

**IBEW BMC Conference  
Atlanta, GA April 3, 2018  
Siemens Corporation**

## Siemens Representatives



### **Siemens Corporation**

Fran Argentieri, Head of Labor & Employee Relations

Michael Cseplo, Director, Labor Relations

### **Siemens Healthineers**

Rebecca Luttrell, Vice President Labor Relations

Theresa Schrader, Senior Director, Human Resources

# What will Siemens look like in the future?

**Mentor  
Graphics®**

A Siemens Business

**HaCon**

**MRX  
TECHNOLOGIES**



**tass** international

**infolytica**  
corporation

**SIEMENS**

**OSRAM** 17.34%

**SIEMENS Gamesa**  
RENEWABLE ENERGY

**SIEMENS  
Healthineers**

**SIEMENS ALSTOM**

## Globalization

In the time span of 20 years, global export volume has more than quadrupled. In 2016, goods worth US\$16 trillion were exported.

Source: Statista, 2017

# Megatrends that are changing our world

**SIEMENS**  
*Ingenuity for life*

## Urbanization

By 2050, nearly 70 percent of the world population will live in cities; today it's 54 percent.

The population of cities worldwide is growing at a rate of about 50 million people per year. Accordingly, investments in urban infrastructure are booming.

Source: United Nations, World Urbanization Prospects. The 2014 Revision, New York, published 2015

## Demographic change

By 2050, the world population will grow from 7.3 billion today to 9.7 billion.

The average life expectancy will be 83 years in 2050; today it's 73 years.

Source: United Nations, Department of Economic and Social Affairs, Population Division (2015). World Population Prospects: The 2015 Revision, Key Findings and Advance Tables. Working Paper No. ESA/P/WP.241; Statista: Weltbevölkerung, 2016



# Siemens in the US

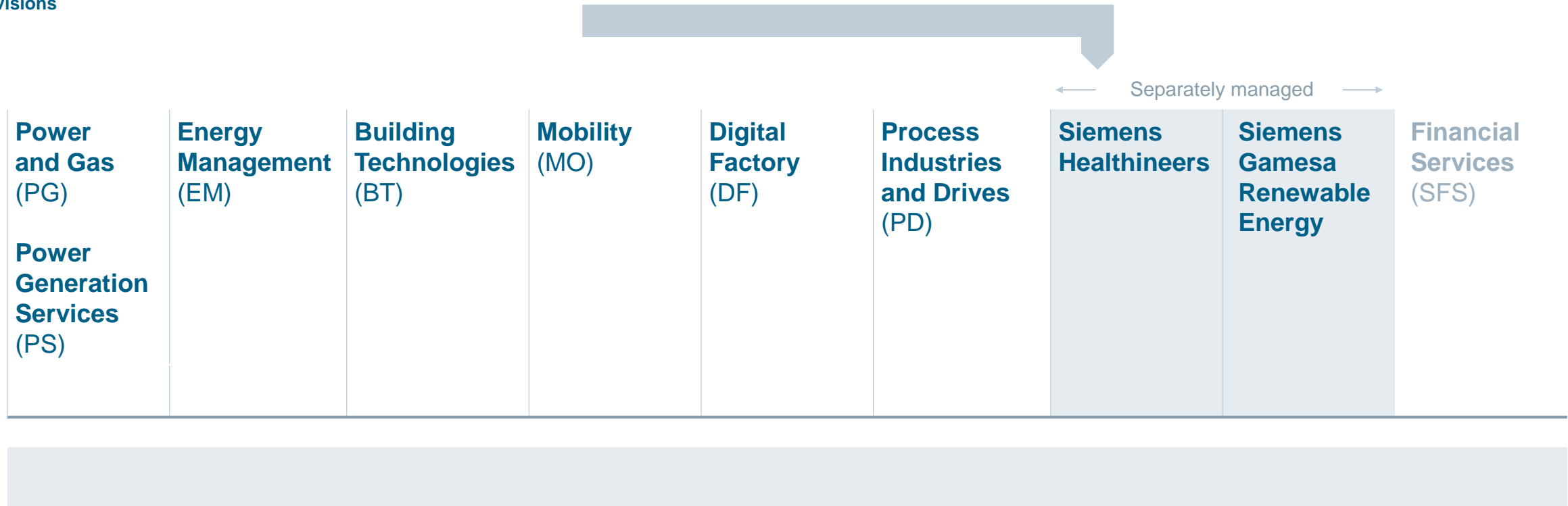
April 2018



# Company structure



## Divisions



■ In just the past 15 years, Siemens has invested **approximately \$40 billion** in the U.S.



\*Map shows Siemens' major employment hubs



**50,000**  
EMPLOYEES STRONG



**MORE THAN 60**  
MANUFACTURING SITES



**OVER \$5 BILLION**  
IN ANNUAL EXPORTS



**MORE THAN \$1 BILLION**  
INVESTED IN R&D ANNUALLY



**OVER \$50 MILLION**  
INVESTED IN WORKFORCE  
TRAINING ANNUALLY

**SIEMENS**

*Ingenuity for life*

- Siemens will continue to deploy its innovative technologies to meet America's greatest challenges, particularly in the fields of:



INFRASTRUCTURE



POWER GENERATION  
& MANAGEMENT



MOBILITY



INDUSTRIAL  
MODERNIZATION



MEDICAL SOLUTIONS

# Power and Gas

**SIEMENS**  
*Ingenuity for life*



The Power and Gas Division offers utilities, independent power producers, engineering, procurement and construction companies (EPCs), and oil and gas customers a broad spectrum of products and solutions for the environmentally compatible and resource-saving generation of power from fossil fuels and renewable sources of energy and for the reliable transportation of oil and gas.

[www.siemens.com/about/power-gas](http://www.siemens.com/about/power-gas)

**Leading in  
power generation**

1 Full Time Equivalent (FTE); as of September 30

# Energy Management



The Energy Management Division is one of the leading global suppliers of products, systems, solutions and services for the economical, reliable and intelligent transmission and distribution of electrical power.

The Division's portfolio ranges from systems for the low-voltage and distribution power grid level to smart grids and energy automation solutions to power supplies for industrial plants and high-voltage transmission systems.

[www.siemens.com/about/energy-management](http://www.siemens.com/about/energy-management)

**Partner for efficient  
energy infrastructure**

1 Full Time Equivalent (FTE); as of September 30



The efficient, safe and environmentally friendly transportation of people and goods by rail and road – the Mobility Division bundles all of Siemens’ transportation-related products, solutions and services.

Advanced networked and IT-based mobility solutions and comprehensive know-how are increasing infrastructure availability, optimizing route use and raising travel quality to new levels – by rail, on the road, or across multiple modes of transportation.

Provided regulatory authorities approve, the planned merger of the Siemens and Alstom mobility businesses will unite two successful and innovative companies with a long tradition in the rail industry. Our aim is to jointly create a European champion and so offer customers unique added value.

[www.siemens.com/about/mobility](http://www.siemens.com/about/mobility)

1 Full Time Equivalent (FTE); as of September 30

**Shaping the future  
of mobility**



Helping manufacturers  
make their digital  
transformation successful

The Digital Factory Division offers a comprehensive portfolio of seamlessly integrated hardware, software and technology-based services to support manufacturing companies worldwide in enhancing the flexibility and efficiency of their production processes and in reducing the time to market of their products.

The ultimate goal is the complete integration and digital representation of the physical value chain. The platform for this is called Digital Enterprise.

[www.siemens.com/about/digital-factory](http://www.siemens.com/about/digital-factory)

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1 Full Time Equivalent (FTE); as of September 30

# Process Industries and Drives

**SIEMENS**  
*Ingenuity for Life*



As a proven partner, we help customers go to market with their products much faster. We do that by providing innovative, integrated technologies for the entire lifecycle, that measurably increase productivity, shorten time-to-market, and improve the reliability, safety, and efficiency of products, processes and plants.

Customers all over the world benefit from our future-proof automation, drive technology, industrial software, and services based on best-in-class technology platforms.

We are advancing the digitalization of the process industry – from integrated engineering to integrated operation and digital services.

[www.siemens.com/about/process-industries](http://www.siemens.com/about/process-industries)

1 Full Time Equivalent (FTE); as of September 30

**Using digital technologies to create added value throughout the entire lifecycle of systems**

# Siemens Gamesa Renewable Energy

**SIEMENS**  
*Ingenuity for Life*



Siemens Gamesa Renewable Energy<sup>1</sup> is a leading supplier of reliable, environmentally friendly, and cost-efficient renewable energy solutions. The wind turbines offered by Siemens Gamesa Renewable Energy are a worthwhile investment from both a financial and an environmental perspective. Our wind power solutions deliver clean, renewable energy from onshore and offshore installations all over the world.

[www.siemensgamesa.com](http://www.siemensgamesa.com)

<sup>1</sup> Managed separately <sup>2</sup> Full Time Equivalent (FTE); as of September 30  
<sup>3</sup> Relates to the former Division Wind Power and Renewables



# Financial Services



The Financial Services Division helps enterprise customers implement investment projects by providing project-related and structured financing as well as leasing and equipment financing.

The success of Financial Services is based on a unique combination of risk management competence, technological expertise and reliable financial resources. Through our international network of SFS companies, we provide – subject to country-specific legal requirements – a broad range of financial solutions.

[www.siemens.com/about/financial-services](http://www.siemens.com/about/financial-services)

1 Full Time Equivalent (FTE); as of September 30

# Building Technologies

**SIEMENS**  
*Ingenuity for Life*



The Building Technologies Division is a leading global provider of safe, energy-efficient and environmentally friendly building and infrastructure technologies.

As a technology partner, consultant, service provider, systems integrator and supplier, the Division offers solutions for fire safety, security, building automation, heating, ventilation and air conditioning (HVAC) as well as energy management.

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

[www.siemens.com/perfect-places](http://www.siemens.com/perfect-places)

**World leader in  
building technologies**

1 Full Time Equivalent (FTE); as of September 30

# Siemens Government Technologies

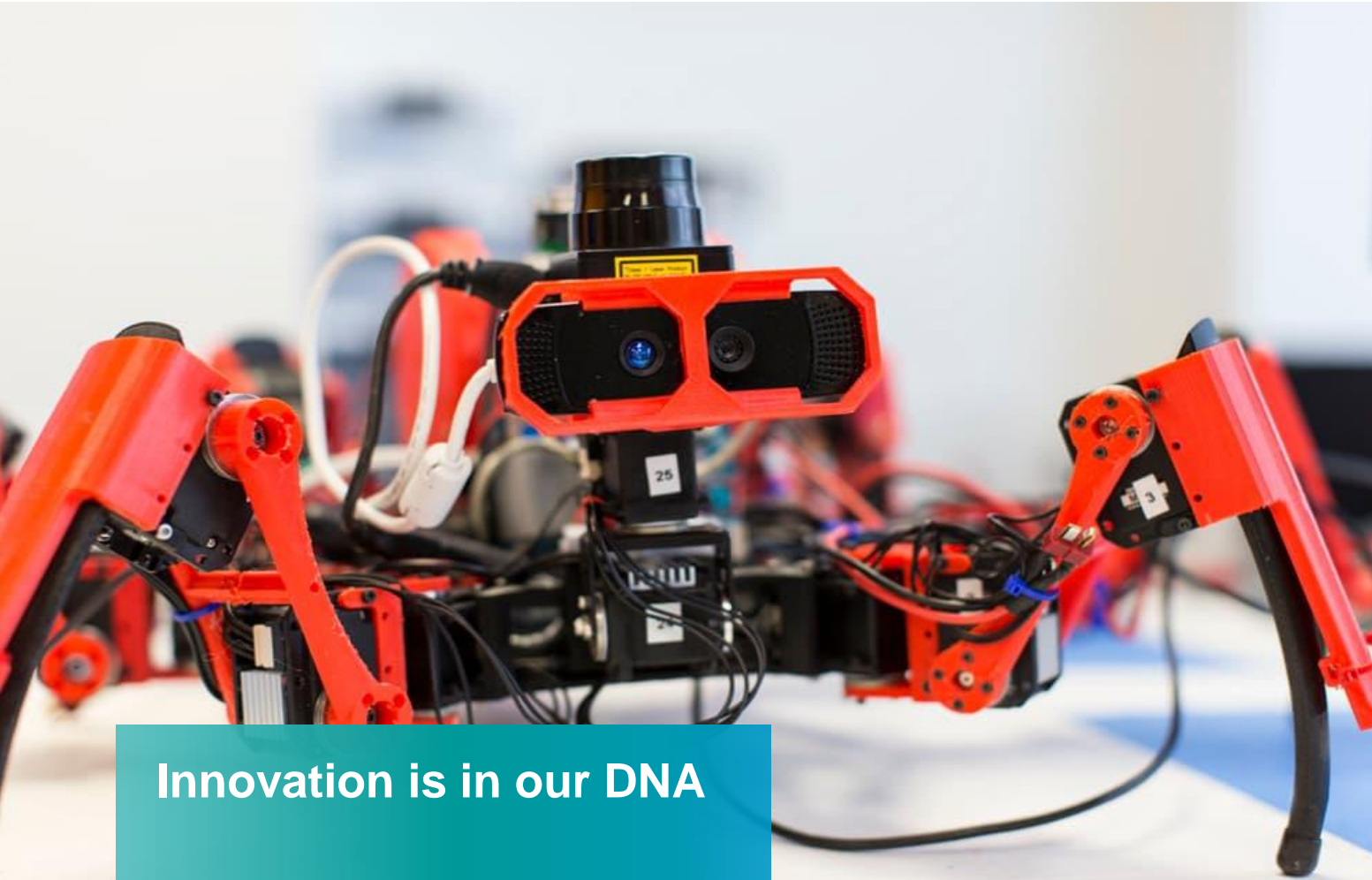
**SIEMENS**  
*Ingenuity for life*



Siemens Government Technologies, Inc. (SGT) is a separately incorporated, independent, yet affiliated, U.S. company. Compliant with U.S. Government contracting regulations, SGT is a channel to the U.S. federal government to access the full spectrum of Siemens' trusted and recognized solutions, products and services.

**Addressing the country's  
challenges**

# Siemens Corporate Technology



Shaping the Future – with Passion for Research, Technology and Innovation – is the mission of Siemens Corporate Technology (CT). CT develops the company’s technology and innovation strategy, promotes business excellence through consulting and development services, and protects Siemens’ intellectual property. As a strategic partner to the company’s businesses, CT’s central research and development unit plays a key role in advancing Siemens’ digitalization strategy. CT supports the company along the entire value chain, from research and development to production technology and manufacturing to the testing of products and solutions. Its Technology to Business organization located in Berkeley, Calif., was established to discover and launch emerging technologies into profitable businesses.

**Innovation is in our DNA**

# Siemens Healthineers

## Next generation healthcare technologies



Siemens Healthineers enables healthcare providers around the world to deliver high-quality patient care.

As a leading global healthcare company, we're continuously developing our portfolio, expanding our medical imaging and laboratory diagnostics offerings and augmenting them with a growing range of healthcare management, consulting and IT services – such as advanced therapeutic solutions and molecular in-vitro diagnostics.

Siemens Healthineers is proactively developing its digital healthcare services. We help customers succeed in today's dynamic healthcare market by creating new business models that maximize opportunities and minimize risks for healthcare providers.

[www.siemens.com/about/healthineers](http://www.siemens.com/about/healthineers)

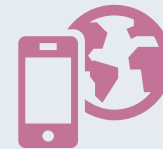
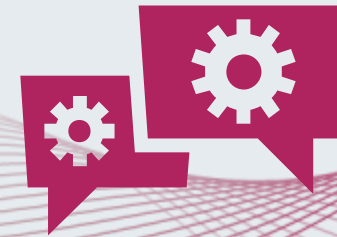
# Healthineers - Who We Are



1) Revenue P10 FY 2017 (not acc. to IFRS 15)

2) AdvaMedDX, "A Policy Primer on Diagnostics", June 2011, p. 3

3) 13,000 employees in the U.S.



# Social Engagement

# The Siemens Foundation



Inspired by a **culture of innovation, research and continuous learning** that is the hallmark of Siemens' companies.



The Foundation's signature programs include the Siemens Competition in Math, Science & Technology – the premier STEM research competition for high school students.



The Siemens Foundation has invested more than **\$100 million** in the U.S. to advance workforce development & education initiatives in STEM.



The Foundation has national partnerships with **the Aspen Institute and the National Governors Association** to raise the perception of middle-skill employment opportunity and scale proven models for middle skill STEM education.

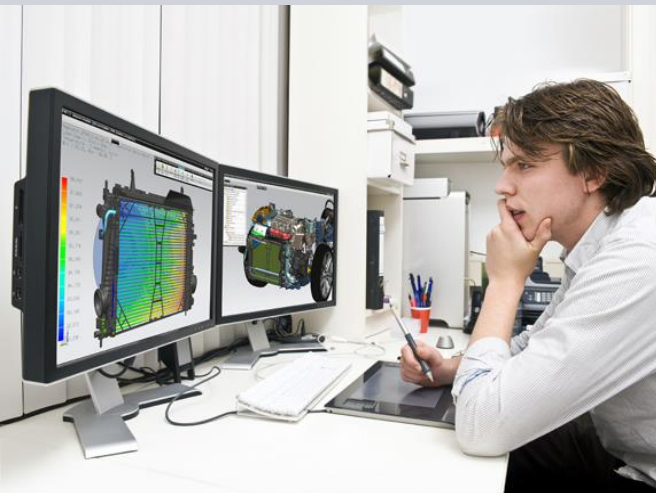


## Siemens Veteran Initiatives

Today, Siemens employs approximately 2600 self identified U.S. military veterans.



Since signing on to Joining Forces, Siemens has **hired more than 2,000 veterans**, exceeding the company's initial commitment by six times. Over the next five years, Siemens has committed to hire 500 more veterans.



Siemens offers job training for veterans with an engineering and manufacturing background to assist veterans transitioning to the civilian workforce. Siemens invests up to **\$17,000** per veteran for access to **PLM software training**.



Siemens has earned the **2017 Military Friendly Employer** designation. Siemens also received the **2016 Secretary of Defense Employer Support of the Guard and Reserve Freedom Award**.

**LABOR RELATIONS UPDATE**  
**SIEMENS US**  
**May 2018**

# US Representation by National Union



## 10 National Unions Currently Represented at Siemens in the United States

- **Federation of Independent Salaried Unions (FISU)**
- **International Brotherhood of Electrical workers (IBEW)**
- **International Union, United Automobile, Aerospace and Agricultural Implement Workers of America (UAW)**
- **International Union of Operating Engineers (IUOE)**
- **United Steelworkers (USW)**
- **United Brotherhood of Carpenters (UBC)**
- **International Association of Machinist and Aerospace Workers (IAM)**
- **Industrial Division of the Communications Workers of America (IUE-CWA)**
- **United Association of Plumbers, Fitters, Welders and HVAC Service Techs (UA)**
- **Brotherhood of Railroad Signalmen (BRS)**

# U.S. Union Representation by Division & Location

## December 2017



### Siemens U.S. – Current Union Sites

Siemens U.S. partners with 10 national unions in more than 30 U.S. work locations in 14 states and construction project sites

- PS/PG**
- (FISU) PA sites Penn Hall, New Kensington
  - (IBEW) Houston TX Service Ctr.
  - (USW) Trenton, NJ
  - (IAM) Mount Vernon, OH
  - (UBC) Multiple US locations with SWGS
  - (IAM) Burlington, IA
  - (USW) Olean, NY
  - (IUE-CWA) Painted Post, NY

- MO/BT/EM/PD/DF**
- (IBEW) Grand Prairie, TX; Ft. Worth, TX; Houston, TX; Kansas City (MO); 9 Different Sites in CA: Anaheim and Pomona
  - (IBEW) **Mobility**
  - (IUE - CWA) Columbus, OH
  - (IBEW) Columbus, OH
  - (UA) Multiple locals with BT
  - (BRS) Louisville, KY
  - (UAW) Jackson, MS
  - (IUOE) Sayreville, NJ and Hicksville, NY

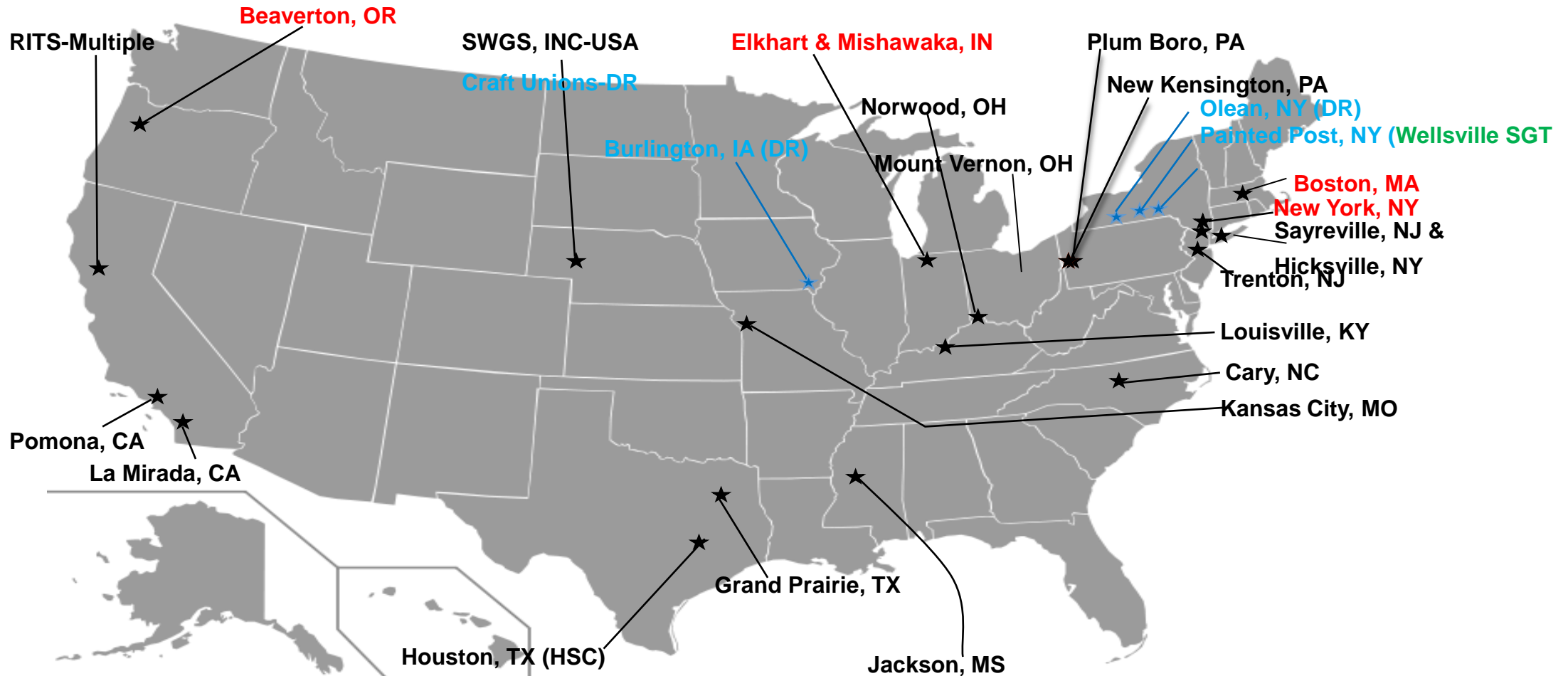
- Healthineers\***
- (IBEW) New York & Boston
  - (USW) Elkhart, IN
  - (USW) Mishawaka, IN
  - (IBEW) Beaverton, OR
- Siemens Government Technology\***
- (IAM) Wellsville, NY

**Union Employees currently comprise 6.3% of Siemens' U.S. Workforce but significant percentage of blue collar production and maintenance employees.**

Total U.S. Union Employee Population: 3,151\*

Total U.S. Workforce: 50,000 (excludes PLM)

# U.S. Union Representation by Location



# U.S. Union Headcount by Location/Organization-January 2017



Location	Union	Local/ Cert #	HRC	Division	Local Reps	Int'l Rep/Bus Agent	HC Feb 2015	HC Jan 2016	HC Dec 2016	HC Oct 2017
Louisville, KY	BRS	234	Grace Hepler	MO	Mike Vencion/Jimmy Amburgey	Joe Mattingly	74	88	81	72
Plum Boro, PA (Penn Hall)	FISU	1,2,3	Melanie Carter	PS	Ian Anderson	Damian Testa	105	103	95	85
New Kensington, PA	FISU	5	Melanie Carter	PS	Jeff Varner	Damian Testa	47	44	44	44
Burlington, IA (DR)	IAM	1010	Ed Devaney	PG	Chris Tucker	John Herrig/Scott Webster		91	90	62
Mount Vernon, OH	IAM	90	Ed Devaney	PG	Andy Campbell	Dave Essenberg	350	163	212	31
Wellsville, NY (SGT)	IAM	1580	Karen Comstock	PG	Jim Lewis	Ron Warner		299	340	192
Houston, TX (HSC)	IBEW	716	Roger Brown	PS	Reginald Carvin	John Easton	218	202	165	155
Kansas City, MO	IBEW	124	Andrea Janecek	DF	Carlos Martinez	Ralph Oropeza/Terral Akins	19	18	15	15
Boston, MA	IBEW	2222	Atlanta Guay	CX	Multiple (3 stewards)	Myles Calvey	68	68	68	68
LaMirada, CA	IBEW	1710	Monique Banks	EM	Joseph Powell	Henry Chavarria	16	16	14	15
New York, NY	IBEW	3	Atlanta Guay	CX	Multiple (5 stewards)	Bill Hofving	60	68	70	70
Grand Prairie, TX	IBEW	220	Monique Banks	EM	Adam Powell	Phyllis Goins	365	343	383	431
Fort Worth, TX	IBEW	220	Monique Banks	EM	Adam Powell	Phyllis Goins	27	29	28	24
Pomona, CA	IBEW	1710	Monique Banks	EM	Sean Minor	Henry Chavarria	38	64	65	71
Wendell, NC	IBEW	553	Darren Alfano	EM	Tom Gantz	Tony Swift	22	28	34	32
Beaverton, OR	IBEW	48	Atlanta Guay	CX	Greg Norman	Scott Zadow	17	21	22	22
ITS (Multiple)	IBEW	Multiple	Steven Golveo	EM	Multiple	Greg Lucero (Loc 66)	92	74	79	75
BT (Multiple)	Pipefitters	Multiple	Claude Grimes	BT	Multiple	Multiple	357	369	359	383
Norwood, OH	IUE/CWA	765	John Linneman	PD	Wayne Cupp	Todd Viars	324	278	212	229
Painted Post, NY (DR)	IUE/CWA	313	Andrew Farren	PG	Terry Schoonover	Mike Rusinek		289	268	247
Sayreville, NJ	IUOE	68	Darren Alfano	EM	Jim Augello	Mike McGlynn	8	9	9	9
Hicksville, NY	IUOE	30	Darren Alfano	EM	Bob Ambrosini	Bob Wilson	3	3	4	4
Richland, MS	UAW	1956	Terry Steen	EM	Robert Sutton	Danny Sparks	274	250	252	235
Elkhart, IN	USW	12273-06	Theresa Schrader	DX	John Hammock	Robin Rich	31	31	31	44
Mishawaka, IN	USW	12273-07	Theresa Schrader	DX	Dennis Ruemler	Robin Rich	108	105	106	105
Olean, NY (DR)	USW	4601	Susan Blazejewski	PG	John Baglione	John Shinn		509	340	346
Trenton, NJ (Demag Delaval)	USW	3355	Mike Conaghan	PS	Pete Gribbin	Luke Gordon	96	89	92	85

## Bargaining Schedule: 2018 - 2019

### 2018

Norwood, OH – IUE; Contract expiration March 1, 2018

Elkhart, IN – USW; Contract expiration March 25, 2018 (Healthineers)

Mount Vernon, OH – IAM; Contract expiration April 2, 2018

Jackson, MS – UAW; Contract expiration May 20, 2018

Wellsville, NY – IAM; Contract expiration August 15, 2018 (SGT)

Boston, MA – IBEW; Contract expiration September 30, 2018 (Healthineers)

Pomona, CA – IBEW; Contract expiration September 30, 2018

Grand Prairie, TX – IBEW; Contract expiration October 31, 2018

ITS Multiple Sites – Contract expiration June 2018

### 2019

Painted Post - IUE; Contract expiration March 1, 2019

Trenton, NJ – USW; Contract expiration March 10, 2019

Burlington, IA – IAM Contract expiration June 1, 2019

Houston, TX – IBEW; Contract expiration July 31, 2019

Mishawaka, IN – USW; Contract expiration March 24, 2019 (Healthineers)

NY Nuclear – IBEW; Contract expiration June 3, 2019 (Healthineers)

Portland, OR - IBEW ; Contract expiration August 1, 2019 (Healthineers)

NY Multi-Modality – IBEW; Contract expiration September 30, 2019 (Healthineers)

# Siemens US – Business Update Since Last Meeting

- Siemens Vision 2020 activities ongoing; realign Siemens portfolio with focus on electrification and digitalization; fix underperforming businesses; excellent overall results despite soft business conditions in core markets
- Continued softness in Oil & Gas and Fossil new equipment markets impacting numerous businesses across Siemens portfolio. PG2020 Activities on going
- February 6, 2017 – Closure of Mount Vernon site announced
- Sale of Government business to Curtis Wright – Closure and transfer of commercial business from Wellsville, NY (IAM) to Charlotte, NC
- Closure of Trenton, NJ (USW) facility transfer of products to Charlotte, NC and Olean, NY (USW)
- March 2018 Healthcare IPO
- 2018 - Successful formation and carve-out of Siemens Alstom



## **Siemens US – Business Update Since Last Meeting (cont'd)**

- PS/PG Salaried Reductions Orlando
- Closure of Bartlesville, OK facility transfer of work to Houston TX
- Closedown of West Chicago operation and transfer of work
- Reductions Alpharetta PD

**Thank You !**

## Key Events Impacting Union Membership - Backup

### **FY 2017:**

#### **Reductions year over year:**

Olean - Oil & Gas market softness requiring HC reduction (274)

All others (53)

#### **Increases year over year:**

- Norwood recalls (17)
- Grand Prairie growth (48)
- BT- Multiple locations (41)
- Elkhart (13)