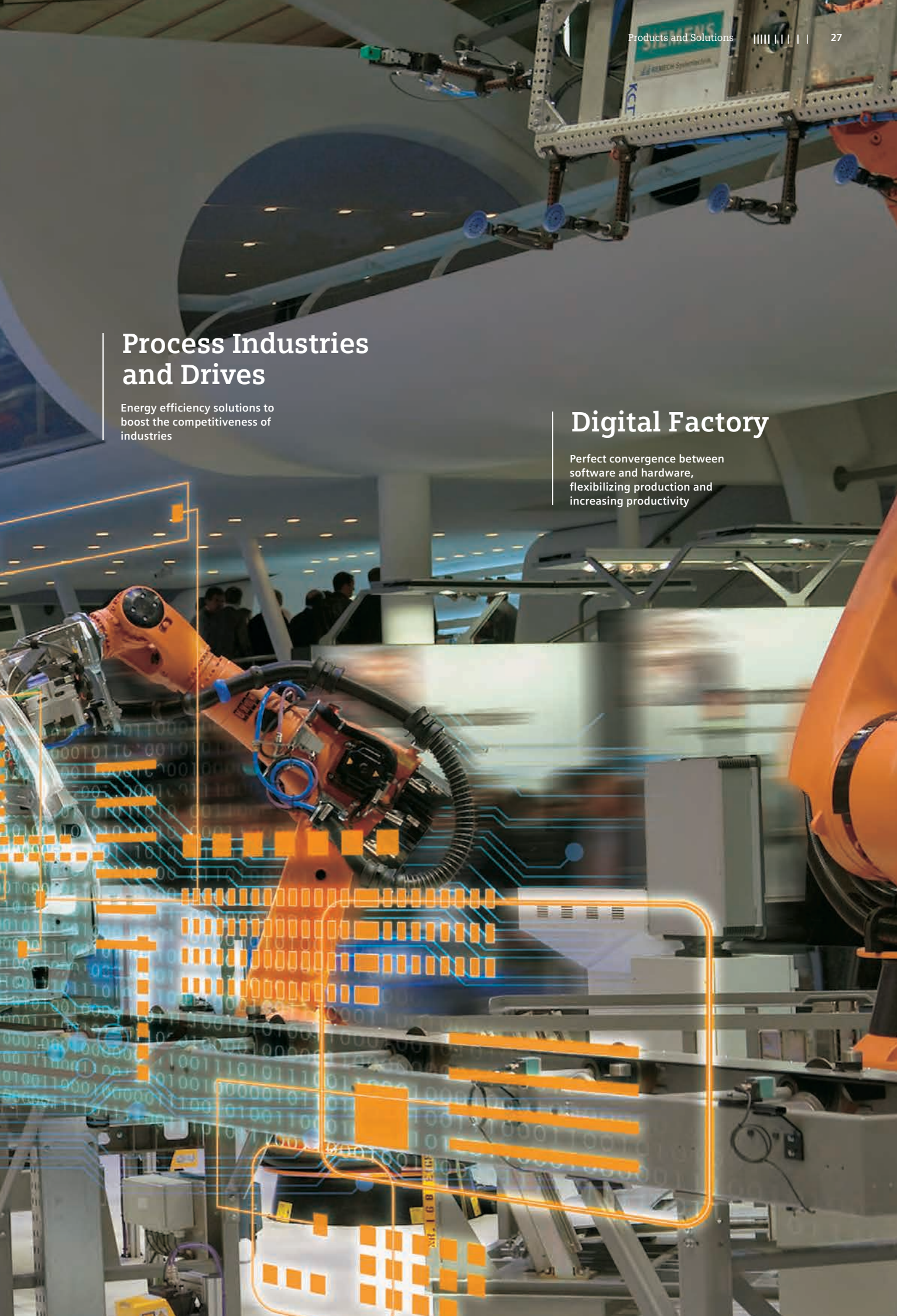


## Process Industries and Drives

Energy efficiency solutions to boost the competitiveness of industries

## Digital Factory

Perfect convergence between software and hardware, flexibilizing production and increasing productivity



## Digital Factory

Optimizing production is vital and nonnegotiable when it comes to ensuring industry productivity. In the future, most products will be first designed, simulated and optimized in the virtual environment, in order to then be manufactured. Success will only be guaranteed with the perfect convergence between product development, software and the hardware components used in manufacturing. For top-pers, there's increasing pressure for more flexible production that allows for the customization of product lines.

The Digital Factory Division is Siemens' answer to achieve this ideal scenario, with a portfolio that encompasses the fundamental stages of a product lifecycle, from conception to maintenance services, passing through engineering and manufacturing. At the center of this solid array of solutions we have Totally Integrated Automation (TIA).

The benefits are clear: lower costs (it is estimated that the reduction just in the engineering

stage can reach up to 30%), agility in the updating of processes, reduction in production nonconformities and a significant increase in machinery and equipment uptime.

As a pioneer in the industrial digitalization segment, Siemens not only supplies solutions to its industrial customers, but also applies them at its production unit in Amberg, Germany, where it produces SIMATIC, and is an example of totally automated manufacturing using SIMATIC technology. It is what we have coined "SIMATIC manufacturing SIMATIC".

2014 was a very positive year for Siemens' Industrial Automation area in Brazil. Thanks to changes carried out over the last two years, we reduced costs, grew revenues, profitability and cash flow to levels of excellence. Some of the factors behind these good results include expansion of our network of integrators and a strong focus on vertical markets (pulp and paper, automotive, food and beverage, chemicals, sugar and ethanol, etc.).



"Shorter intervals between project and product arrival in the market, production flexibilization and customization, increased machinery and equipment uptime and maintenance ease reduce time-to-market and increase productivity. Combining product and process planning software with hardware in manufacturing is the path towards the digital company. Siemens is already headed in this direction and has the answer for total industry automation."

Renato Buselli,  
Director of the Digital Factory Division

**In the expansion of Volkswagen's plant in São José dos Pinhais (PR), where the new Golf and Audi models are produced, Siemens will supply automation solutions to increase the plant's productivity rate.**



An example of totally automated manufacturing using SIMATIC technology



## CMPC

the supply of solutions to Celulose Riograndense's (CMPC) new pulp mill continued in 2014. Considered one of the biggest projects executed by Siemens for the Pulp & Paper segment worldwide, its scope includes the complete energy and industry package: from substation equipment to the energy distribution system and all electrification solutions, including transformers, low and medium voltage panels (roughly 100 columns), inverters and motors (more than 1,000), as well as engineering and commissioning services.

## Process Industries and Drives

The country's industry was severely impacted these past years, due to a drop in international economic activity, foreign competition and production costs in Brazil. With regards to this last factor, electricity expenses play an important role in ensuring the competitiveness of companies, so solutions in this area are paramount.

With Siemens' solutions for this segment, like frequency drives, an industry can obtain effective reductions of up to 50% in energy costs, quickly recovering their investment and contributing to the optimized use of resources. The high potential of this type of solution led our company to increase the nationalization of drives and begin to produce low voltage converters at the Jundiá Industrial Complex (SP), where it already produces medium voltage converters.

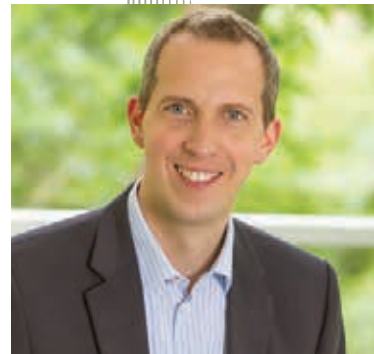
More than simply sell products, when the subject is energy efficiency in industries, Siemens is an authentic process consultant. The biggest savings have been achieved from changing an application or through more efficient

energy management. Technologies like PROFI energy helped our customers towards this end.

In terms of product development and production per se, Siemens also offers tools like the COMOS platform. With it, it is possible to transform these two processes, which before needed to be sequential, in parallel stages, reducing the interval between product development and its respective production.

2014 was a year marked by an important achievement in the Process Industries and Drives division, in partnership with Siemens' Project Management area. Accepting a challenge from the head office in Germany, the two teams incorporated Lean methodology concepts in managing one of the division's most important projects in recent years – supply of solutions to Celulose Riograndense's (CMPC) new pulp and paper plant –, adding quality to the project's delivery and commissioning phase.

**50%**  
reduction in  
energy  
expenses  
with solutions for the  
industrial segment



"Customers need to concentrate on their core business, whatever it may be. What Siemens wants is to be closer to its customers, understand their needs and help them apply new technologies in their processes, allowing them to increase their competitiveness, produce more and consume less energy."

Rainer Brehm  
Director of the Process Industry and Drives Division

# Intelligent infrastructure

 [www.relatorioanual2014.com.br/infraestruturainteligente](http://www.relatorioanual2014.com.br/infraestruturainteligente)

The concentration of people in big cities is a trend that has been going on for several decades and is expected to continue in the future. Urban centers offer professional and education opportunities, allow for social interaction, access to cultural production and healthcare. Because they attract a growing number of people, pressure is placed on their transport structures, energy distribution, accessibility and safety. To improve the infrastructure of cities, Siemens offers a complete line of products and solutions through its Energy Management, Mobility and Building Technologies divisions.



## Energy Management

Efficient management of increasingly diversified electrical systems

## Mobility

Intelligent technologies that make mobility more efficient in and between cities and improve quality of life

## Building Technologies

Safety, building automation and fire protection systems that increase the comfort and efficiency of buildings





“Brazil is a country with a big appetite for energy, and Siemens is one of few companies that can supply, from a single source, all the solutions necessary to satisfy this hunger, ensuring the efficient and responsible use of natural resources.”

Guilherme Mendonça,  
Director of the Energy Management Division



**150,000 households  
benefitted**

By the Menino Deus  
substation in Porto Alegre.

## Energy Management

The global energy scenario is clear: we need to transmit and distribute energy, many times generated in locations far from large consumption centers, with increasingly more intelligent and reliable systems. The Energy Management division is a key player in this context, offering solutions to satisfy all these needs.

2014 was a particularly difficult year for Brazil's energy transmission and distribution market. Regulatory changes, low attractiveness of auctions and little economic growth caused financial difficulties for the country's main operators, leading to a reduction in investments.

Siemens offers solutions to this scenario, with its energy management products and services. In transmission, Siemens has high technology solutions to transport energy generated in remote locations to large consump-

tion centers, registering smaller and smaller losses that constitute an important sustainability factor. Also in transmission, our protection and control solutions lend reliability to the system and ensure the quality of energy.

In the energy distribution area, besides offering a complete portfolio for the entire segment, the company also stands out with solutions for combating non-technical losses with smart meters and specialized software programs. The industrial segment also benefits from our medium and low voltage solutions, boosting efficiency and, consequently, competitiveness.

In 2014, a year marked by one of the world's biggest sporting events, Siemens' presence was felt in the energy management area with the Menino Deus substation in Porto Alegre, a project that benefited 150 thousand households after the World Cup.

### Energy Management Network

The supervision and control system of the National Electric System Operator now uses the Energy Management Network (REGER), thanks to a consortium between Siemens and Centro de Pesquisa de Energia Elétrica-CEPEL, of Eletrobras, which allows managing Brazil's electrical system through a unified platform.







## Allianz Parque

Palmeiras' new soccer stadium in São Paulo (SP) utilizes several Siemens building solutions: 3 XLS fire systems; 200 closed-circuit TV cameras; access control for up to 120 thousand spectators; building automation system - monitoring and control of utilities such as lighting, energy and air conditioning.

## Building Technologies

More than provide safety, automation and fire protection solutions, Siemens' building technology products and services help companies increase their competitiveness. The Building Technologies Division portfolio makes buildings more efficient from an energy perspective, reducing electricity costs and allowing these resources to be used in the company's core business.

In Siemens' new global structure, Building Technologies remained under its same configuration, in alignment with electrification, automation and digitalization trends that guide the company's positioning in the market. The division offers countless possibilities of synergy with other Siemens areas, helping improve the efficiency and sustainability of our customers. One of Siemens' com-

petitive advantages in the building solutions area is the strategic and planning consulting it offers in the implementation of programs that analyze a customer's entire production chain, and for continuous improvement, through the supply of objective data. In a comparison with the market, it is clear that the sum of these skills generally calls for suppliers from different segments, while Siemens embraces all stages of the process.

The division's work is based on the Building Performance and Sustainability (BPS) concept. By perceiving energy efficiency as a critical competitiveness factor, Siemens helps its customers achieve international standards in the use of resources, and also obtain ISO 50.001 certification (energy efficiency) and Leadership in Energy and Environmental Design seal (LEED).



### certifications

- Leadership in Energy and Environmental Design (LEED);
- ISO 50.001 (energy efficiency)

"The concept of energy efficiency for buildings and their capacity to become intelligent, safe and sustainable is a huge opportunity for us. We are the best supplier in the market we do business, as we combine technology, experience and innovation with the power of Siemens' other divisions."

Achilli Sfizzo Neto,  
Director of the Building Technologies Division



## Mobility

Mobility has been one of the biggest challenges for Brazilian cities affected by traffic jams, insufficient public transportation systems and precarious logistics infrastructure. Opening the way for people and goods and taking them to their destinations in a safe and profitable manner, and with a reduced environmental impact are some of Siemens' answers for mobility.

In 2014, Siemens underwent the integration process with Invensys, a leading railroad signaling and control equipment business acquired globally in 2013 with the objective of growing the railway automation portfolio. As a result, Siemens became part of an important project of Companhia Paulista de Trens Metropolitanos (CPTM) to modernize its lines 8, 10 and 11, increasing the level of automation, ensuring greater safety and train frequency, less delays and more sustainable functioning.

Another highlight was the expansion of the supply contract to ViaQuatro, the concessionaire

for São Paulo's subway Line 4-Yellow. After the conclusion of the first phase of the project, Siemens was chosen, once again, as a partner of the train line that today transports about 700 thousand passengers per working day and it is considered one of the most successful Public-Private Partnerships (PPPs) in Brazil. Siemens was also selected to supply the energy system for Rio de Janeiro's subway Line 4 and help expand the city's metro-rail network.

By incorporating concepts like these, Siemens is the ideal partner for improving transport systems, while also contributing to the environment through the optimized use of resources, like electricity, translating into productivity gains.



“Providing high technology systems is one the most efficient ways to satisfy mobility challenges of big cities. Siemens is the ideal partner for mastering this challenge.”

Andreas Bonetti  
Director of the Mobility Division

about  
**700,00**  
people transported on  
Linha 4 - Amarela of  
São Paulo's subway system



### São Paulo subway

Phase 2 of São Paulo's subway Linha 4 - Amarela combined the knowledge and experience of Siemens teams from three countries (Brazil, Germany and France). Operated by ViaQuatro, the subway line is one of the best examples of Public Private Partnerships in Brazil.



## ||| Major sporting events in Brazil

### Legacies for the country with Siemens' signature

Siemens participated in more than a dozen key projects for hosting major sporting events programmed in Brazil over the last years. The list of projects that included the company's participation, comprised three stadiums (Mané Garrincha, in Brasília/DF; Arena das Dunas, in Natal/RN; Castelão, in Fortaleza/CE), three airports (Guarulhos/SP, Confins/MG and Natal/RN), four subway lines (São Paulo/SP, Rio de Janeiro/RJ, Salvador/BA and Fortaleza/CE), two substations (Manaus/AM and Porto Alegre/RS), as well as the National Electric System Operator (ONS), which coordinates the transmission and distribution of energy nationwide.

Provided below is a brief description of a few projects with Siemens' signature, which remained as legacy for Brazil in infrastructure and quality of life:



#### First driverless system in Latin America

Innovative solutions by Siemens allowed São Paulo's subway Linha 4 - Amarela to be the first driverless line in Latin America, modern technology that allow a safe and reliable operation, providing more comfort to passengers, as well as tourists visiting São Paulo during the games.

#### Mané Garrincha Stadium

Supply of more than 400 closed-circuit TV cameras, approximately 6 thousand fire detection points and 150 turnstiles for access control. More than simply permit the entrance of spectators, Siemens' system allows for database integration, constituting a true digital solution for the stadium. The project also included building automation and the entire information technology system and sounding equipment for the stadium, which has a capacity for 70 thousand spectators, Brazil's second biggest.




#### Power substations for the Guarulhos Airport

Brazil's biggest airport underwent an expansion process to satisfy roughly 42 million passengers in 2014. Siemens' participation expanded the main power substations that supplies energy to the airport's Terminal #3.



# Next generation healthcare

 [www.relatorioanual2014.com.br/proximageracaoemsaude](http://www.relatorioanual2014.com.br/proximageracaoemsaude)

Life expectancy of Brazil's population is growing continuously. In a little more than 50 years, it jumped from 54 to 73 years, revealing the progress of medicine and greater access to healthcare resources. A higher aged society presents challenges such as an increase in chronic illnesses and more need for exams and treatments. Siemens' Healthcare Division focuses on improving the quality of these procedures, while also boosting productivity.

## Healthcare

We deliver clinical quality and efficiency to our customers, helping combat the most threatening diseases for 200 million Brazilians.

## Healthcare

Provide greater access to healthcare to more people through our customers. With this objective, Siemens' Healthcare Division continuously innovates to improve healthcare, investing in technology and innovations to deliver medical excellence (greater assertiveness in diagnostic exams and better treatment orientation) and operational excellence (greater productivity and better return on investment) to its customers.

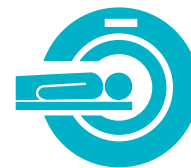
One of Siemens' competitive advantages resides in the scope of its portfolio. Today, we are the only company in the market to combine complete solutions for in vitro and in vivo diagnostics, while it also expands its expertise in the segment and facilitates interaction with healthcare institutions that can thus obtain complete diagnostic solutions from a single source.

2014 was a year that Siemens Brazil consolidated and expanded its presence as a local manufacturer of diagnostic imaging equipment. The Joinville (SC) site, which already produces CT, RM and x-ray equipment is now also manufacturing the ACUSON

X300 PE and X700 ultrasound models.

The Clinical Products area grew roughly 25% in relation to the previous year. In the ultrasound segment. The new HELX version is revolutionizing the market with technologies that adjust the image according to the body organ being examined without the need for the doctor to touch the keyboard, thus allowing the exam to be conducted in less time and with better diagnostic quality.

In the mammography area, Siemens continues offering cutting-edge technology. Using 3D breast tomosynthesis technology it is possible to increase the probability of detecting breast cancer at an early stage, with a 12% to 32% lower radiation dose depending on breast thickness, with more detailed and precise images. With this technology, it is also possible to reduce the need of return visits to complement diagnostic exams and biopsies, which benefits are already being enjoyed by customers like Beneficência Portuguesa, DASA, and others.



1st International Cardiovascular Reference Center in Brazil

Scientific cooperation between Siemens and Hospital Sírio Libanês. The company's first in the Americas and 4th worldwide.



"We are committed to delivering excellent and efficient clinical quality, maximizing the return on investment for our customers and increasing healthcare access to more than 200 million Brazilians."

Armando Lopes,  
Director of the Healthcare Division

**32%**  
12% to 32% reduced radiation dose using 3D breast tomosynthesis technology.



The Laboratory Diagnostics unit also had a good year in 2014, especially with the arrival of the Aptio automation system in Brazil. This solution connects platforms of different sizes and formats, adapting them to the needs of laboratories of all profiles. The software platform manages all systems in an absolutely integrated, homogenous and transparent manner, lending greater security to decisions. Customers like Santa Casa de Porto Alegre, Diagnósticos da América (DASA) and Laboratório Sabin have already modernized their units with the new solution.

One of the highlights in the Image and Therapy area was the sale of a Biograph mMR, to Hospital Israelita Albert Einstein, the first PET-MR in Latin America. Siemens also won an important contract in this area from Grupo Amil, having sold a package of imaging equipment (CT, MR, mammograph, ultrasound, angiograph, among others) to "Americas Medical City" in Rio de Janeiro (RJ). Another important achievement by Siemens in this market in 2014 was the consolidation of business with Beneficência Portuguesa in São Paulo, a 100-year-old institution that is undergoing a major modernization and repositioning process in the segment.

2014 was also an unprecedented year for Siemens in terms of scientific cooperation. The first International Cardiovascular Reference Center in Brazil was established with Hospital Sírio-Libanês,

a partnership that will include the sharing of cutting-edge technologies and knowledge through professional training, development of new exam and diagnostic protocols and development of new techniques. Inauguration of the "International Cardiovascular Reference Center" is Siemens' first in the Americas and forth implemented by the company worldwide.

Within the context of believing that it is fundamental to help our customers in their pursuit of operational excellence and productivity, Siemens' Service area plays a key role in caring for the installed base, maximizing equipment uptime. Siemens Remote Service (SRS) allows equipment to be monitored and, if necessary, to even undergo remote interventions, avoiding stoppages and streamline maintenance and repair time. The remote resolution rate (without the physical presence of a technician) reaches up to 50% in some modalities.

In addition to offering high technology solutions and positioning itself as a true partner of its customers, Siemens has harvested some important results with its focus on the continuous improvement of processes. Today, the company works according to Lean quality concepts, including in its administrative processes. Tools like visual process control are now part of several departments in the division, lending greater transparency and facilitating decisions.



### Hospital Israelita Albert Einstein

In 2014, the São Paulo-based hospital signed a contract to purchase the first Biograph mMR (PET-MR machine) in Latin America.

### Diagnósticos da América (DASA)

The DASA Group - which is responsible for names such as Delboni Auriemo and Lavoisier, among others - its materials analysis centers located in Alphaville (SP), will receive two Aptio automation systems, which will contribute to the service excellence the group delivers through its laboratory units. With an agreement to supply reagents for seven years, Siemens Brazil won the biggest automation contract worldwide in 2014.

### Cidade Médica (Americas Medical City)

This project, which comprises a medical center, hospitals and training center, acquired a complete package of imaging equipment from Siemens.



**50%**

Siemens Remote Service's resolution rate reaches up to 50% in some modalities

# Sustainability

|| | In Brazil, we are an Ethos Indicator benchmark, while internationally Siemens was elected the most sustainable capital goods company for the second consecutive year in the Dow Jones Sustainability Indices (DJSI).

The spirit of pursuing a balance between economic, social and environmental interests continues permeating Siemens' activities. We are a reference in sustainable solutions and effectively help our customers use less natural resources, emit less greenhouse gases and, lastly, but no less important, spend less financial resources.

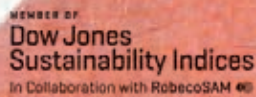
Being a reference in sustainable solutions would be irrelevant if we didn't live by this same practice. Our daily business proves this engagement, because of the way we deal with the environment, the relationship we build with our employees and the community in general.

Siemens' reputation as a sustainable company is attested globally by international independent mechanisms such as the Dow Jones Sustainability Index, CDP (Drive Sustainable Economies) and, in Brazil, by Ethos Institute.



**INDICADORES ETHOS**  
PARA NEGÓCIOS SUSTENTÁVEIS E RESPONSÁVEIS

Siemens, one of the 10 benchmark companies out of the 263 participants.



Siemens AG, highest rating among the 350 capital goods companies and maximum score in Compliance for the 5th time.



99 points (out of 100) in the 2014 ranking.

*Note: The data presented results from the Company's application of the Ethos indicators for Sustainable and Responsible Business and they are the result of our SELF-ASSESSMENT. Therefore, this diagnosis is not for certification purposes. Its objective is to provide for reflection, learning and improvement of corporate sustainability practices."*





# Stakeholder dialogue



In order to reinforce ties with our stakeholders, we maintain permanent and constructive dialogue with them. In gathering the most relevant information for these publics, the Sustainability department conducted online surveys with 69 of its main internal and external stakeholders in Brazil.

This report contains information pointed out by these publics as being the most important in relation to Siemens' activities in society, in consonance with aspects considered most relevant by the company for business success.

## ||| Materiality of Sustainability and guide

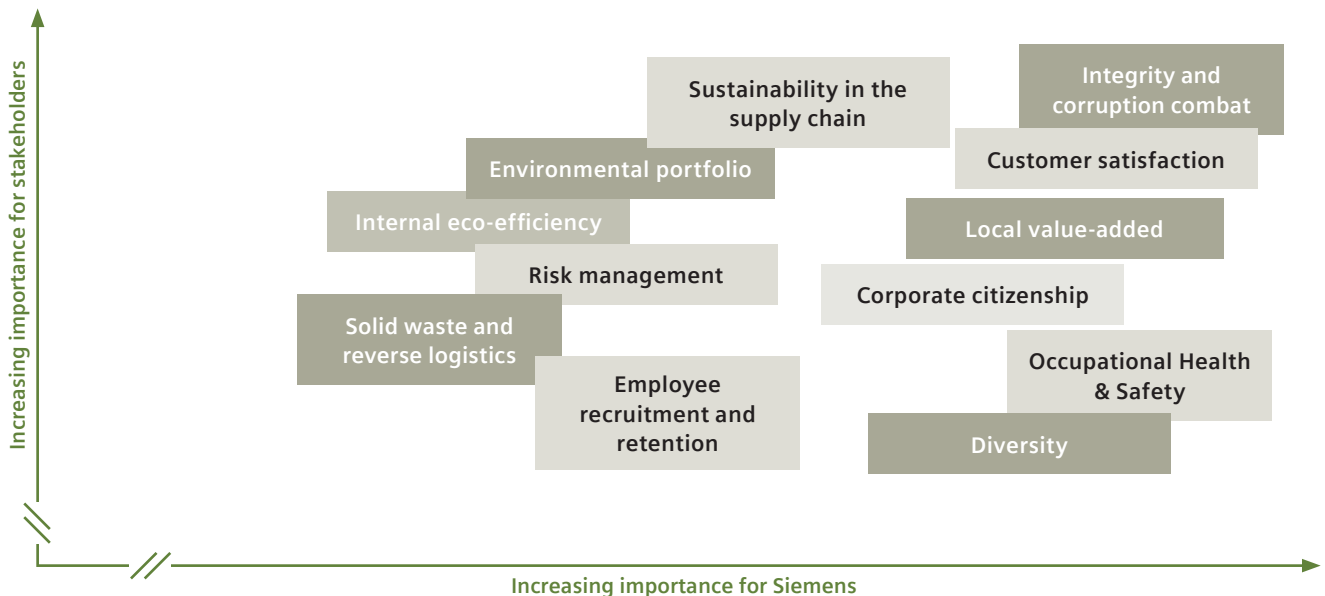
In order to obtain greater territorial and balanced representativeness of our various stakeholders, the 2014 Annual and Sustainability Report conducted a survey through an electronic questionnaire, differently from what was done in 2013, which included face-to-face dialogue.

The survey took into consideration guidelines of the Global Re-

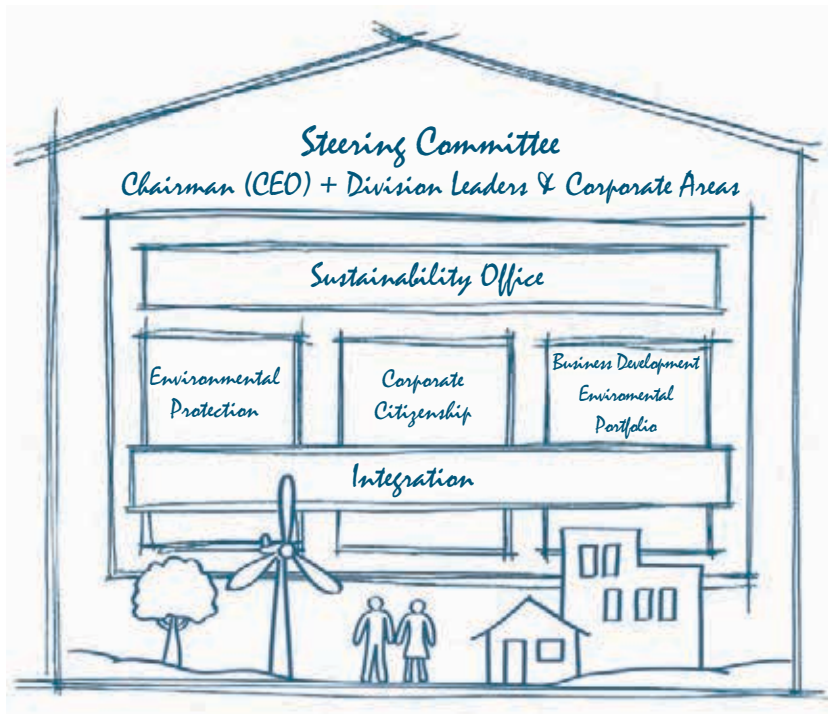
porting Initiative (GRI) – G4 (in 2013, we applied GRI-G3.1), analyzing the level of importance of economic, social and environmental performance. This year's survey offered the option of adding comments.

As in 2013, this year's dialogue pointed out "Integrity and Combating of Corruption" as the most relevant theme.

Aspects such as customer satisfaction, sustainability in the supply chain and environmental portfolio were other topics emphasized that the annual report addresses.



# Sustainability Program



Siemens possesses a dedicated structure for executing initiatives and activities in Brazil.



Our goal is to participate in the construction of a sustainable future, considering economic, environmental and social aspects. For such, we defined a global "Sustainability Program" based on concrete and relevant business measures. And this is how we contribute to the company's long-term success.

The program structure is composed of a global network that involves the entire organization; is managed by the Sustainability area with support from the Steering Committee; and is aligned with the global corporate strategies. This entire structure reports to Siemens AG board member Roland Busch. Siemens Brazil's President and CEO, Paulo Stark, is a member of the global steering committee, which is supported by an Advisory Board composed of independent members internationally recognized as leading sustainability development specialists in the areas of industry and science.

## ||| Program in Brazil

The "Sustainability Program" in Brazil is managed by the local Sustainability Committee, which defines strategies, monitors the program's evolution and promotes sustainability in and outside the organization. Its highest authority is the company board itself, which reinforces the strategic importance of the Sustainability theme.

The initiatives and activities carried out by Siemens in Brazil are aligned with the company's global sustainability strategies. The objectives of Siemens' Sustainability Program in Brazil are:

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

Siemens' Sustainability Program in Brazil has its governance and monitoring performed by a Sustainability Officer, who operates under three pillars: Environment, Corporate Citizenship and Environmental Portfolio Development.

## ||| Achievements and Partnerships |||||

In accordance with Siemens' global sustainability guidelines, Brazil has made several achievements and established many partnerships in this field, with a growing number of accomplishments registered these past years.

### CEBDS

Siemens' participation with other companies in Thematic Chambers coordinated by the Brazilian Business Council for Sustainable Development (CEBDS) resulted in the "CEBDS Agenda for a Sustainable Country", the Manual of Sustainable Purchases, Must Haves of the 2020 Action, among others. Paulo Stark, President and CEO of Siemens Brazil, is a member of the Administration Board.

"Siemens played an active role in preparing the "CEBDS Agenda for a Sustainable Country", which contains clear and feasible proposals aimed at significantly helping accelerate Brazil's sustainable growth."

Marina Grossi, president of CEBDS

### LEED certification

After having obtained Leadership in Energy and Environmental Design (LEED) certification for the company's head office in 2013, in the LEED Gold EB (Existing Building) category, Siemens obtained LEED Gold NC (New Construction) certification for its new facility at Ilha do Fundão, Rio de Janeiro (RJ), in 2014.



### 150 Best Companies to Work

In a study prepared by magazines Você S/A and Exame, in 2014, Siemens ranked among the best companies and posted, as one of the highlights among its employees, an evolution in Corporate Citizenship actions (in 2014, 85.4% of interviewees rated Corporate Citizenship a competitive edge of the company compared to 73.3% in 2012).

"Being an attractive company for the best professionals in the market and for those who already work there is one of Siemens' strategic objectives to maximize its sustainable success potential. This result reinforces that Siemens is on the right track."

Sylmara Requena,  
Head of Human Resources, Siemens in Brazil

### Sponsorship of the Energy Efficiency post graduation course by European Energy Manager (EUREM), in partnership with the Federal University of Rio de Janeiro (UFRJ), the Brazil-Germany Chamber of Commerce and Industry (AHK) and SEQUA (German financing entity):

Of the 26 students, 21 were Siemens employees and 5 Siemens customers, who concluded the course in 2014 in Brazil. A new class will begin in the first semester of 2015.

### Sustainability internal awards and engagement recognition

In the Business Excellence Award, which annually recognizes projects and top performances in the company, 38 projects were registered in the Sustainability category, as well as five Brazilian projects registered in the same global award category of the top+ Award 2014.

**38** projects registered





### Ethos Institute

In the Ethos Indicators for Sustainable and Responsible Business, Siemens is one of the 10 benchmark companies out of the 263 participants. Siemens also supports Instituto Ethos' Clean Games Inside and Outside of the Stadium Project. *(Read more about Instituto Ethos in the Integrity and Compliance items).*

### Endesa

Siemens received the award of Best Socio-Environmental Responsibility Company during Endesa's annual supplier event, a company in the natural gas distribution and electricity generation area.

### Participation in the 2014 Exame Sustainability Guide

#### Participation since 2011

Siemens applies the guide to obtain a parameter of development regarding its Sustainability Program in Brazil.



### Sustainability workshops

Held in various sites (São Paulo/SP, Jundiaí/SP, Salvador/BA, Recife/PE, Joinville/SC and Manaus/AM), resulting in 18 internal eco-efficiency and corporate citizenship projects.

### Social projects

Formare, Social Responsibility@PDT, PM4, Emotional Intelligence, Brazil-Germany Brigade in Heliópolis, Heirs of Education, Ecological Trail, EduComÉtica, Electrician of the Future and Green Teams. *(Read more about social projects in the Corporate Citizenship chapter).*



**11,000** people benefited

### Volunteering engagement

New version of the Volunteering Platform, with a total of 580 volunteers in 2014 and 12,548 hours of volunteer work. *(Read more about Volunteering in the Corporate Citizenship chapter and at <http://www.siemens.com.br/voluntariado>).*



**580** volunteers in 2014

### Reference in Sustainability Best Practices

In 2014, Siemens received invitations to talk about its sustainability best practices at companies and entities such as Dow, CCR, SENAI, among others.

#### Global Compact

Siemens is a signatory of the United Nations' 10 Principles of the Global Compact.

#### Brazil-Germany Chamber of Commerce and Industry (AHK)::

Siemens is a member of the entity's Sustainability Committee.

#### Brazilian Electrical and Electronics Industry Association (ABINEE)

Siemens participates in the Reverse Logistics discussion group.

# Environmental Management

Environmental protection actions at Siemens follow the 'served environment' and 'product excellence' principles. We look at all company activities in a holistic manner, understanding that our actions impact society in terms of economic, social and environmental aspects.

Siemens believes that technological innovation is the main tool for facing future challenges and demonstrates a concern towards the potential environmental impacts of its own products, as well as continuous improvement, waste minimization, rational use of water and energy, and other actions that impact environmental preservation. EHS is composed of professionals dedicated full-time to the environmental management of Siemens' operations.

Aware of its responsibility in societ-

ies where it does business, Siemens establishes rigorous environmental goals and makes a point of disclosing them. Over the next years (through 2020), the company proposes to increase waste and energy management efficiency by 1% a year, as well as to eliminate 100% of ozone depleting substances by 2040.

Environmental performance indicators are monitored on a quarterly basis since 2001, through the Siemens Environmental and Technical Safety Information System (SESIS).

This is a global management tool developed and implemented by Siemens, which subsidizes critical performance analyses and facilitates the preparation of environmental reports. Through this tool, the environmental management areas count on a database that standardizes information and lends transparency to the entire process. Based on SESIS data, the company conducts critical analyses and prepares internal environmental performance reports.

## Eco-efficiency

Over the last years and with the objective of increasing the eco-efficiency of its operations, Siemens Brazil implemented, developed and perfected several actions that have helped the company achieve its global goals of reducing environmental impacts, aimed at improving energy and waste management and reducing air pollution emissions. Examples include:

- ISO 14.001 certification at all manufacturing facilities.
- 2 LEED Gold certifications (Leadership in Energy and Environmental Design): São Paulo and Rio de Janeiro units.
- Responsible use of resources:
  - Reutilization of water for gardens and external areas;
  - Reduction of water consumption in restaurants;
  - Natural ventilation at manufacturing facilities;
  - Utilization of double pane windows and architectural solutions aimed at reducing the amount of heat absorbed inside buildings, without decreasing luminosity, leading to a reduction in air conditioning usage;
  - Utilization of organic waste from restaurants to produce fertilizer and use it to preserve its Atlantic rain forest reserve.
- Participation of the company in the group dedicated to Reverse Logistics discussions at the Brazilian Electrical and Electronics Industry Association (ABINEE).



# Supplier Management

Siemens considers its suppliers and partners in consolidating its business strategy. Our supply management is executed based on policies and initiatives that simultaneously aim to select the best suppliers, contribute to their development and add value throughout the production chain.

An important pillar is the incentive to purchase products and services from low-cost countries. In the case of Siemens Brazil, roughly 90% of purchases are bought from local suppliers.

In the Siemens Vision 2020, divulged in 2014, supply chain continues being very important. Siemens' suppliers must be aligned with and committed to the four pillars of our strategy: customer proximity, innovation, business excellence and focus on employees.

One action being executed with suppliers is pooling, that is, consolidating purchases, increasing volumes purchased from key suppliers and obtaining scale gains for the operation and, consequently, cost reductions. The Supplier Innovation initiative contributes to the development of these partner companies, focusing on innovation and increasing their competitiveness.

Another priority of Vision 2020 will be to transfer Siemens Performance System (SPS) concepts to suppliers, generating mutual benefits. Based on the Lean quality methodology, the area has obtained important gains through process and productivity improvements, faster delivery times and better quality.

In 2014, with the objective of optimizing processes in our supply chain, we implemented the Second Tier Supplier initiative, which is based on the supply of raw materials and products negotiated by Sie-



mens under the same conditions for suppliers, benefiting them with the same competitive conditions obtained through our biggest purchase volumes.

Every company supplier must follow the Siemens Code of Conduct, which encompasses themes like legal conformity, corruption and bribery prohibition, respect towards basic human rights of workers, infant labor prohibition, ensuring worker health and safety, and environmental protection.

To consolidate global information about suppliers, Siemens utilizes the Click4Suppliers tool, an online platform that allows partner companies to be a Siemens supplier, satis-



Local suppliers represent  
**90%** of purchases

fyng quality, environmental and commercial technical criteria. It also allows them to access business opportunities in other countries where Siemens has manufacturing facilities.

# Quality Management

**Consolidation of the integration process of the Quality Management, Business Excellence and Project Management areas in 2014 helped put a continuous improvement culture into practice companywide.**

The Quality Management department develops and monitors processes for the implementation, maintenance and certification of Quality Management systems. It also applies systems to analyze the maturity of processes, contributing to their continuous improvement.

With regards to certifications in 2014, Under the responsibility of certification body TÜV Rheinland (German association for certifying management systems), Siemens underwent audits in all localities to verify the company's compliance with requirements of quality, environment, occupational health & safety standards (ISO 9001, ISO 14001 and OHSAS 18001). Upon conclusion of the process, the system's maturity was proven, with 177 areas certified, including Quality Management, Environment and Occupational Health & Safety.

The team dedicated to Business Excellence is responsible for Siemens' management philosophy, which drives the high performance culture through several continuous improvement programs. Initiatives include implementation of the Siemens Performance System (SPS), which incorporates Lean

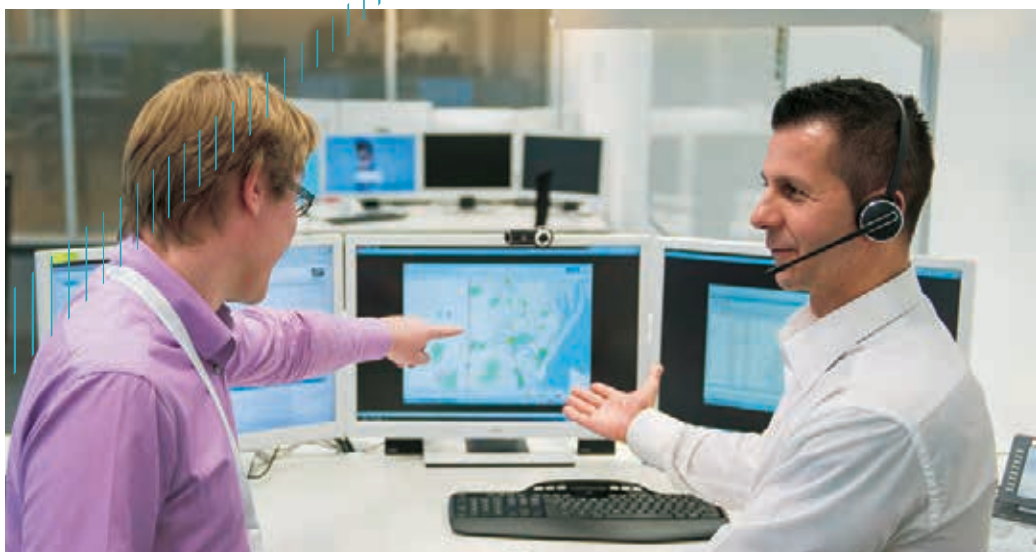
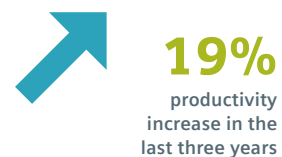
methodology concepts (which aim to improve the utilization of resources and increase customer satisfaction), and execution of "Program MelhorAção", highlighting the best improvement ideas and projects developed based on quality methodologies.

Additionally, Siemens seeks best practices in the market through the "Meeting Place Program", which impacted roughly 1,000 employees with monthly lectures promoted by companies and specialists in all sorts of topics for benchmarking and brainstorming new ideas.

With support from Learning Campus, the Lean methodology training program that began in 2012 soared in 2014 and certified roughly 100 Brazilian employees, exceeding the goal of 1% of employees trained for these tools.

Project Management plans and executes the systematic implementation of PM@Siemens (Project Management – the Siemens way), a global initiative that supports continuous and sustainable improvement towards operational excellence.

With this group of initiatives, the company increased productivity by 19% over the last three years and reduced nonconformity costs by 25% in relation to 2013, reaching its lowest value over sales in the last two years.



**100**

Brazilian employees certified by Lean methodology





# Compliance

## ||| Siemens Compliance System

With a history of more than 165 years and 110 years in Brazil, Siemens has zero tolerance for improper business practices. Since 2007, the Siemens Compliance System establishes tools for ensuring a transparent corporate environment and is recognized as a reference of integrity.

Siemens' Compliance area coordinates actions through a struc-

ture that includes its own team and representatives from each business area, as well as partners from Siemens Group affiliated companies. In order for this group to fulfill its function, Siemens continuously reinforces the training of its members. Brazil created an innovative certification process for professionals linked to the theme, called Compliance Expertise Certification.

Through 2014, 73 professionals had already been certified.

In 2014, local investigation processes were introduced. Before, all investigations of allegations received were handled in Germany, which could take a longer time to conclude processes.

### Tone from the top

The Siemens Compliance System is based on three pillars: prevent, detect and respond. The "prevent" pillar includes policies and procedures, training and a clear and direct communication system. The "detect" pillar contains the whistleblowing channels, audits, investigations and controls. The third pillar – "respond" – means that the company has zero tolerance for irregular or illegal conduct.

Training is provided periodically, considering the activities performed and the risks associated to them. Since the implementation of the Compliance System, Siemens Brazil has conducted more than 93 hours of training.

# 93,000

hours of training.



# 200

people from various institutions visit us to learn about our Compliance System

### Collective Action

The objective of collective actions is to foster ethics and integrity also outside the company. For such, the company utilizes channels such as industry associations and chambers of commerce that Siemens is a member of, but also takes advantage of all opportunities to disseminate such concepts. We annually receive roughly 200 people from various institutions for visits to learn about our Compliance System.

Siemens also sponsors Ethos Institute's "Fair Play" project, aimed at transparency in accounts relative to the 2014 World Cup and 2016 Olympic Games.

### Tools

Siemens' Compliance System is assisted by process support tools, such as risk analysis of business partners, risk analysis of projects in bid phase, analysis regarding the offering of gifts, sponsorship, donations, etc. A key instrument is the whistleblowing channels, such as "Tell Us", created to report potential compliance violations and is available online in 13 languages 24x7, through the following link <https://www.bkms-system.net/tell-us> or telephone: 0800 89 24 041.



# Tell Us

whistleblower hotline available  
24x7. 0800 89 24 041

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

# Integrity



Society has become more mobilized and demonstrated indignation towards acts of corruption, and has sought tools to eliminate them. This also occurs in the business environment and, especially, at Siemens, which believes that reducing corruption increases a country's competitive capacity. In this aspect, 2014 can be considered a historical year for the company's operations in Brazil.

Since 2007, the company has consistently applied a rigorous transparency and ethics system (known as the Compliance System), which aims to ensure compliance with regulations, codes, laws and procedures in order to combat organizational misappropriation and fraud and offer greater transparency to its shareholders, having become a global reference in business ethics. Siemens' commitment against misconduct does not only refer to the present and future, but also the past.

In alignment with this principle, Siemens signed a cooperation

agreement in March 2014 with the Public Ministry of the State of São Paulo. The preliminary Conduct Adjustment Term (TAC) formalizes and structures the cooperation between the company and public prosecutors from the city of São Paulo in investigations relative to contracts in the rail-subway sector. The agreement acknowledges Siemens' collaborative posture and defines the cooperation structure.

In conformity with its internal Compliance rules, Siemens reported the discovery about a potential anticompetitive conduct in the rail-subway sector to the Administrative Council of Economic Defense (CADE) and the State Prosecution Office in 2013. The voluntary self-accusation was the result of a detailed internal investigation, that was conducted by Siemens within the scope of the company's compliance program, and gave rise to a series of public investigations throughout 2013 and 2014. The company has actively collaborated with the São Paulo State Prosecutor's Office and other bodies.

Despite impacting, given its unusual dimension in Brazil, Siemens' attitude is coherent with the company's choices. Conformity with the principles of business ethics illustrates, in practice, its Compliance policy.

As a result of the effectiveness of its integrity program, Siemens was one of the first four companies to receive the Ethics Seal in 2011, presented by the Office of the Comptroller General (CGU) in Brazil.



Siemens believes that reducing corruption increases a country's competitive capacity.

Fabio Selhorst  
General Counsel

# Transformation Program

The Transformation Program introduced by Siemens Brazil in 2012 reached its third phase in 2014, with many objectives achieved, particularly the creation of an engagement environment in the company in which it is possible to believe that changes are possible and beneficial.

For achievements to continue, Siemens seeks to create conditions for systematic transformation, encompassing relevant aspects for long-term success. The objective is to create references so that everyone knows what the company's expectations are and how to achieve them. For such, the program began adding external references, especially best practices of companies that stand out for their management excellence.

In the 3rd wave of the Transformation Program, its structure was modified with the objective of placing more focus and giving more autonomy to workgroups. The 9 current metaprojects were consolidated into 6, each under the responsibility of a company director, who conducts together with groups of specialists in specific themes, the priorities defined by the program committee and transforms

them in projects with defined time frames and goals.

One of the main characteristics of the program was preserved: the possibility of every employee to participate in the projects and help im-

prove the company, which model has been fundamental for the success of actions. In alignment with the "2020 Strategy", we will reinforce the equity culture, valuing individual protagonism to benefit the collective result.



## Metaprojects of the Transformation Program

### Leadership

**Focus:** organizational culture and management development; governance, leadership, exercising and analysis of the organization's performance.

### People & Individual Productivity

**Focus:** work systems, identification of competencies, people selection and integration, performance assessment, recognition, training and development, quality of life.

### Serve-Well / Customer

**Focus:** market analysis and development, understanding of needs and expectations of current and potential customers, and customer relations.

### Society & Visibility and External Engagement

**Focus:** socio-environmental responsibility and social development, identification of society needs and expectations, and development of networks and partnerships.

### Information Systems

**Focus:** organization information, identification of needs, implementation of information systems, organizational knowledge management.

### Optimization of Processes

**Focus:** organization oriented at value chain processes that realize the organization's transformations and deliverables, with emphasis on those relative to suppliers and economic-financial.

# Employees

## ||| Policies and benefits

In 2014, a major change was made to the profit-sharing plan (PLR). The amount to be received by employees now depends on the achievement of their respective individual goals in the annual performance assessment (Performance Management Process - PMP). With this, we foster greater engagement and focus on the participation of employees in the company's results, experiencing the equity culture in practice.

This concept is also reinforced by a global Siemens program that offers employees the possibility to participate in the purchase of company stock. Employees can invest up to 5% of their salary and, for every three shares held, the company adds another at the end of a three-year period.

Siemens offers a solid and attractive complementary retirement plan through Previ-Siemens, which at the end of 2014 had a net worth of R\$1.2 billion and 9,400 participants, of

which 1,200 are former employees. At present, almost 1,000 people benefit from the investment they made and receive additional retirement income.

In the quality of life area, Siemens adhered in 2011 to the extended maternity-leave program, which provides the option to all female employees a leave of 180 days to care for their newborn, instead of the regular 120 days. Another initiative is the nursery-aid, which can be used to help pay for the hiring of nannies for toddlers up to the age of three. These measures contribute to the retention process of women. 12 months after returning from maternity leave, 92% continue working in the company.

To provide better quality of life and productivity, we have a home-office policy for administrative level professionals. This feature has been widely used and with considerable success since 2013.



Our initiatives aim to make Siemens the number one option of the best professionals in the market.

Sylmara Requena  
Head of Human Resources



**up to 5%**

of salary can be invested to purchase company stock.



**92%**

of employees who take maternity leave continue in the company 12 months after they return.

**R\$**

**1.2 billion**

net worth, 9,400 participants and almost 1,000 receiving benefits. These are some of the PreviSiemens' figures.



From left to right: João, Roberta and Paulo employees at Siemens Anhanguera

## ||| Education and training

Siemens perceives training as a shared responsibility between the professional and the company. In 2014, Siemens invested R\$32 million in education and training.

Our training courses are structured into three pillars: behavioral (Business Learning), technical (defined and implemented by the Business Units) and external (language courses, graduate courses, etc.).

We also offer a wide variety of courses such as time manage-

ment, presentation techniques, career in your hands, communication in the business environment, among others. Global programs earmarked for high potential employees (Siemens Leadership Excellence Programs) and others specific to business areas (Core Learning Programs) are also available. In consonance with new work dynamics and with the decentralization of company activities throughout the country, Siemens also offers content in virtual format (e-learning).

Learning is only effective when put into practice. The initial engagement goal of 50% of leaders inserted in the program, was exceeded in the first year it was implemented.



**32 million**

invested in education and training.

## ||| Climate & motivation

In 2014, we were again recognized as one of "150 Best Companies to Work", based on an annual ranking produced by magazines *Você S/A* and *Exame*. The survey proves that the company's work environment is positive and reinforces that the effort has been effective to make it even better.

Another Siemens achievement in 2014 was its presence in the "35 Best Companies to Start a

Career", a ranking organized by *Você S/A* magazine. This result was very important for the organization, since today, roughly 20% of Siemens' workforce is composed of youngsters between the ages of 18 and 26. Besides offering excellent professional development perspective, Siemens seeks to be at the cutting edge of matters pertaining to the new generation, by creating different work environments, flexibility in the work dynamic

(like home office) and more opportunities for involving young professionals with leaders and various strategic company themes.

**20%**

of our workforce is composed of youngsters between the ages of 18 and 26

## ||| Diversity

For us, diversity is a critical success factor for building efficient teams. From the 2012 edition of Project Metamorphose, 10 disabled people were kept on the workforce in 2014.

Also along this line, Siemens' Distribution Center in Cabreúva (SP), in partnership with the National Service for Industrial Learning (SENAI), provided

training to 12 disabled people to perform stockroom services.

For being an engineering oriented company, Siemens in Brazil and worldwide faces the challenge of including women in its workforce, especially in leadership positions. To achieve this objective, the company uses several attraction factors. (See also the *Policies and Benefits* item).



**10**

disabled employees came from Project Metamorphose

## Leadership culture and development

In 2014, we consolidated the local program “School of Leaders”, which aims to train company leaders. Conceived in accordance with the “10 principles of leadership”, also defined locally, “School of Leaders” lead managers to permanently reflect about their work, seeking balance between results and behavior, taking into account the complexity of their function.

The program is also based on the concept that learning is only effective when it is put into practice. The initial engagement goal of 50% of leaders inserted in the program was exceeded the first year it was implemented.

With the goal of filling strategic positions and maintaining a culture of leadership excellence, the company defines the profile of the ideal professional and develops its staff of successors through the Siemens Management Review (SMR) process. The basis for assessment and also, successor planning is the Performance Management Process (PMP), which also analyzes the potential and competencies of Siemens professionals (managers and all other administrative positions). It includes the following stages: goal deployment, performance, potential and behavior assessments, feedback and constant dialogue between

**778**  
Managers assessed by Empowering Myself 360°.

leaders and each member on their teams.

Another process is the Empowering Myself 360°online assessment, which analyzes leaders from the perspective of their subordinates, peers and superiors. In 2014, 778 managers underwent the process, totaling 2,824 assessments, since each leader is assessed from these various perspectives.



## Talent management

One of the most consolidated and successful programs at Siemens in terms of talent management is the “Talent Development Program” (PDT), which in 2014 received roughly 7,000 university applications from all regions of Brazil. PDT was created in Brazil in the 1970s and has already received more than 2,000 students.

Another important tool for succession preparation is the “Trainee Program”, which identifies among employees in the organization those with potential to take over leadership positions. In 2014, 14 professionals were

selected for the program. Every year, the class is renewed through an internal selection process. Throughout the year, the group develops a real project for the company, achieving results that lead to gains (measurable or not) for the company.

For the external audience and, in alignment with the leadership pipeline, the “Siemens Graduate Program” (SGP) seeks high potential young talents in the market. The program is structured in three 8-month modules, in which at least one of them is developed outside the country.

In the succession planning field, Siemens has the “Corporate Top Talent” and “Top Talent 4 Growth” programs, which offer training and development opportunities, greater visibility with the board, networking and mentoring. It is also common for employees to spend a period abroad as development measure, be it to acquire experience or receive technical training.

Siemens also offers a consistent “Internship Program” that contributes to the professional development of employees in various careers, with a high rate in becoming FTEs (roughly 70% annually).

**70%**  
of interns become company employees.

# Occupational Health and Safety

At Siemens, occupational health & safety and environmental management initiatives are part of a unified structure called Environmental Protection, Health and Safety (EHS).

Occupational safety actions follow the Zero Harm Culture (ZHC) concept, a catalyzer of permanent processes that aims to achieve zero accidents at Siemens sites.

In 2014, EHS representatives were appointed in each division. The traditional Occupational Accident Internal Prevention Week (SIPAT) in 2014 underwent changes with the objective of increasing employee engagement, through fun and impacting actions. The Internal Accident Prevention Committees (CIPAs) also took on a new approach, being valued as authentic agents of safety promotion. The company also possesses health and safety committees involving several levels of the hierarchical structure.

Last year, safety promoters were appointed in all locations in the country. The company also possesses a training structure for occupational

safety, structured for all hierarchical levels, in accordance with the specificities of each activity. Employees who perform potential hazardous functions receive an additional salary amount. The set of actions implemented by Siemens in 2014 allowed for a significant reduction of 28% in the number of accidents with leave in comparison with the previous year.

Another company initiative in this area is the conduction of health promotion and quality of life programs. The "Good Eyesight" campaign in 2014 received more than 1,000 employees and was rated as excellent or good by 100% of them. The "Save Your Skin" cancer prevention program received 576 employees. This year's traditional vaccination campaign received 6,305 employees and family members and added a new vaccination against herpes zoster. A 15% increase was also observed in flu shots.

The set of actions implemented by Siemens in 2014 allowed for a significant reduction of 28% in the number of accidents with leave in comparison with the previous year.

Siemens also possesses several quality of life programs, such as the running and walking groups and, since 2013, also offers Pilates and muscular strengthening classes at the Anhanguera site. Another health and quality of life action is the massotherapy sessions performed by visually impaired professionals. Thinking about the period after retirement, Siemens created "Program Perspective", with lectures on health, relationships, leisure, personal finances and entrepreneurship. In 2014, 166 employees participated in the program's meetings.

## SIPAT

is undergoing changes to increase employee engagement.



## 100%

of employees benefitted by the good vision campaign rated is as excellent or good.

## 6,305

employees and family members in the vaccination campaign against herpes zoster.

# Corporate Citizenship

For many years, the day-to-day of Siemens and its employees has been full of corporate citizenship initiatives. In order to structure and align these actions with the company strategies, over the last two years, as part of Transformation Program, the projects associated to this theme were consolidated into an activity platform, in alignment with the education and basic technologies focus.

The Corporate Citizenship theme comprises actions executed by business areas and Corporate Units, the Corporate Volunteering Program, as well as the activities of Siemens Foundation Brazil.

## ||| Siemens Brazil Volunteering Program

Many employees and groups of professionals at Siemens already executed or had the desire to participate in volunteer activities. Aware of its relevance as a social transformation agent, Siemens facilitated this engagement in volunteering practices, consolidating the Volunteering Program launched in 2012,

which already possesses management tools.

In 2014, an online volunteering platform was developed in order to allow employees to: register projects of their interest, as long as they align with Siemens' corporate citizenship strategic objectives; see what actions are available in their locality; register to participate as volunteer in actions; and exchange information, photos and videos about the program.

One of the objectives of this platform is to get 10% of the workforce to become volunteers, which goal was not met in 2014, as well as foster a culture of volunteering and individual and corporate citizenship, with the expectation of satisfying this goal in the medium-term.

The program establishes local volunteering networks at the main locations. With this platform, these networks gain power and independence to execute more active work, with each network having its own space in the platform where em-

Main result of the  
Volunteering Program  
in 2014:



**8 macroprojects**

In 7 regions of the country;

Increased participation of  
volunteers, from 450 in 2013 to 580  
in 2014, amounting to

**8% of the entire  
workforce;**

Approximately  
**12,548 hours**  
of work donated;

**11 thousand**  
people benefited.



Siemens employee teaches financial education class in the Heliópolis community.

ployees can engage with one another. The new platform aired in September 2014 and in less than 2 months already had 350 volunteers registered. Visit: [www.siemens.com.br/voluntariado](http://www.siemens.com.br/voluntariado).



## ||| Corporate social projects - 2014

### SocialResponsibility@PDT (SR@PDT)



**45**  
volunteers from the Talent Development Program (PDT)

**5**  
projects (São Paulo, Jundiaí, Manaus and Belo Horizonte)

### Pink October and Blue November



Mobilization at all locations to build awareness about preventive exams for combating breast and prostate cancer

### PM4

**5**  
social projects in training Project Managers (PM4).



### Heirs of Education



**60**  
project volunteers

**5**  
actions (São Paulo, Jundiaí, Canoas, Manaus and Santa Cruz)

### EduComÉtica

See more on page 49

### Hermann Wever Ecological Trail



**45,000 m<sup>2</sup>**  
of Atlantic Rainforest at the Anhanguera site

**70 schools**  
**3,500 students**  
have visited the trail since its inauguration



### Green Team

Activities: Sustainability Week, Environment Week, Internal Eco-Efficiency, social responsibility, among others.

**6**  
Green Teams (Manaus, Anhanguera, Lapa, Jundiaí, Canoas and Cabreúva)

**200**  
volunteer employees



### Donations

**R\$ 219,000**  
in 2014

# SIEMENS | Fundação

## | Our Vision

Be recognized as a social transformation agent in Brazil.

## | Our Mission

Contribute to the country's development through initiatives aimed at improving the educational system and and that lead to the utilization of basic innovative technologies.

## | Our History

The Foundation's history dates back almost 30 years. Created in 1986, the entity was first called the Peter von Siemens Foundation, supporting and empowering dozens of social promotion initiatives. Classified as a Civil Society Organization of Public Interest (OSCIP), Siemens Foundation Brazil operates complementary to the company's Corporate Citizenship strategy, and focuses on education and basic technologies.

## ||| Main projects

### Project Formare

One of Siemens Foundation's most gratifying initiatives is "Project Formare". Gratifying not only because it qualifies low-income youngsters, but also because it includes Siemens employees as partners in this project. Classes are taught by employees who work as volunteer

educators, whereby their hours dedicated teaching are donated by Siemens. In 2 years, Formare has already received 72 volunteer employees, totaling more than 6,000 hours donated by the company. To see the transformation in these 16-18 year-old youngsters makes these volunteer employees en-

gaged in the cause so proud. Formare is executed in partnership with Iochpe Foundation.

Of the 20 youngsters who participated in the first Electro Mechanical Production and Assembly Assistant course, recognized by the Ministry of Education (MEC), 15 were hired by Siemens in 2014.



**72**

volunteer employees registered

more than

**6,000**

hours donated by the company



Martin Kerkoff, CFO - white coat - at a lecture with Formare students.  
Henrique Paiva - blue shirt - Siemens Foundation Executive Director

More than

**53,000**

registered assistance  
in Emotional  
Intelligence Project

## Project Experiment

a change in the way  
of teaching science



### Emotional Intelligence

Another traditional project of Siemens Foundation – “Emotional Intelligence in School” – continued benefiting communities around Siemens in 2014. The objective of the program, conceived by Grupo Ser, is to work the Emotional Intelligence theme in schools, resulting in better performance among elementary school students.

At present, the program is conducted in four schools (two in São Paulo and two in Manaus), possessing a high approval rate among students, families and professionals. The project completed its 17th anniversary in 2014 and, last year, assisted more than 53 thousand, both individual and collectively. In addition to sponsoring the program, Siemens allows employees qualified in this area to participate as volunteers in schools.

### Project Experiment

For 2015, Siemens Foundation’s newest feature in the corporate cit-

izenship field, and totally in alignment with the education and basic technologies focus, is “Project Experiment”, which proposes a change in the way of teaching science in schools.

Aimed at the training of basic education professors (children ages 4 to 8), the objective of the program is to use scientific experiments using relatively simple materials, like ice and salt, to arouse students’ interest and multiply the methodology among Brazilian professors. Siemens Foundation will provide the box with the materials and manual for conducting experiences. Since the set of materials is extremely simple, the replenishing of items used can be done by the school itself, allowing for the project’s continuity.

### Scholarship

Siemens Foundation is also responsible for the high school scholarship program earmarked for employee children, pursuant to so-

cio-economic criteria, and functions as an educational investment complement. Every year, 40 high school scholarships are granted to students through a simultaneous selection process at all Siemens units nationwide. If the employee remains in the company and within the corresponding salary bracket for the respective financial aid, the contribution is maintained until graduation. In 2014, Siemens provided financial aid to 78 children of employees.

### Basic Technologies

In alignment with Siemens Stiftung’s global “Empowering People Award, Siemens Foundation Brazil continued to register new social innovations in the global database: [www.empowering-people-award.siemens-stiftung.org](http://www.empowering-people-award.siemens-stiftung.org), and promote the exchanging of information among participants.

For more about the foundation, visit:

[www.siemens-fundacao.org](http://www.siemens-fundacao.org)

# Awards

Siemens business areas, teams and employees were the recipients of awards during 2014, receiving recognition from publications, companies and entities.

**150 Best Companies to Work - Você S/A and Exame magazines** – Siemens appeared in the survey conducted annually by *Você S/A* and *Exame* magazines as one of the 150 best companies to work, which is based on the perception of company employees through online questionnaires and face-to-face interviews.

**Best Companies to Begin a Career - Você S/A magazine** – also conducted by *Você S/A* magazine, the project analyzes the career project, professional, identity, quality of life and leadership for youngsters between the ages of 18 and 26, listing the 35 best companies.

**100 Best Companies in the Organizational Human Development Index - Gestão & RH magazine** – an award organized by *Gestão & RH* magazine, which analyzes companies in five dimensions: transparency, human capital, sustainability, corporate governance and corporate citizenship.

**100 Best Companies in Corporate Citizenship - Gestão & RH magazine** – also organized by *Gestão & RH* magazine, Siemens stood out in the “Ethics and Stakeholder Relations” pillar.

**Quality Award - Eletricidade Moderna magazine** – presented every year to electrical equipment companies with the best image among electricity professionals in Brazil. Over the last two years, Siemens was mentioned in 33 of the 63 categories, leading 14 of them and maintaining leadership in contactors.

**Top of Mind - Revista Construção magazine** – in a survey conducted by the magazine with more than 3,000 storeowners in the construction segment, Siemens stood out in the Circuit Breaker category, ranking among the top three in brand recall.

**Management Quality Seal - Brazilian Association of Electronic Security Companies** – During the 17th International Security Fair Exposec, in May 2014, Siemens received the Management Quality Seal from the *Brazilian Association of Electronic Security Companies* (ABESE).

**Best Legal Department by International Law Office** – Siemens Brazil’s Legal Department was awarded at the 2014 *International Law Office* (ILO) in the Antitrust category. Roughly 4,000 nominations were made by more than 1,500 corporate lawyers and attorneys from law firms in Latin America.

**540 days without accidents - ThyssenKrupp CSA Award for Siemens employees** – the discipline to follow safety rules provided the Siemens team working at the *ThyssenKrupp* plant in Santa Cruz (RJ) the mark of 540 days without accidents, leading the company to recognize the Siemens team

**Economic Excellence Award - Healthcare** – Siemens Brazil’s Healthcare posted the best performance in the company worldwide in 2013, and received the *Economic Excellence Award*.

**Food and Beverage Segment – international awards** – at a Siemens event in the Czech Republic, Brazil received the awards of “Best Regional Team” among regions and countries, second place in the “Best Account Team worldwide” category, as well as second place in the “Best Reference” category.



# Regional Offices

## 1. Belo Horizonte

Rua Curitiba, 1395  
6º andar – Centro  
Belo Horizonte - MG  
30170-121  
☎: (31) 3330-3790  
☎: (31) 3330-3835

## 2. Brasília

Rua Pau Brasil, Lote 6  
Edifício E-business -  
Salas 701, 702, 711 e 712  
Águas Claras - Brasília - DF  
71916-500  
☎: (61) 3317-0908  
☎: (61) 3213-2600

## 3. Cabreúva

Rodovia Dom Gabriel Paulino Bueno Couto,  
s/nº, km 80,24 - Gleba B, Bairro Pinhal  
Cabreúva – SP  
13315-000  
☎: (11) 4529-2944  
☎: (11) 4529-2900

## 4. Campinas

Avenida José Rocha Bonfim, 214  
Salas 211 e 212  
Jardim Santa Genebra  
Campinas – SP  
13080-650  
☎: (19) 3709-1058

## 5. Curitiba

Rua Marechal Deodoro, 630  
Sala 807  
Curitiba – PR  
80010-912  
☎: (41) 3360-1120

## 6. Joinville

Rua Dona Francisca, 8300 Bloco K,  
Módulo 1, Distrito Industrial  
Joinville – SC  
89219-600  
☎: (47) 3032-7800

## 7. Jundiaí

Av. Eng. João Fernandes  
Gimenes Molina, 1745  
Bairro do Engordadouro  
Distrito Industrial  
Jundiaí - SP  
13213-080  
☎: (11) 4585-2213

Rua Gerson Benedito de Assis, 281  
Distrito Industrial  
Jundiaí - SP  
13213-081  
☎: (11) 4585-2213

## 8. Porto Alegre

Rua Dom Pedro II, 367  
Conjuntos 901  
Bairro São João  
Porto Alegre - RS  
90550-142  
☎: (51) 2104-1760

## 9. Recife

Avenida Fernando Simões Barbosa, 266  
9º andar - Sala 907 a 910-  
Bairro de Boa Viagem  
Recife - PE  
51020-390  
☎: (81) 3461-6200

## 10. Ribeirão Preto

Av. Presidente Vargas, 2001 – SL 43  
Jd. Santa Angela  
Ribeirão Preto – SP  
14020-260  
☎: (16) 3913-7700  
☎: (16) 3913-7707

## 11. Rio de Janeiro

Rua Paulo Emídio Barbosa, 485  
Quadra V - Lote 2  
Rio de Janeiro - RJ  
21941-615  
☎: (21) 3431-3017

## 12. Salvador

Rua Frederico Simões, 125 -  
15º andar - Sala 1502  
Salvador - BA  
41820-774  
☎: (71) 3114-1900

## 13. São Paulo

Av. Mutinga, 3.800  
São Paulo / SP – 05110-902  
☎: (11) 3908-2211

# General Information

## Published by:

Siemens Ltda.  
Communications and Government  
Affairs

## Director Responsible:

Wagner Lotito

## Project Planning, Management and Editing:

Ariane Herek de López  
Patrícia Brito de Souza

## Coordination:

Ariane Herek de López  
Patrícia Brito de Souza  
Raroun D'Onófrío de Oliveira

## Texts:

Alessandra Alves  
Patrícia Brito de Souza

## Sustainability | GRI Indicators:

Henrique Paiva  
Marcia Sakamoto

## Revision:

Carla Ciasca

## Art and Editing:

Ponto Maior  
Denize Velloso  
Valter Harasaki

## Translation:

Andrew McDonnell  
Okidokie Translation Services

## Printing:

Margraf Editora e Indústria Gráfica Ltda.  
São Paulo, SP  
Brazil

## Print Run:

1,100 copies in Portuguese  
120 copies in English

## Photos:

- Siemens Archives:  
(Cover, pages 11, 12, 13, 16, 17, 18, 19, 22, 23, 24, 26, 28, 29, 30, 31, 32, 34, 35, 36, 37, 38, 39, 42, 44, 47, 48, 50, 51, 54, 55, 56, 57 and 58).
- Fábio Tieri:  
(pages 4, 11, 13, 15, 24, 28, 29, 32, 33, 34, 38, 50 and 52).
- Shutterstock:  
(pages 20, 21, 40 and 41).
- Provided by CMPC:  
(page 29).
- Provided by WTorre:  
(page 33).
- Provided by GRU Airport:  
(page 35).

## Press Relations:

Phone: (11) 3908-2471  
Phone: (11) 3908-2449  
Fax: (11) 3908-2707  
[www.siemens.com.br/imprensa](http://www.siemens.com.br/imprensa)

## Doubts, Suggestions or Complaints:

If you would like to comment about anything presented in 2014 Annual Report – Siemens in Brazil, please contact us:

- E-mail:  
[atendimento.br@siemens.com](mailto:atendimento.br@siemens.com)  
SAC: 0800 119484

- Answer our Online Survey:  
[www.relatorioanual2014.com.br/pesquisa](http://www.relatorioanual2014.com.br/pesquisa)

- Mailing Address:  
Av. Mutinga, 3.800  
Comunicação Corporativa  
Pirituba  
055110902  
São Paulo – SP – Brazil

Next to the 'recipient', please mention "2014 Annual and Sustainability Report".

Siemens thanks all those who contributed information and images for this publication.

© Siemens Ltda. 2015,  
São Paulo, Brazil

This publication is also available in Portuguese.





