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Our geographic footprint

Balancing people, planet and profit to help Canada

"At Siemens Canada, we have a clear commitment to think and act in the interest of future generations of Canadians," says Faisal Kazi, President and CEO, Siemens Canada Limited



Since 1912, Siemens Canada has stood for engineering excellence, innovation, quality and reliability. Those attributes have been essential in our organization becoming an integral part of the Canadian economy, with our operations and customer base spanning from coast to coast to coast across a range of business sectors.

We're proud of our long-term record of generating strong revenue and profit in this country, but as important as those financial metrics are, they represent just one element of how we measure success, because we view our role in a far broader context. We believe that a company like ours can only succeed if we are a valuable contributor to the society in which we operate. How we are helping protect the environment? How are we enhancing the safety and security of Canadians? How are we helping those in need through philanthropy? It is by

tracking our achievements and progress in areas like these that we can truly determine if we are successful or not.

We refer to this as "Business to Society." Using the United Nations' Agenda 2030 and its 17 Sustainable Development Goals (SDGs) as a guideline, Business to Society allows us to measure how – and how much – we impact our communities and our country.

As one of the world's foremost global organizations, Siemens is emphasizing the Business to Society approach in all the countries where we operate. It's wonderful that we can look at the long list of contributions we are making in Canada and see them as part of a much larger picture in which Siemens people everywhere are connected into something truly profound and visionary.

On a personal level, I am immensely proud of the amazing employees and partners we have at Siemens Canada, and how dedicated they are to helping others in so many ways – both individually and collectively.

It is indeed an honour and a pleasure to share this document with you. We greatly appreciate you taking the time to read it and learn more about how we are making a difference in Canada.

Faisal Kazi

In F'19, Siemens
Canada awarded
shares worth
approximately
\$1.7M to their
employees in
recognition of
their contribution.



The UN Agenda for Sustainable Development lays out clear long-term priorities – ending poverty, protecting the planet, and ensuring prosperity.

Through Business to Society, we can show how we are contributing toward those by providing access to clean and affordable energy solutions, creating smart and livable cities, providing access to innovative healthcare systems, and much more.

In short, Business to Society enables us to quantitatively assess our social impact in Canada in six categories – economic growth, job creation and skills, innovation, environmental sustainability, quality of life, and societal improvement. In doing so, we:

- Adopt an "outside-in" perspective on the most relevant development priorities in a given context (e.g., global, national, project);
- 2. Identify and measure our contribution in each priority area;
- 3. Define strategic actions to enhance our contributions and help shape further development;
- 4. Ensure we are transparent about our contributions by keeping external and internal stakeholders informed.

We take pride in being recognized globally as a thought leader with this approach. Customers and governments appreciate the information it provides in the course of large infrastructure projects, while employee feedback on social media posts indicates that our contribution to societies makes our employees proud to work for Siemens. That means our transparent contribution to Canadian society not only helps strengthen this country and improve the lives of its citizens, it also makes good business sense.

"A company must not only strive for short term gains but also needs to contribute to prosperity and progress in society – sustainably and for the benefit of future generations. We call that Business to Society."

Joe Kaeser, President and CEO of Siemens AG





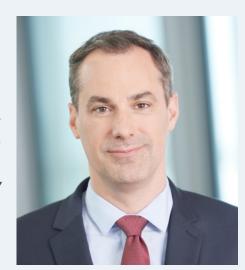


"Measurements used in corporate reports typically only include the dollars and cents of investments being made. We're going far beyond that to capture the true value we create – the actual impact we're having to make society better in a lasting way."

Roland Busch, Deputy CEO, CTO, CHRO and Member of the Managing Board of Siemens AG

"We believe that companies need to evaluate their impact on sustainable development from various perspectives. That's why we have developed our Business to Society approach. It allows us to objectively measure the impacts of our projects, sites, and businesses – even activities in entire countries and their societies."

Cedrik Neike, Member of the Managing Board of Siemens
AG and CEO Smart Infrastructure



Business to Society in Canada

Our contribution to Canada spans six wide-ranging pillars

Strengthening the economy

Canada has long enjoyed a robust and growing economy, and the Government of Canada recognizes that proactive measures must be taken to ensure continued strength. Key challenges must be met, including addressing the impacts of globalization and changing trade relationships, the need to boost industrial diversification while spurring greater innovation and productivity, and strengthening public infrastructure as the foundation for a future economy that includes clean, renewable energy.

Through Business to Society, we can quantify our impact on the Canadian economy, and especially how we're helping the country meet its biggest economic challenges. Of particular importance, we're building needed infrastructure in our airports and transportation networks, and laying the foundation for a green economy in Canada through our environmental portfolio.

Developing jobs and skills

To ensure long-term success, the federal government is cognizant that Canada's workforce must have the knowledge, skills and tools for the future. Most importantly, there needs to be a focus on producing ample engineers, skilled tradespeople and technicians – people who are key to a robust industrial sector in the coming years. In addition, with the country's post-secondary school enrollment rates being among the highest in the world, that potential must be harnessed to have as many students as possible engaged in appropriate education and training, so they are ready for new opportunities created by Industry 4.0.

Business to Society allows us to identify the important ways we're helping address this issue, both directly as an employer – including bringing in students through co-op and other placements – and as a catalyst for others.

Driving innovation

Innovation across all industries is recognized by the federal government as pivotal to Canada thriving in a competitive world. Healthcare is a key priority for all provincial governments, and with a demographic shift toward an older population, innovation will be essential for high-quality patient care to be maintained at an affordable cost. Technological innovation will be equally critical for ensuring greenhouse gas emissions are reduced. In addition, it's important for Canada to be a global leader in digitalization, and that start-up companies be supported effectively so they can be innovation catalysts.

Business to Society provides an opportunity to chronicle how we're helping tackle this priority for Canadian governments. We're actively participating in 30 research collaborations to help find solutions to healthcare challenges. We're also taking a similar approach on the environmental and energy management fronts, where innovation is also essential for the country's future success.

Key facts and figures

- **\$4.9 billion** contribution to the Canadian economy (all figures are fiscal year 2019)*
- **\$600 million** in employee salaries into the economy
- **4 jobs** in Canada enabled by each Siemens Canada employee

Key facts and figures

- 45 academic institutions across
 Canada have received grants from
 Siemens for our PLM software
- **\$3.2 million** spent on employee training

Key facts and figures

- **30** healthcare research collaborations
- \$35.7 million awarded to Siemens, NB Power and Nova Scotia Power by the Canadian government for the Smart Grid Atlantic pilot project

^{*}Source: Siemens AG: Supporting quantitative analysis of economic aspects for B2S country report Canada, pwc, March 2020

Like all countries where Siemens operates, Canada has its own unique circumstances and societal needs. Siemens is playing a key role in addressing this country's challenges, to help ensure an everimproving future. Whether it's creating infrastructure, supporting our education system, helping the environment, transforming industries, or having our people volunteer in their communities, we're committed to making a difference for Canadian society. It can all be categorized within six pillars.

Sustaining the environment

Canada is blessed with abundant lakes, forests and natural beauty. Protecting this is a priority for the Government of Canada. However, doing so is challenging due to harsh climatic extremes, vast distances between population centres, and having a substantial oil and gas industry. According to the World Economic Forum, Canada accounts for about 1.6% of the world's total carbon dioxide emissions. The federal government has communicated that it has set a national goal to reduce emissions to 30% below 2005 levels by 2030. Priority areas for achieving this include establishing green infrastructure, building resilience to climate change, and preserving natural assets through legislation.

Business to Society allows us to catalogue the myriad of ways we're helping Canada reduce its emissions – from operating a fleet of electrical vehicles and charging stations, to enabling power providers to offer clean energy solutions, to planting trees across the country.

Improving quality of life

Most Canadians enjoy a very high standard of living. However, to help those less fortunate, the federal government is focused on addressing key areas. This includes alleviating poverty (according to Statistics Canada, almost 10% of Canadians live below the poverty line), making housing more affordable (Statistics Canada reports that about a guarter of Canadians spend more than 30% of their total income on shelter), improving healthcare accessibility (The Fraser Institute ranks Canada 29th in the world at 2.7 doctors per 1,000 people), with an emphasis on long-term and mental health, and ensuring critical infrastructure is effectively safeguarded.

The Business to Society model helps us capture how specifically we are making a difference in the lives of Canadians. Each year, Canadians benefit from more than 31 million procedures involving Siemens healthcare products. As an employer, we are an example of best practices in health and wellbeing.

Shaping societal transformation

The Government of Canada is focused on core priorities to help make Canadian society better for all its citizens. It is striving toward a more positive relationship with Indigenous people by overcoming historic issues and ensuring there is equal opportunity for First Nations. Other priorities are new immigrants, northern communities and their infrastructure improvements, and ensuring that all infrastructure across the country is made resilient to the effects of climate change.

Business to Society creates an opportunity to share the ways in which we believe we can help address this critical issue. For example, since 2010, our employee volunteers have partnered with Corporations for Community Connections (CFCC) to refurbish over 4,000 used laptops, which has helped more than 45,000 people.

Key facts and figures

- \$400,000 donated to Tree Canada, plus about 12,000 trees planted since 2012, which will help to eliminate 37 tons of carbon dioxide in the next 50 years
- **2.8 GW** of clean power generated by wind turbines
- 2030 is the year by which Siemens aims to be carbon neutral

Key facts and figures

- 20+ years of Siemens partnering with Cystic Fibrosis Canada to raise more than \$2 million
- **31 million** procedures each year in Canada involving Siemens healthcare products

Key facts and figures

- 4,000+ laptops donated to charities after being refurbished by about 750 employee volunteers
- 16% of Siemens Canada engineers are women, which is above the Canadian industry average of 13.5%[†]
- 2019 was the year we launched Diversity@SiemensCanada

[†] Source: Engineers Canada, National Membership Report, CY2018. Percent of practicing women in the Canadian engineering profession. https://engineerscanada.ca/reports/national-membership-report/2019



Strengthening the economy

- \$4.9 billion contribution to the Canadian economy (all figures are fiscal year 2019)
- \$600 million in employee salaries into the economy
- 4 jobs in Canada enabled by each Siemens Canada employee

Siemens is making major contributions to the Canadian economy, across a wide variety of industries and in many geographic regions. That includes bringing jobs and transferable skills to rural communities, such as in Kitimat, B.C., where we opened an office in June of 2019, enabling us to work with LNG Canada on liquifying natural gas so it can be exported to Asian markets.

Manufacturing is another way Siemens provides a boost to Canadian communities. In the Greater Toronto Area, for instance, mission-critical communications devices are made by our Ruggedcom team in Concord. In Pickering, employees of our Trench Limited Instrument Transformer Division (ITD) manufacture oil-insulated instrument transformers for voltage and current measurement, while at Trench's Scarborough site, the focus is on the coils business.

We're also making other strategic investments to strengthen Canada's economic future, whether it's building transportation infrastructure or partnering with governments and educational institutions – such as in Quebec with the Innovation 4.0 Network – to seize the opportunities provided by Industry 4.0. And we're even investing significantly in non-Siemens companies, to help spur the growth and development of advanced technology in Canada.

Driving economic growth for Canada





Leading-edge infrastructure

We're designing and building 32 new bidirectional trainsets for **VIA Rail Canada**. Passenger service is expected to begin in 2022. Trains will serve millions of passengers per year on VIA Rail's busiest route and will be up to 80% more carbon emission efficient versus current equipment. These passenger cars will feature Enhanced Universal Accessibility, offering multiple accommodations for wheelchairs and other mobility devices.



A strong manufacturing footprint
In **Drummondville, Quebec**, at our
105,000-square-foot-plant, we're making
a wide range of low-voltage products for
the residential, commercial and industrial
markets. The site also includes a testing
laboratory for R&D work.



Developing jobs and skills

- 45 academic institutions across Canada have received grants from Siemens for our PLM software
- \$3.2 million spent on employee training

We're helping future-proof the Canadian workforce, focusing on a range of activities both within our organization and beyond it.

Partnering with Algonquin College we created a unique hands-on curriculum, along with complementary applied research, to help students lead the way in green economy employment. Algonquin is a "living lab" showcase that reflects and reinforces a unique culture of sustainability at the institution.

We're playing a similar role for digitalization and a changing manufacturing landscape, enabling students to be equipped for the jobs of tomorrow. For instance, through our Siemens Mechatronics Systems Certification Program (SMSCP), we're collaborating with academic partners across the country to provide a globally recognized, proprietary certification.

Another way we're demonstrating leadership is our Women Leadership Community (WLC) program. We invite speakers from both our own internal management team as well as successful external role models to join us in a panel format. With a mission to "inspire, educate and connect," women are able to share stories of their career paths and experiences, and in doing so, create a strong network of mutual support.

Investing in people to help them succeed



Ruggedcom cybersecurity expertise
With RUGGEDCOM networking products developed and built in state-of-the-art manufacturing facility in the Greater
Toronto Area, Siemens is bringing reliable industrial networks to customers all over the world in electric power, transportation, oil & gas and other mission-critical industries. Ruggedcom's portfolio also includes network consulting services and cybersecurity solutions created in partnership with cybersecurity market leaders.



Siemens Canada Engineering and Technology Academy (SCETA)

SCETA gives engineering and engineering technology students in Canada the educational and professional foundation they need for successful careers. As of the end of 2019, 59 students had completed the program, and all were hired full-time by Siemens. The excellence of SCETA has been recognized with an Ontario Business Achievement Award (OBAA) in Skills and Training, and two prestigious awards from the Ontario Society of Professional Engineers (OSPE).



Women in Engineering (WIE)

WIE is a collaboration platform for women in engineering who work within various corporate groups and operating companies across Siemens Canada. Special events are held – opening the doors at Siemens facilities such as at Ruggedcom, Trench and Corporate Headquarters – to encourage and inspire women to choose engineering as a career path.



Driving innovation

- 30 healthcare research collaborations
- \$35.7 million awarded to Siemens, NB Power and Nova Scotia Power by the Canadian government for the Smart Grid Atlantic pilot project

A key strength of Siemens is the innovation we unleash to make life better for people. In Canada, this takes many forms, such as through our involvement with various organizations which are bringing together stakeholders from industry, transit and academia to develop the next-generation of low-carbon smart mobility technologies.

In addition, we're part of the federal government's "innovation supercluster" initiatives – one to spur development in next-generation manufacturing and the other to lead the way in harnessing the

potential of the oceans. We're sharing our leading expertise in digitalization to help transform both sectors.

Within our organization, we're also finding new ways to tap our people's creative brilliance. One example is our Employee Innovation Challenge. As of the end of 2019, more than 40 finalist ideas had been presented to management, with seven resulting in product or solution sales, another seven in development, and three more implemented as internal process improvements.

Thinking creatively to find new solutions



Charging stations for buses

We're helping communities like Montreal, Vancouver, Newmarket and Brampton move toward a green future with electric charging stations for buses that utilize open standards and protocols.



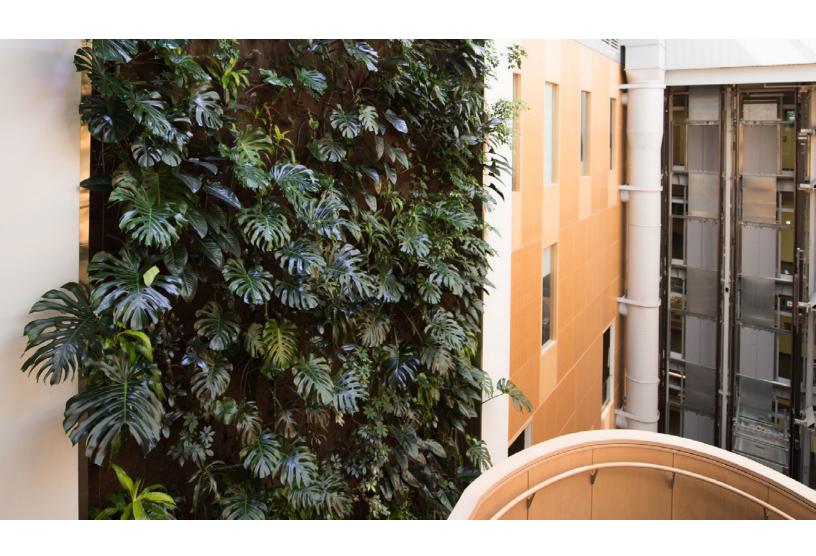
SeaFloat power plants

SeaFloat, is a floating, mobile power plant that can be powered by aeroderivative gas turbines made by Siemens AGT in Montreal. These floating power stations can supplement megacities' power needs, and quickly respond in the case of natural disasters. On a 20-year agreement, SeaFloat is helping meet New York City's renewable ambitions.



Factory of the future

Our next-generation operating model (NGOM) – based on pioneering digitalization – has made a huge difference for Canadian company **Husky Injection Molding Systems**. It has sped the entire end-to-end manufacturing process from 45 days down to just four at one of Husky's plants.



Sustaining the environment

- \$400,000 donated to Tree Canada, plus about 12,000 trees planted since 2012, which will help to eliminate 37 tons of carbon dioxide in the next 50 years
- 2.8 GW of clean power generated by wind turbines
- 2030 is the year by which Siemens aims to be carbon neutral

Climate change and environmental degradation are significant threats to the planet. Canada aims to be at the forefront of developing and implementing solutions, and Siemens is active on a number of fronts to help make that happen.

Of note, Siemens Gamesa Renewable Energy Limited is helping Canada harness the potential of wind power, with more than 1,250 Siemens Gamesa wind turbines delivering a nameplate capacity of almost 2,800 MW. Most recently, Siemens Gamesa signed a contract for a wind project that will feature the country's most powerful turbines and largest rotor.

Complementing that, we're leading the way on a range of initiatives with educational institutions that are having a significant impact. For example, we've made equipment donations and provided our expertise to help the British Columbia Institute of Technology update its curriculum and Smart Grid Lab — helping nurture the next generation of talent to lead Canada toward a sustainable future.

It's all part of why we were named among the top 100 firms in the "Corporate Knights" list of most sustainable publicly-traded companies across all industries with annual revenues in excess of \$1 billion. Among other criteria, it reflects our exceptional performance in energy and carbon productivity and investment in innovation.

Making sustainability a priority



Thousands of trees planted

Between 2012 and 2019, our employees planted more than 12,000 trees, which over the next 50 years will provide enough CO₂ sequestration to be the equivalent of diverting emissions from a car driving around the world about 4,000 times. It spurred **Tree Canada** to recognize us with an Eterne Award for outstanding environmental stewardship.



Revolutionary commuter vehicle

Two entrepreneurs had a breakthrough idea for a three-wheeled, single-commuter electric vehicle. Despite the development team of just two people, and a limited budget for the project, Siemens PLM software enabled the niche company – Electra Meccanica – to go from vague concept to prototype for the manufacturing of 75,000 ultra-environmentally-friendly cars in just 18 months.



Geothermal heating and cooling

Building on a 20-plus-year relationship with **Durham College** in the Greater Toronto Area, we helped the institution further enhance its reputation as one of Canada's greenest. A new geothermal system for heating and cooling has been put in place that is projected to reduce greenhouse gas emissions by more than 50% at the college's largest building.



Improving quality of life

- 20+ years of Siemens partnering with Cystic Fibrosis Canada to raise more than \$2 million
- 31 million procedures each year in Canada involving Siemens healthcare products

People in Canada are fortunate to enjoy a quality of life that is among the best in the world. We're proud at Siemens to help the country take that standard to an even higher level.

For the City of Mississauga, for instance, we're using technology and data as a way to advance the common good. Thanks to our City Performance Tool, we have found ways how Mississauga can reduce greenhouse emissions by more than 81 per cent and create more than 290,000 jobs by 2050.

In Manitoba, we're helping future-proof the province, by enabling it to have a reliable, high-capacity electricity highway – the Bipole III transmission line – that will carry renewable energy to benefit all of the province's citizens for decades to come.

We also practice what we preach when it comes to the lives of our staff, who took nearly 11,000 hours of environmental health and safety courses in 2019. In 2019, our Total Reportable Injury Rate (main indicator to assess safety consciousness of employers) was 0.61, which is an improvement of 28% compared to 2018. In addition, our Lost Time Injury Frequency Rate (number of lost time injuries in a workplace per one million person-hours worked) was 0.17, an improvement of 22% versus 2018. We were recognized by the Ministry of Labour for our efforts in maintaining a zero-harm culture, receiving the largest Workers Compensation rate reduction in Ontario under the government's new rating system.

Saving the lives of Canadians









Shaping societal transformation

- 4,000+ used laptops donated to charities after being refurbished by about 750 Siemens volunteers
- 16% of Siemens Canada engineers are women, which is above the Canadian industry average of 13.5%
- 2019 was the year we launched Diversity@
 SiemensCanada

Societal transformation is a multidimensional process, and we're uniquely positioned to be a key player on a range of fronts.

It starts with technological leadership, which, among other things, can help to fundamentally change how we think of energy. Innovative work with battery storage, for instance, is helping us transform remote areas, as we co-install it with existing diesel generators to reduce fuel consumption, and integrate it with renewables to help maximize the output of clean power.

In the medical space, we've introduced a number of breakthrough innovations to help the healthcare system, including a new magnetic resonance scanner. The machines deliver faster patient setup and scanning to reduce overall examination time and shorten patient waiting lists. They can also accommodate patients with different physical challenges.

Helping people in need



Partnership with WE Charity

In 2017, we started a partnership with **WE Charity** – a Canadian-originated international non-profit organization that empowers youth to make a difference in local and global communities. We have donated cutting-edge, fully integrated building technologies to WE's Global Learning Center in Toronto, and been a sponsor of WE Day Toronto, a stadium-sized youth empowerment event that engages tens of thousands of students.



Cents4Sense initiative

In 2019, we launched our Cents4Sense initiative, which enables employees to donate the dividend from a single Siemens share. The donations support international projects run by **Siemens Stiftung**, a foundation active in the areas of education, developmental cooperation and culture. That includes training school teachers, helping social entrepreneurship projects for clean water, and healthcare.



Laptop donation and refurbishment

Since 2010, we have partnered with Corporations for Community Connections, to donate and refurbish over 4,000 computers for use by over 50 charitable organizations and high schools across Canada, ultimately helping more than 45,000 people. About 750 of our employees have volunteered their time for the program.

Bringing it all together

Business to Society in the Atlantic provinces

One of our proudest achievements for Business to Society is how we can make a profound difference for people by making contributions that span multiple pillars in one geographic region. Our activities in the Atlantic provinces illustrate the point.

Our efforts began by building a special relationship with the people of New Brunswick's utility, NB Power – working closely with them to modernize the province's power grid. That has meant increased resiliency, more renewable integration, decreased carbon-emitting generation sources, and support for

customers' desires to be more involved in their relationship with energy.

Our bonds with NB Power have spawned other transformational initiatives within both the public and private sector that are extremely valuable for all Atlantic province citizens. It is particularly exciting, for example, that we have been able to be a catalyst for people to put solar panels on their houses, drive electric vehicles, install smart thermostats and water heaters, and even sell unused power from their own homes back to the grid.



Building a bright future for Atlantic Canada



Smart grid global centres of competence

In 2012, as part of our partnership with NB Power on delivering a roadmap for grid modernization, we established **two global centres in Fredericton**. One is for smart grid consulting, while the other is focused on R&D for smart grid software. Both have hired New Brunswickers while also attracting international talent.



Smart Grid Innovation Network

Since 2016, as a collaborative partnership alongside **NB Power** and the **University of New Brunswick**, we have helped vendors get their products and solutions "Smart Grid ready." We have enabled them to overcome technical hurdles that are difficult to solve independently, whether it's startups with new concepts to validate, established companies interested in integrating their products and services with smart grid solutions, or smart grid firms seeking to enhance the interoperability of their solutions.



- 3 global centres located in Canada: smart grid consulting, smart grid research and development, and cybersecurity
- 2016 was the year the Smart Grid Innovation Network was launched
- 500 residents of Shediac are part of a smart energy community to support research on potential new energy technologies





Cybersecurity global centre

In 2018-19, we launched a global cybersecurity centre – in partnership with **CyberNB** – to support cybersecurity work in New Brunswick and at NB Power. This has established the province as a Canadian epicentre for Siemens work around the globe. In addition, as part of this initiative, we have established a partnership with the University of New Brunswick's **Canadian Cybersecurity Institute** (CIC).

Smart Grid Atlantic project

Announced in 2019, this four-year, federally-funded initiative will help Atlantic Canada move to a smarter, cleaner, more resilient, and more efficient power grid. It features four **smart energy community projects** that deliver insights into how customers can best use energy in the future, reduce their energy bills and help the region move closer to eliminating carbon emissions from power generation. The initiative also includes developing a cloud-based **Energy System Platform**. This software will facilitate the transition of the electric energy sector into a low-carbon future. The work is being done collaboratively with NB Power and Nova Scotia Power, and supported with more than \$35 million in funding from the federal government's **Strategic Innovation Fund** (SIF).

Committed to Canada

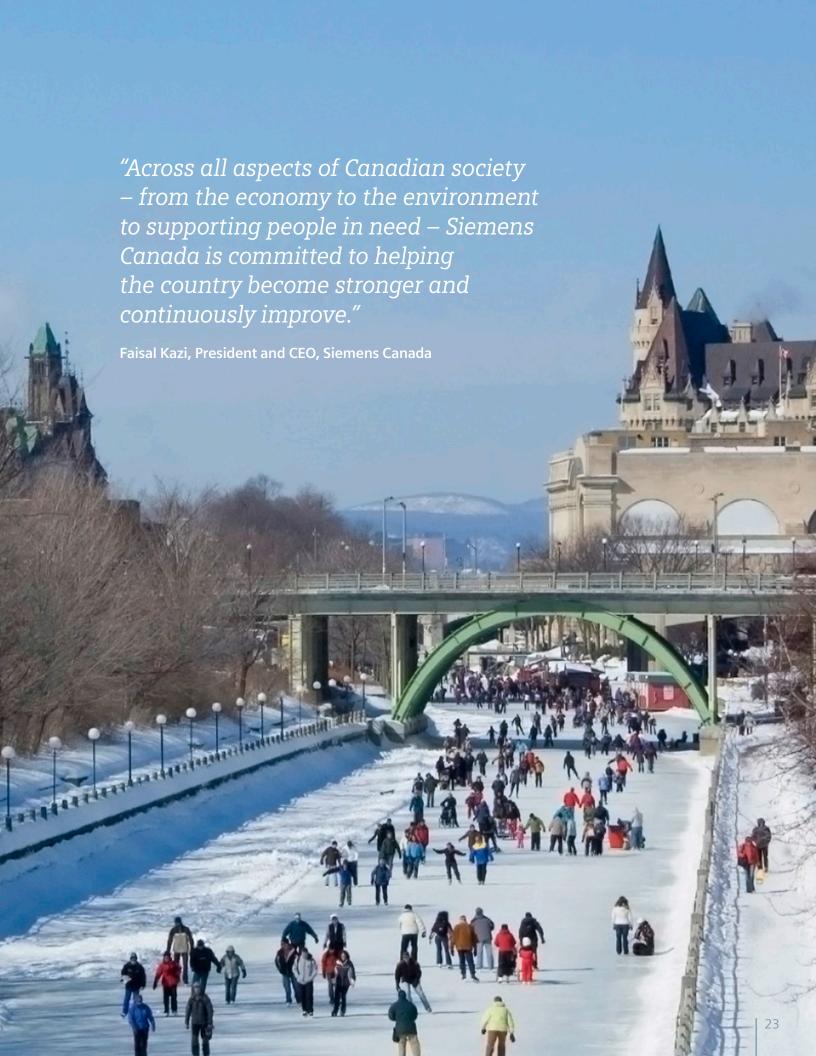
Through Ingenuity for life, our company and our people are improving Canadian society

This Business to Society report has been prepared to offer a snapshot of the many ways we are making a difference in Canadian communities and individuals from coast to coast to coast.

It illustrates our focus on strengthening the economy, developing jobs and skills, driving innovation, sustaining the environment, improving quality of life, and shaping societal transformation.

Delivering Ingenuity for life is the mantra we follow every day. Reflecting our intense passion to help make Canada a better country for its citizens, we are channelling our collective talent and energy toward enabling Canadians to lead healthier, more productive and more prosperous lives.





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