



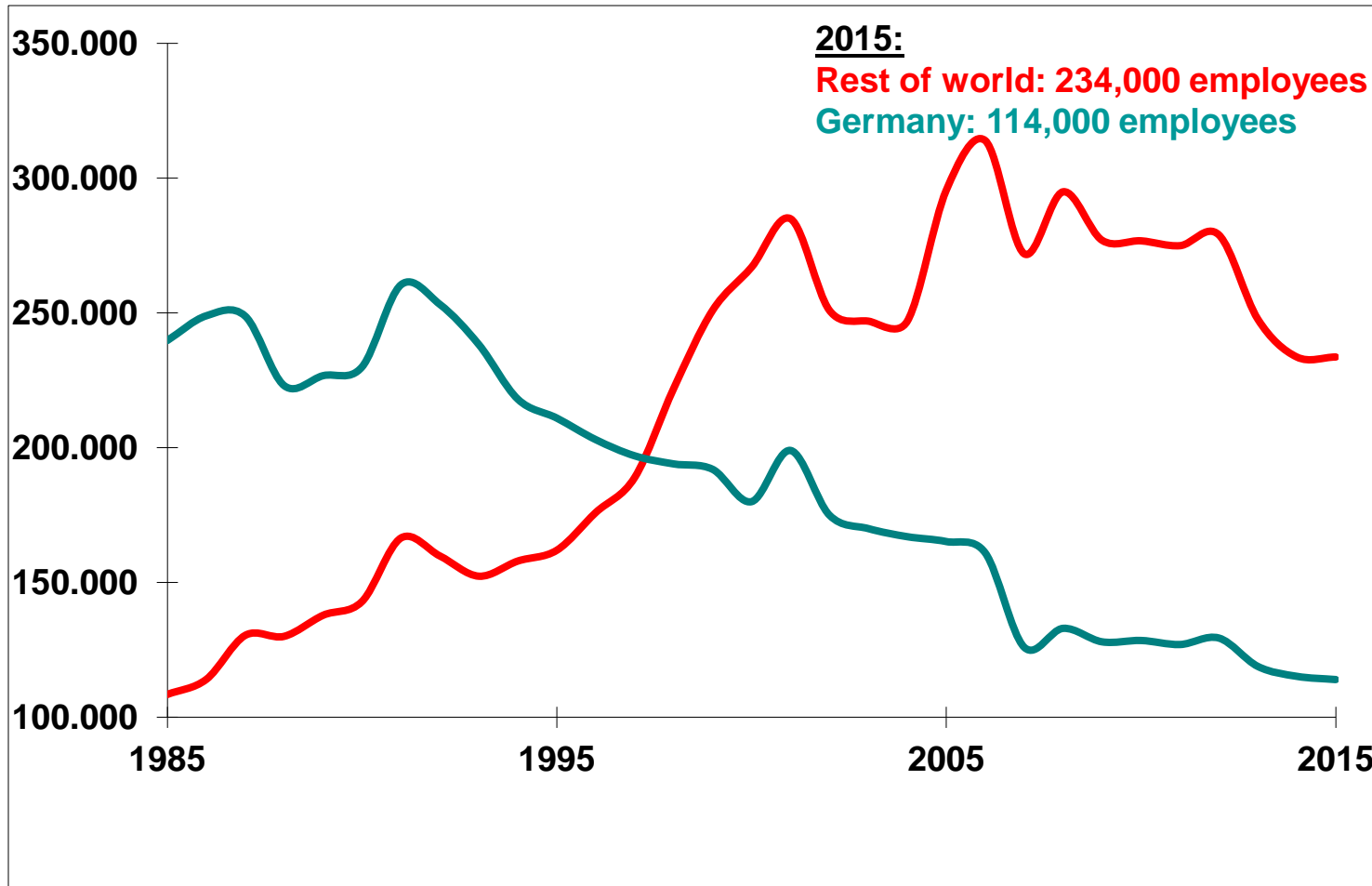
SIEMENS

Central Works Council

Workshop of the labor unions and Siemens in the USA and Canada

Robert Kensbock, Deputy Chairman of the General Works Council

Long-term employee development: internationalization of the workforce



What do the General Works Council and IG Metall do in Germany?

The primary strategic objective of the General Works Council and IG Metall is to safeguard the jobs and locations in Germany.

We demand a strategy that generates value for Germany!

Works councils must acquire the right skills and network with one another in order to be able to engage with the company in the debate on innovation, investment and strategic personnel planning.



Our Position

Our Siemens 2020 concept stands for job security and sustainable company development

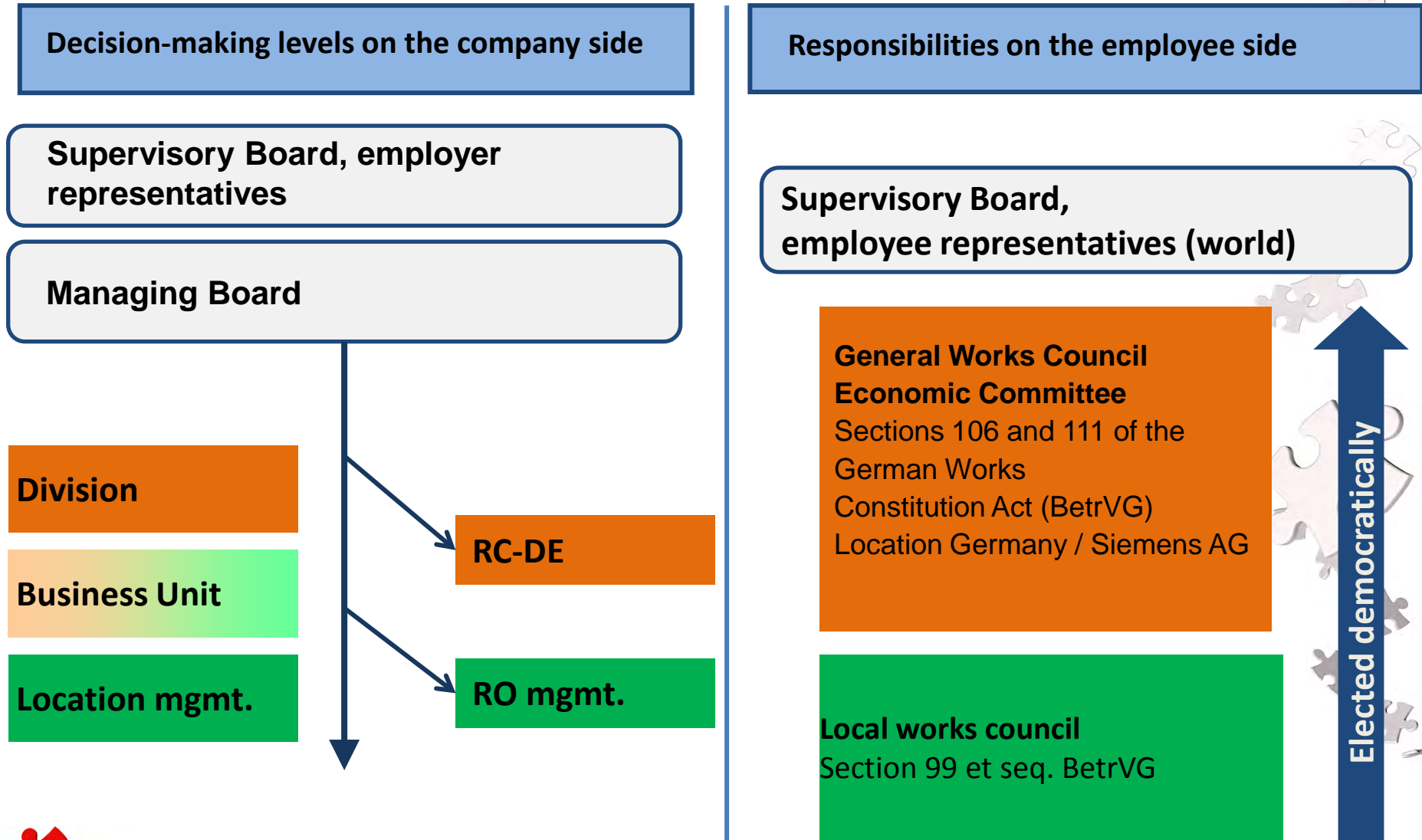
The Managing Board's "Siemens Vision 2020" contains elements that support our objective, addressing issues such as the increasing complexity of the business and the importance of innovation.

We have agreements that aim to support this transformation: Radolfzell II – and II a (scorecards for the plants) - this is about more than just preventing compulsory redundancies

Future agreement on the innovation fund



Decision-making structures on the company side do not match those on the employee side



Pulling together and acting together

- * Before taking action, it's essential to develop joint strategies that we can pursue together at all levels
- * Our work isn't finished once we've negotiated a good agreement. That's when the work starts in earnest. Our assertive strength lies in the individual works councils at the local level
- * The implementation of General Works Council agreements usually results in local conflicts. That's why we need works councils that aren't afraid to fight their corner
- * We need a strong IG Metall at Siemens with many members and a definite set of tasks closely coordinated with the union



Information flow between local works councils and the General Works Council via the liaison groups

- * Developing topics to support the General Works Council committees, the strategic objectives and the local liaison groups
- * Coordinated enforcement of General Works Council agreements (publicizing, providing training and organizing implementation)
- * Monitoring fulfillment of agreements and strategies
- * Training liaison group members on specific General Works Council agreements
- * Dealing with specific issues to support individual locations
- * Ensuring unified, targeted reporting on the work done by the General Works Council



Acting instead of reacting

Only by....

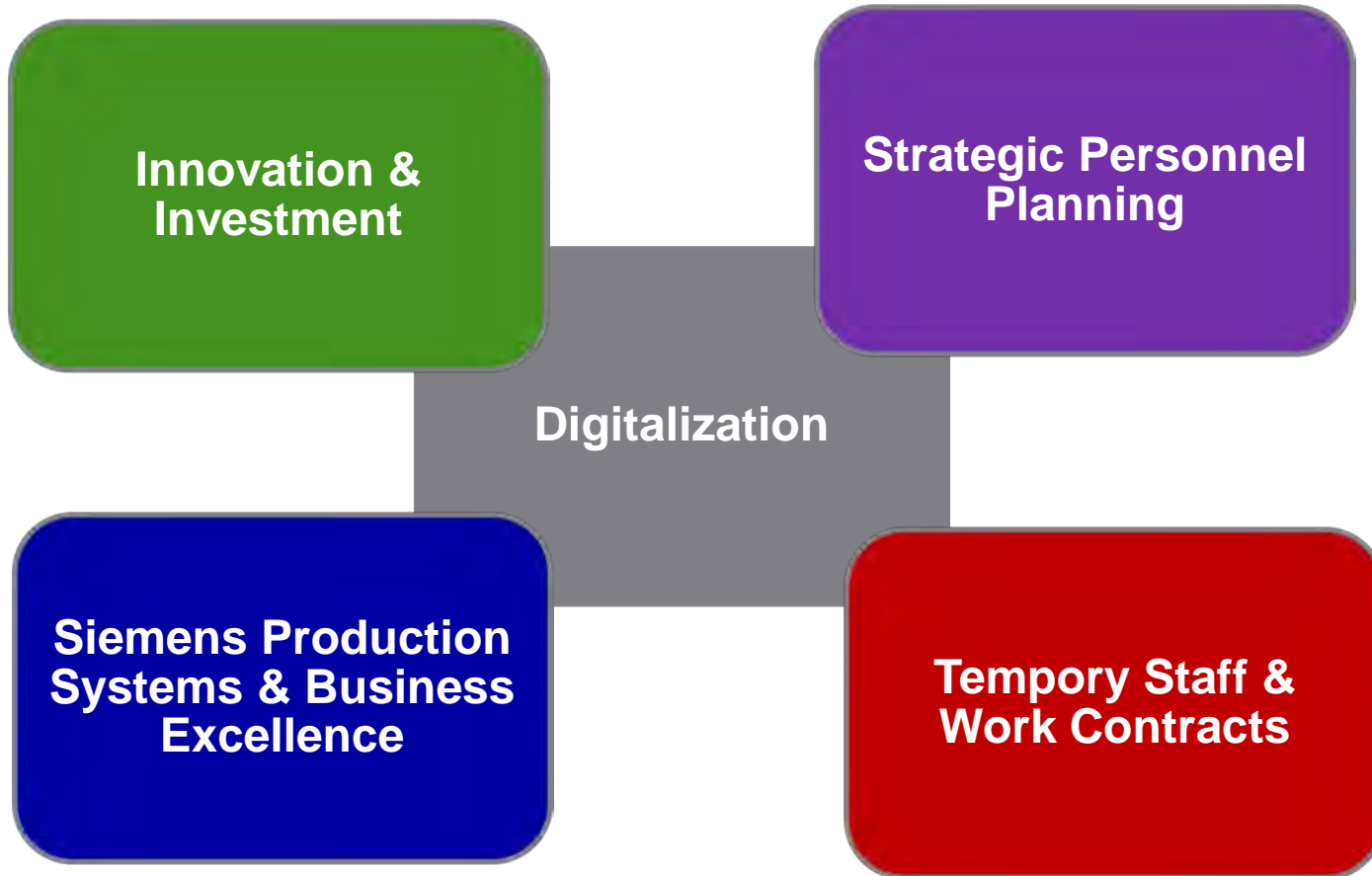
- * engaging actively in the strategy debate via the employee representatives in the Supervisory Board
- * demanding a debate in the Economic Committee
- * leading the discussions to be held after Radolfzell regarding innovation and investment at each individual location

...will we put ourselves in a position to

- * identify developments in good time and influence them accordingly
- * anticipate the impact on the workforce
- * propose alternative employment options for those affected
- * identify the qualifications they will need.



Strategic action areas



Why strategic action areas?

Putting jobs first

Setting our own targets and monitoring their implementation

Acting instead of reacting



The restructuring of the company isn't over yet, despite the message Joe Kaeser is sending out to employees.



The restructuring of the company is in full swing -3 main causes

Cause	Effect	Affected employees
Dissolution of the Sectors	Reduction of complexity	2,900
Reduction of the Divisions and Business Units	Reconciliation of interests/ social plan	
Decline in large power plant construction market	Overcapacities at production locations	1,000
Power & Gas, loss of innovative strength, structural changes in the energy market, decline in large power plant construction market	PG2020 Sales positioning Structure of production locations Overcapacities, outsourcing	1600
Unprofitable business (represents €15 billion)	Measures, e.g. at EM, PD, DF, WP	600 6,100 in total



No rest in the company!

Still too much
bureaucracy

Uncertainty among
employees

Still no strategy for
Germany



New plant in Cuxhaven

- * 1,000 new jobs, the first industrial installation to be opened in Germany for 15 years**
- * Our motto “Wir für den Standort Deutschland” (Safeguarding Germany's industrial future) is being put into practice here**
- * Works councils must be involved**
- * Keep up the good work!**





First people, then profits! That's what our five levers stand for:

- 1** **Creating more value in Germany and Europe**
- 2** **Integrating activities across Divisions**
- 3** **Investing in future technologies**
- 4** **Creating attractive working conditions**
- 5** **Developing a new corporate culture**



Siemens 2020: progress to date



Our five levers		Implementation status as of 11/2015	
1	Creating more value in Germany and Europe	1	Weakened by planned outsourcing
2	Integrating activities across Divisions, cutting bureaucracy	2	Initiated through company restructuring
3	Investing in future technologies	3	Partially, but not evident in Germany - innovation fund achieved
4	Creating attractive working conditions	4	Increased annual payment, employee shares 400m, 200m in the pot, what next?
5	Developing a new corporate culture	5	Uncertainty among employees, no rest in the company





People before profits

