

**SIEMENS**

*Ingenio para la vida*



# In Argentina for Argentina

Business to Society Report

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



*“Companies are part of society, and for this reason we have been working continuously for 100 years to help develop the country and the communities in which we operate”.*

# Business to Society Report

## Introduction

At Siemens, we believe that companies can only really achieve long-term success if they meet the needs of the society in which they are operating. This means that they have a duty to support economic and social development, and that they should add lasting value to the countries and communities in which they work. This means that we have to measure the success of our company in ways that go beyond economic profit.

Companies such as Siemens have to demonstrate that their commercial interests are in line with national development programs, and play an active role in the development of the country. As companies, we have to be able to show how the public benefit from our commercial operations.

Being a responsible company means working with society and being part of long-term social development.

### Legitimacy

Companies are an essential part of the road to a society that wants to progress and be prosperous. Naturally, this contribution can only be made if the company is competitive and profitable, enabling it to generate value in terms of innovation, investment, employment creation and the payment of taxes, for example

### Evaluation

Companies generally view the world in terms of their own commercial activities, but we have drafted this document

from a different perspective, identifying firstly what is important to the country, in areas such as economic growth, job creation, infrastructure, the environment and quality of life, before evaluating our actual contribution to these key aspects.

### We are not working alone

Siemens and its employees are not working in isolation within society. We maintain extensive relations with the public, government, customers and suppliers. We use these relations to add value, and as such this study focuses on identifying this contribution in a specific and measurable fashion.

### A better company

We believe that this work will help us to improve our company, guiding our strategy plans and future decisions, thereby enabling us to operate more sustainably and to consolidate our position as a key player in the development of Argentina into a fair and prosperous nation.

### Methodology

Siemens has developed this methodology on the basis of “Measuring Impact Framework” of the World Business Council for Sustainable Development (WBCSD), of which we are members both globally and locally through the Argentinian Business Council for Sustainable Development (CEADS).

# What is important for Argentina?

Argentina is a country full of opportunities and major challenges. There are pressing needs relating to infrastructure, opportunity creation in industry, job creation and reducing poverty and social inequality. The country offers a wide range of opportunities for stimulating growth in sectors such as agribusiness, transportation, mining and energy based on qualified workers, abundant and diverse natural resources and a technological and industrial tradition that form a production platform with high competitive potential.



## Driving the economy

Achieving zero poverty, tackling drug-trafficking and uniting Argentinians are key objectives of the Argentinian government.

For this purpose, it plans to recover sustained growth with high levels of investment, banking on key sectors such as agribusiness, energy, transport, manufacturing and mining, among others, that represent a significant part of GDP.

In all of these sectors, technology plays a central role as a catalyst for competitiveness and efficient infrastructure.



## Creating jobs and developing local skills

With more than 1 million people out of work, job creation is a key challenge for achieving zero poverty.

Apart from the significant current level of investment in education (nearly 6% of GDP), Argentina is facing an urgent need to improve the quality of its education system.

The development and specialization of personal skills will help to fully exploit the potential of the country, incorporating it intelligently into the world.

State and companies must think and act strategically to achieve this objective.



## Innovating with added value

Innovation is necessary for the development of a modern competitive economy.

For example, Argentina requires innovative solutions to overcome the energy emergency, building intelligence into the networks and renewable energy sources.

At the same time, the most important industries need to increase their degree of automation and improve their energy efficiency to make them more competitive.

While digitization is advancing in all fields, exporting knowledge-based services also represents a major opportunity for creating qualified work and generating foreign exchange to develop the country.



## Caring for the environment

The country is becoming increasingly aware of the pressing need to fight against climate change.

Evidence of this includes:

The action plan submitted at COP21 commits the country to reducing greenhouse gas emissions by 15% by 2030, which is in any case an objective that we should undertake to achieve easily.

The objective of the new Renewable Energy Law 27.191 is to achieve a 20% share for these technologies in the energy mix by 2025.

The city of Buenos Aires signed a commitment with the C40 to promote the use of passenger vehicles driven by cleaner energy by 2020.



## Improving quality of life

Total life expectancy is 76 years, putting Argentina 55th in the WHO global ranking.

But quality of life is determined by many other factors, including access to and quality of basic services such as water, sewerage, education, housing, safety, infrastructure and environment.

The State naturally plays a central role in this regard, but companies have the ability and responsibility to contribute to the welfare of the society in which they operate, both in terms of their business strategies and their sustainability policies and specific social and environmental actions.



## Supporting transformation

SMEs currently generate around 30% of GDP and 45% of local jobs. They are a key driver in development of the country.

Argentina fairs very badly (>100) in international rankings on transparency and perception of corruption.

The Gini coefficient is 0.364, which leaves plenty of scope and need for medium-term improvement.

In any case, the public and private sectors have to work together to achieve real transformation for the benefit of society.

# Siemens value Map

## Our contribution to sustainable development in Argentina



### Driving the economy

**Our contribution to GDP:**  
We export products and services to more than 20 countries around the world, for an equivalent of 500 million pesos in 2015.

~1.2 billion pesos paid in taxes, wages and social security contributions in 2015.

**Our contribution to energy generation:**  
We have contributed ~80% of the installed electricity generation over the last 10 years.

**Our contribution to energy transmission and distribution:**  
We are responsible for ~50% of the 500 kV transformer substations installed over the last 10 years.

**Our contribution to transport:**  
We are responsible for ~70% of the electrification of the railway infrastructure.

**Our contribution to the automotive industry:**  
We contribute ~70% of annual vehicle production.

**Our contribution to the food and drinks industry:**  
We provide ~40% of soya and sunflower milling production capacity.



### Creating jobs and developing local skills

**Job creation:**  
~1,400 employees work for the local company directly.

We buy products and services from ~15,000 SMEs in 17 different provinces, helping to develop the regional economies around the country.

**Diversity:**  
22% Baby Boomers  
39% Generation X  
39% Generation Y  
20 different nationalities

**Employee training:**  
~17,500 hours' training provided to our employees in 2015.

**Technology training program:**  
~800 external attendees were trained in automation technology and digital control.

**Partners and Suppliers:**  
~1,000 indirect jobs created through our Solution Partners network.



### Innovating with added value

**Electrification:**  
Argentina has >30 GW of installed power, and more than a third of this is generated using Siemens technology.

**Automatization:**  
~70% of the 20 largest export companies in Argentina use Siemens technology on their production lines, which makes them more competitive internationally.

**Digitalization:**  
30 GB are generated every day by each Siemens gas turbine, and this information is used to manage them and to achieve availability levels of up to 99%.



### Caring for the environment

**Our contribution to caring for the environment:**  
In 2015, we reduced gas consumption by 683 m<sup>3</sup> and our own energy consumption by 190 MWh.

For the third year running, the company achieved "Forest Neutral" certification thanks to our integrated plan for paper use reduction, recycling and tree planting with Banco de Bosques.

**Environmental portfolio:**  
We helped to reduce total CO<sub>2</sub> emissions by 487 million tons last year.

**Our commitment to the future:**  
We have made a global and local commitment to reducing our carbon footprint to zero by 2030.



### Improving quality of life

**Healthcare:**  
75% of Argentinian laboratories use our technology directly or indirectly to process highly complex clinical analyses.

**Employee contribution:**  
In 2015 we ratified the Work & Life Balance program of the European Institute of Social Capital (EISC).

87% of our employees are committed to the company.

**Siemens Foundation:**  
More than 1000 "Siemens Experimento" boxes were donated to public schools to encourage children to get into science and technology.



### Supporting transformation

**Our contribution to good corporate governance:**  
We encourage ethical behavior to generate more transparent market conditions.

Our compliance program is currently a benchmark in the market.

We work together with institutions and organizations such as UDESA, IDEA, IAE and AHK to implement information dissemination actions with a view to making markets more accountable.

We agree collective actions with competitor companies to set transparent rules.

Internally, around 1000 employees have been trained in compliance issues.

Our suppliers and partners are also committed to our strict codes of conduct.



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# Driving the economy

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**~1.2 billion**

pesos to the local economy in the form of taxes, wages and social security contributions in 2015

We export value-added services to

**20 countries**

this is equivalent to

**+ 500 million pesos**



# Our contribution to GDP

Argentina is the largest Spanish-speaking economy in South America, and the third largest in Latin America behind Brazil and Mexico.

The current government has set goals for the country for 2019, which include notably an increase in GDP of around 3%, single-digit inflation and a significant drop in the fiscal deficit.

In 2015, Siemens paid more than 1.2 billion pesos directly and indirectly in the form of taxes (gross income, municipal taxes, tax on checking accounts and earnings), wages and social security contributions, making a significant contribution to the national economy.

But aside from its economic contribution, the real value provided by Siemens is in the technological contribution to key sectors such as energy, industry, transport and healthcare, making them more efficient, safe and competitive.

By way of example, the industrial sector—in which we are a leading supplier of technology for improving efficiency—represents around 20% of GDP and is one of the key growth drivers in the country.

## Challenges and future commitments

As a developing country, Argentina has faced multiple political and economic challenges in recent decades that have limited investment and national growth, periodically affecting the markets in which we operate.

However, we are committed to focusing on the objective of creating long-term value, and that is why we have been working in the country for more than 100 years.

From the outset we have worked on responding to the main megatrends that affect the current and future generations in society, including urbanization, demographic change, climate change, globalization and digitization.

And we consistently offer our clients our portfolio and expertise in the fields of electrification, automation and digitization to enable them to tackle these challenges.

Siemens was responsible  
for



of the electrical energy capacity  
installed in the last 10 years

## Our contribution to Energy Generation

Argentina is facing major energy challenges today and in the medium term. Our studies suggest that electricity demand in the country could double in the coming 15 to 20 years. This means that all of the electricity infrastructure installed in the last 100 years (generation, transmission and distribution) will need to be doubled over the next 15 to 20 years.

Simultaneously, this infrastructure will need to be able to incorporate clean-energy sources, thereby helping to conserve our planet. Argentina has passed a renewable energy law that is intended to ensure that 20% of the energy used is generated using such resources by 2025.

Given the country's unique geography and very favorable winds, our wind turbines will play a key role in this.

We are destined to play a key role in reducing CO<sub>2</sub> emissions, including using versatile and highly efficient combined-cycle designs, since thermoelectric power plants will continue to play an important role in the network for many years to come. Most of these plants currently use dual burners (gas and liquid) incorporating combustion technology ensuring low atmospheric contaminant emissions. The quality of our products and services ensure very high availability and reliability in the fleet serviced by Siemens in Argentina (which in some cases exceeds 99% annual).

Our contribution to energy generation is a key factor for the national economy and the well-being of the population.

As part of this contribution, Siemens also provides experience and know-how through service contracts to maintain and operate electricity power plants throughout the country. We use highly qualified staff to perform daily and preventive maintenance, supply critical parts, carry out repairs and engineering work, and provide remote monitoring for performance diagnosis. Furthermore, we have operational service centers manned by field, store, logistics and administrative staff who are responsible for planning and executing maintenance tasks in the fleet of gas and steam turbines and generators installed in Argentina, Uruguay and Chile.

These activities are carried out at facilities covering a total of more than 4,800 m<sup>2</sup>, including workshops, machine rooms, special devices, tools, storage and warehousing zones, and equipment for moving heavy materials (overhead crane).



One of every  
Two 500 kV  
stations

built in the last 10 years in the country  
uses Siemens equipment

## Our contribution to Energy Distribution and Transmission

Argentina underwent a radical change in the way the electricity system was operated in the 1990s, and a subsequent expansion of the extra-high voltage network in the following years.

Siemens was involved in these changes, providing high-technology products and solutions. One of the last substations incorporated into the interconnected Argentinian system (the 500 kV Guillermo Brown switching station at Bahía Blanca) includes the very latest substation automation technology based on international standard IEC 61850.

Our company has provided this next-generation technology to various clients in the public and private sectors, for projects in Argentina and elsewhere in Latin America, using the expertise provided by our local specialists, who take care of the related engineering, in-factory testing and commissioning.

Our Integration and Services Center implements substation protection and automation systems and inter-substation communication systems. This center is located in the district of San Martín and covers a total area of 1,600 m<sup>2</sup>.

Local integration is essential when developing made-to-measure solutions for clients.

The fact that the rate of growth in electricity demand continues to increase, combined with the incorporation of non-conventional distributed generation in the coming years will require intelligent systems that guarantee stability of the networks and quality of service.

Siemens has solutions based on "Smart Grid", "Micro Grid" and "Meter Data Management" that enable these issues to be tackled using varied, integrated approaches.

On the other hand, the concentration of demand continues to lead to compact substation solutions for all voltage levels that can be installed in large cities while occupying limited space and minimizing environmental impact.

In Argentina, numerous clients in segments as diverse as passenger transport (metro and overground trains), electricity, oil and gas operators, and the manufacturing industry in general are all currently using our reliable products and services provided by local specialists with outstanding experience.



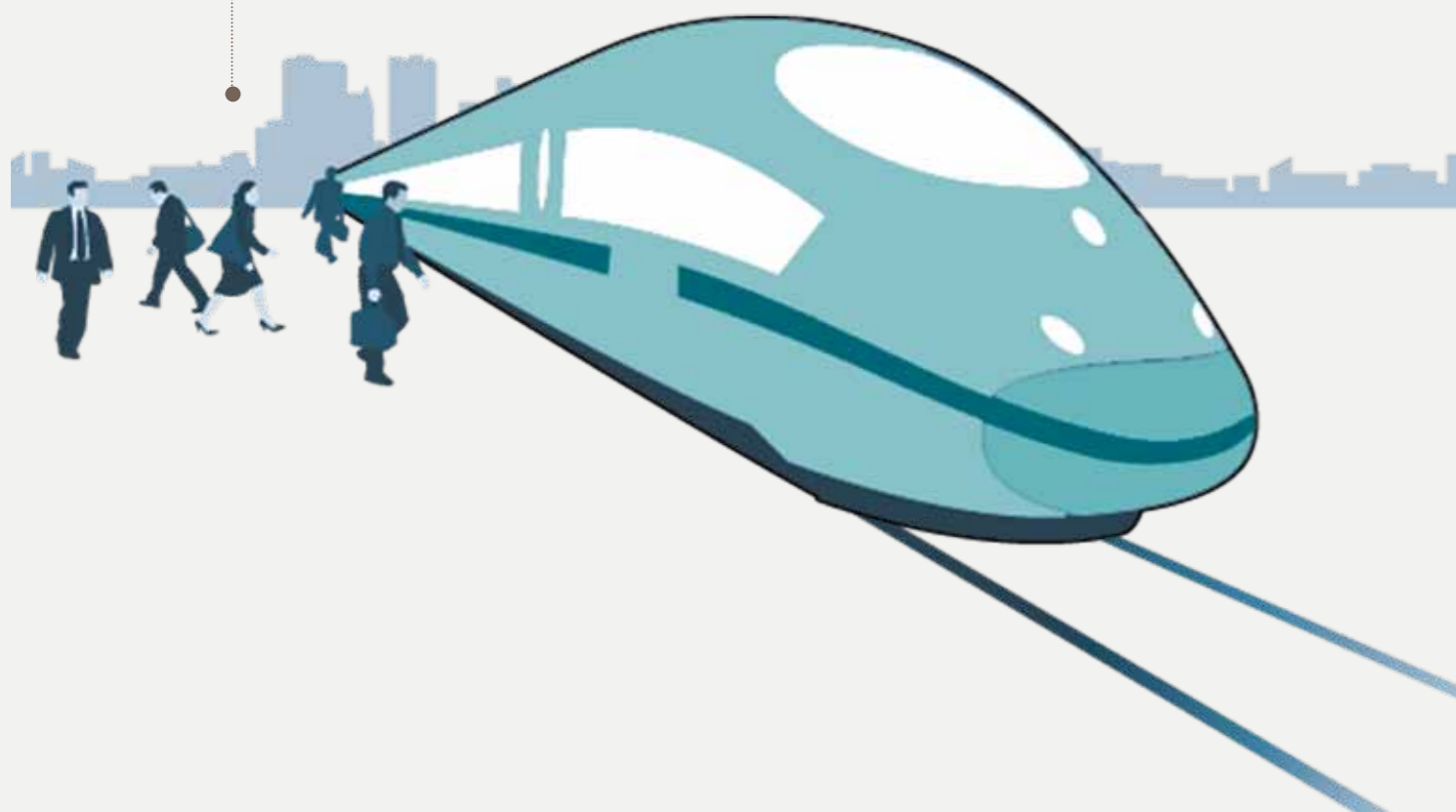
~300,000

passengers will benefit from modernization of the Siemens signaling system on metro lines C and H every day

We have electrified

70%

of the urban rail, metro, trolley bus and tram system



## Our contribution to More efficient, safer transport

There is a long tradition of public passenger transport in our country, where Buenos Aires is the main structural element of the urban and intercity transport network.

At Siemens, we have been pioneering the use of mobility solutions and technology in Argentina for more than 100 years. A good example of this is our contribution to the recent modernization of the electrification of metro line A, the first section of which was opened on December 1, 1913, making it the oldest metro system in Latin America.

In 1928, Siemens built metro line B. Both lines were designed to support the east-west urban expansion of this city that took place during those years. Since then, we have helped to provide technology solutions for signaling, electrification systems and intelligent control technology throughout Argentina.

Public urban passenger transport in the city is based on a metro network that currently includes six lines with a total of 53 km of track and 83 stations, transporting around a million passengers every day.

Siemens is currently modernizing the signaling system for metro line C, which links the Retiro and Constitución stations, connecting the north and south of the city and serving 300,000 passengers every day. Furthermore, in order to increase transport capacity and improve safety, Siemens will be installing its Trainguard MT train control system (CBTC technology).

Moreover, Siemens has also implemented the first communication-based train control (CBTC) signaling system on line H, which helps to significantly increase transport capacity, and this is currently the most technologically advanced railway signaling system in Argentina.

The passenger railway network serving the Buenos Aires metropolitan area covers more than 1,500 km between main and branch lines, with 180 stations and 800 level crossings. This infrastructure enables the carriage of more than one million passengers every day in a star configuration with its center in the City of Buenos Aires, connecting the heart of the city with areas to the north, south, east and west.

Siemens, a key player in the electrification of this national network, is currently installing the power supply system for the Avellaneda–La Plata del F.C. Roca branch line, and as such is fitting out more than 70% of the substations powering the urban railways, metro trains and trolleybus and tram services in Gran Mendoza, in accordance with the highest possible standards of technology, quality, safety and reliability.

With its extensive experience in the field of mobility, Siemens is currently an important advisory and supply partner for mobility solutions designed to better suit current and future needs in the country.

At the same time, as a technology leader in electric and hybrid bus transport around the world, we are developing novel concepts in urban, electric and hybrid mobility that will allow us to install these technologies in Argentina in the short term.

We are also working on implementing innovative transport management systems that will improve road traffic safety in cities and roads, and enable more efficient use of the road infrastructure, protecting roads and the environment.



~70%

of national vehicle production is undertaken using Siemens equipment

45%

of these vehicles are exported to neighboring countries or other continents

generating revenue streams exceeding

**10 billion dollars**

in annual exports

## Our contribution to Automobile Industry

Argentina is the second-largest producer of automobiles in South America, with production peaking at one million automobiles produced. The world's main automobile manufacturers are present in the country, investing every year in improvements and new models.

This industry employs thousands of qualified workers and also supports innumerable SMEs providing car parts to the domestic market, as well as exporting high added-value technology.

The automobile industry is an "industry of industries", since it requires chemical, metal, textile and mechanical suppliers, among many others.

In 2015, the Siemens equipment used in these industries helped to efficiently manufacture approximately 70% of total vehicle production. Of this production, 45% of the vehicles are exported around the world.

Siemens globally optimizes operations in the automotive industry, from efficient product design to automated flexible production, and plant maintenance.

Our PLCs, drives and solutions control assembly lines, painting, sheet metal and stamping plants for the most important manufacturers in the country, including Volkswagen Argentina, PSA Peugeot Citroën de Argentina, Mercedes Benz Argentina, Scania de Argentina, FCA Fiat Chrysler Automóviles, Renault Argentina, Ford Argentina, General Motors de Argentina and Honda Argentina.

Siemens automation technologies are also used in robotic welding systems, integrated with drive systems on conveyor lines and switching equipment.

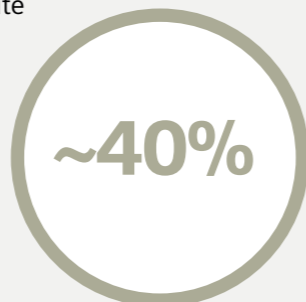
Our solutions also enable efficient energy management, ensuring the appropriate electrification of processes. Siemens management and operating software technology with applied IT equipment strengthens processes at observation and control stations.

Finally, Siemens digital control technology for machine and tool automation enables these companies and related car part suppliers to manufacture more complex, sophisticated components using highly efficient precision tools.

Siemens technology is of key importance in the automotive industry to maintain the levels of innovation and competitiveness required in this challenging global market.

To help achieve this objective, Siemens applies the Industry 4.0 concept to this industrial segment, in which digitization is positioned at the center of the entire life cycle of automobile production.

Siemens control systems contribute



of soya and sunflower milling production capacity

This sector provides approximately

1/3

of the country's exports

# Our contribution to the Food and Drinks Industry

Argentina is one of the world's most important producers of food and drinks, based on a huge farming and livestock tradition. This industry comprises both large global industrial groups and important historical national companies that transcend the world.

In Argentina, the food and drinks industry employs around 500,000 workers directly and contributes more than 4% of GDP, as well as being one of the central tenets of our exports.

This industry covers a wide variety of products, including notably dairy products, milled grain, oil production, production and packaging of fresh and frozen meat, confectionery and bakery products, soft drink production, beer and spirits, to name a few.

Food and drink production uses a huge number of manufacturers of machinery of all types, both for the production process itself and for secondary packaging processes, which are noteworthy for the ingenuity that can apply to resolve complex and demanding challenges in terms of precision and efficiency. In turn, the production processes need to be implemented with high standards of quality, and as such require constant operation and monitoring, as well as intelligence for managing production and subsequent shipment of the goods.

Siemens in Argentina provides high added-value in the solutions for these industries, including notably the following examples: one of the largest soya milling plants in the world, Renova, chose the Siemens control, drive and switching platform, which provides it with a robust, high-availability system that can be integrated with innumerable complementary and auxiliary systems.

These Siemens control systems currently contribute more than 40% of soya and sunflower milling production capacity.

Our automation, switching, instrumentation and drive technology can be found in the pasta production machines at the company Molinos Rio de la Plata, in the cookie and confectionery production machines at the Arcor factory, and in the seed milling and oil production processes at Bunge, Dreyfus, Molinos and Cargill.

Our technology is commonly found in all processes on Coca Cola production and bottling lines, including production, bottling and shipment, bottle washing and palletizing.

Our distributed control technology enables the production of innumerable lots of beer every day at the historical Quilmes brewery (AB Inbev) and in many other production sites around the country, ensuring that each batch is perfectly logged and stored.

Siemens is a local supplier par excellence in the highly global industry that is food and drink production. The challenges of these industries are our own challenges, and we help to increase production by guaranteeing process continuity and operational efficiency, enabling companies to compete on an international stage.



Our mining solutions and equipment helped our clients to export to

**68 countries**

generating a total of

**4 billion dollars**



# Our contribution to Mining and Cement Production

Mining is an activity with great potential and future for Argentina. The same is true of cement production, which is a key factor in the development of the infrastructure of our country.

These industries employ thousands of people, make a significant contribution to GDP, and attract major investment.

In recent times, these sectors have exported to some 68 countries for a total of around 4 billion dollars.

In terms of cement production plants, major companies such as the Intercement Group (Loma Negra), Lafarge Holcim (Minetti), Cementos Avellaneda and PCR have more than 16 plants installed around the country, contributing to an annual cement production exceeding 12 million tons.

Siemens is a leading supplier to these industries, providing solutions and equipment that facilitate critical mining processes such as grinding, transport, operation and control, electrical and mechanical drive technology, motion control and automation systems, which help to make processes more efficient, safe and available.

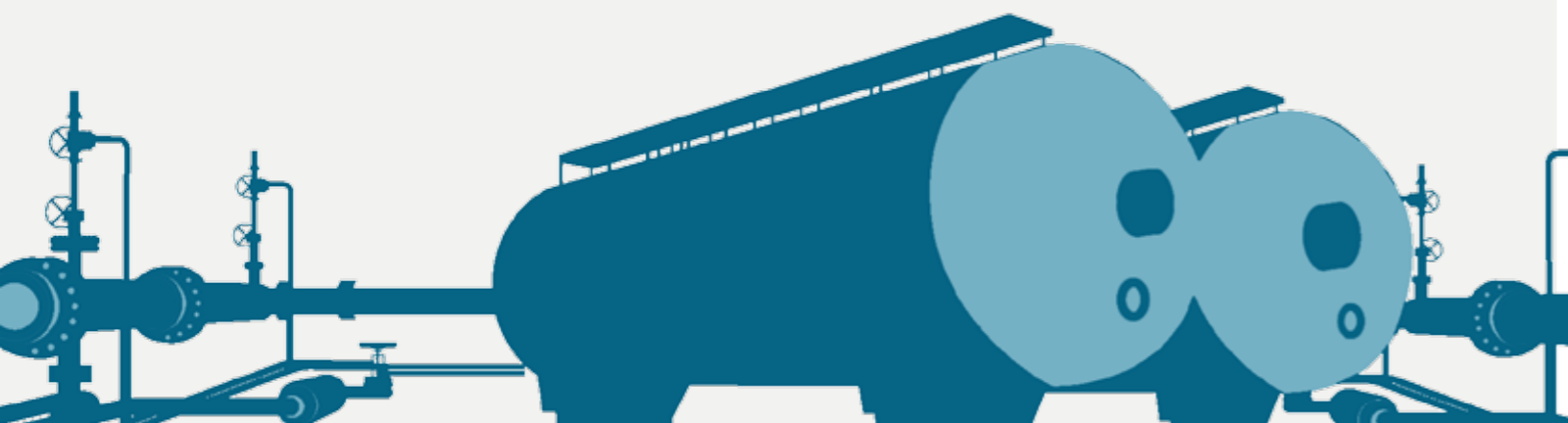
Our instrumentation, control and drive technologies facilitate the safe and profitable operation of vital processes, such as mills and clinker kilns.

Siemens is one of the main all-rounder providers in the Argentinian mining industry, based on its new technologies and special drive systems, switching, control and monitoring equipment, which facilitate maintenance tasks and optimize energy consumption.

The Argentinian market is characterized in particular by the mining of highly important minerals such as copper, gold and silver, and more recently lithium, which are used to produce metals, pharmaceutical products, chemicals and electronics, which nowadays are essential for human development.

**116  
million**

tons of grain produced using  
Siemens technology



## Our contribution to the Chemical and Petrochemical Industry

The chemical and petrochemical industry accounts for more than 12% of the added value provided by Argentinian industry, and employs more than 110,000 workers. There are currently more than 250 companies manufacturing intermediate-use chemicals that are used in a wide variety of applications, including agricultural chemistry, domestic, essential items such as commodities and value-added items such as paint, fuel, plastic, construction and many others.

During the 2014/2015 agricultural season, Siemens made a technological contribution to the production of agricultural chemicals, which support the production of more than 116 million tons of grain, for domestic and external consumption.

Companies such as Atanor, Bayer, Basf, Lanxess, Pirelli, Fate, Dow, Monsanto, Petroken, Saint Gobain and Unilever use cutting-edge Siemens control technology in their processes and run their facilities using Siemens drive and control systems.

In order to minimize risks to people and the environment inherent in the domestic use of chemicals, companies such as SC Johnson use Siemens instrumentation and distributed control platforms.

Furthermore, the main producers of biofuels in Argentina have automated their facilities using Siemens technology, along with other companies in the related value chain, such as Evonik, which opted for Siemens standards in the fields of process control and energy management.

### Future challenges

International price volatility in fuels and raw materials requires producers in different sectors to continuously improve efficiency in their industrial processes.

By way of example relating to the efficient use of energy, Siemens' work to develop motors has helped to reduce consumption using monitoring systems, thereby facilitating the rational and controlled use of machines and equipment.

~40%

of "clean rooms" use Siemens automation technology

5 billion dollars

Total output of the pharmaceutical sector in Argentina



# Our contribution to the Pharmaceutical Industry

Global megatrends, which include demographic growth and population ageing, create the need to produce new and more efficient drugs.

With 230 laboratories and more than 100,000 workers employed directly and indirectly, Argentina is a major producer of drugs in the world.

The leading 20 laboratories by turnover, representing 60% of the market, are mainly funded using Argentinian capital. Furthermore, Siemens automation technology makes a significant and central contribution to the more than 5 billion dollars generated by pharmaceutical production in Argentina (40% representation in "clean room" facilities).

The scale production of drugs is subject to strict safety and quality controls, as required by the relevant authorities. Control and automation technology is used for this purpose, which Siemens supplies directly and with value added by its partners.

Our control systems can be found in the gel capsules production plants operated by Catalent and Bocard, and our complex production systems can be found in the Sinergium facility and Roemmers, GSK and Bayer pharmaceutical production plants.

The machine manufacturers supplying the pharmaceutical industry with Siemens automation and control technologies represent a very important sector in our country. Many of these manufacturers are associated with added-value suppliers and Siemens partners that are able to supply machines satisfying international quality standards, and they are major suppliers in Latin America and Europe thanks to the performance levels provided by Siemens technology, which are intended to satisfy the regulations of FDA CFR 21.

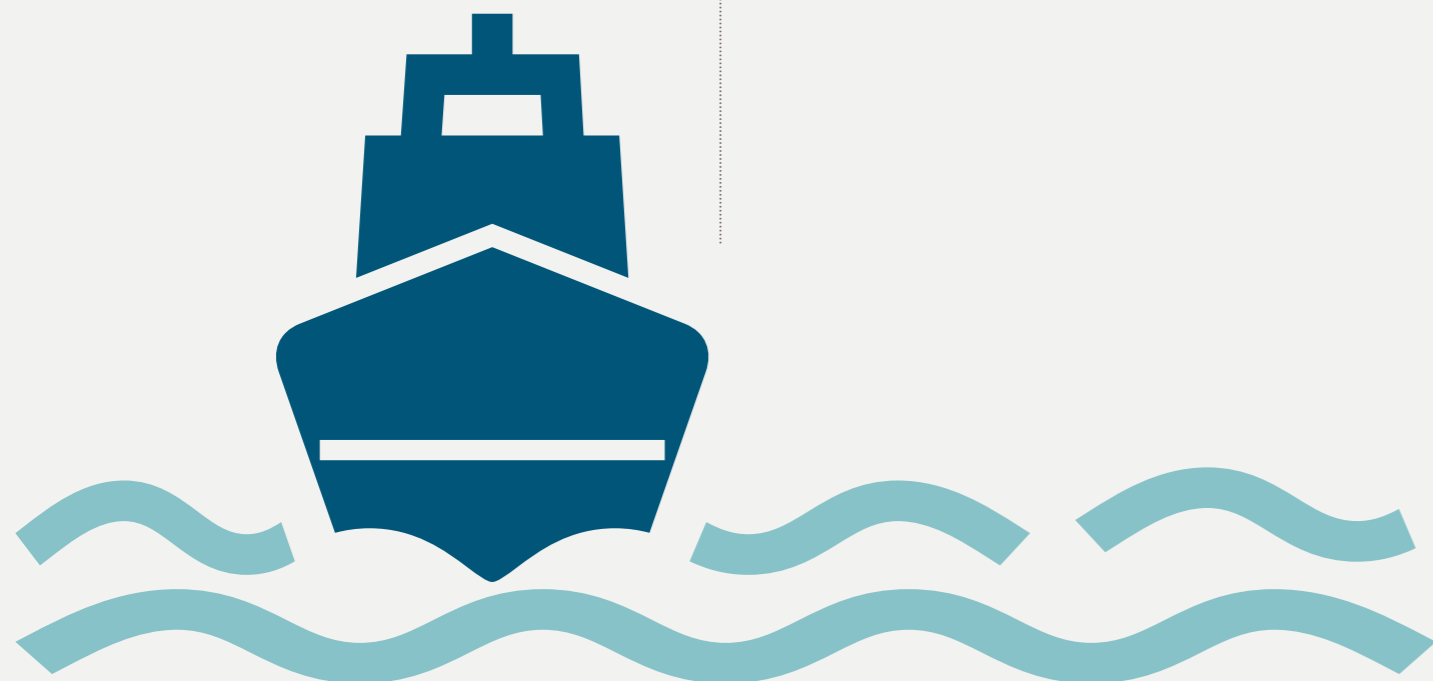
Siemens is helping to meet the future challenges of the Argentinian pharmaceutical industry with the introduction of quality and laboratory management systems, sample management, storage and production management and all of the related production execution platforms required, to operate according to current standards and levels of global competition.

10 years

as leaders in automation technology and energy distribution and generation technology in the sector

+50 years

of Siemens commitment to the national naval industry



# Our contribution to the Naval Industry

## To reach port, you need the right partner.

Siemens' commitment to the naval industry around the world stretches back more than 130 years. Siemens' history includes close and reliable development with our industries and shipyards, giving it a local presence to help improve efficiency in naval and commercial management.

The Argentinian naval industry currently employs more than 3,000 workers, between employees and subcontractors.

Siemens Marine Solutions has been present in Argentina for more than 50 years, during which time fleet maintenance and modernization using our own staff has enabled us to provide competitive turnkey solutions for navy vessels, merchant ships and submarines.

Our solutions cover the generation and distribution of energy through to the automation of propulsion systems, and Siemens is the local supply with the greatest market share in our country.

One of the contributions of which we are most proud is the support that we provide to the boats and vessels that for more than 30 years have been used to transport personnel and supplies to the frozen waters of the Antarctic, enabling the advancement of scientific research, consolidating our sovereignty and providing support to other countries in some of the harshest seas on the planet.

The ships ARA Puerto Deseado and ARA Almirante Irizar and the submarine ARA San Juan are the best examples of the use of cutting-edge Siemens technology.



90%+

**Energy Efficiency**

achieved in the production processes in the petrochemical industry using our technology

Using Siemens technology, the

**Genelba thermoelectric power plant**

was given a special mention in the National quality awards and identified as one of the best thermoelectric power plants in the world. (Solomon Associates)

# Our contribution to Oil and Gas

This sector currently presents important challenges, with a changing dynamic and low international prices.

Domestically, there has been an increasing trend in recent years to import resources, at a high cost to the economy.

The good news is that in the future our country may be one of the leading players in this market. Argentina has a unique opportunity to develop non-conventional resources. If we are able to put these resources into production on a massive scale, then the country will have a promising future as an energy producer.

The estimates regarding the potential of shale gas and shale oil open a new energy panorama for our country, since the world is going to need our resources. A little more than 150 years after the beginning of the oil era, we are entering a new stage in global production.

In this segment, technological changes occur mainly in the science of the materials, but innovation is constantly offered to the market by means of personalized solutions that combine proven safe technologies designed to meet diverse requirements. New technologies add value to the production chain in the oil and gas business, and Siemens invests significantly in research and development to generate technologies designed to satisfy the demands of a market that has developed new methods for extracting and obtaining these products respecting the environment.

Our holistic approach to the value chain combined with cutting edge technology optimizes the equation for industries such as the petrochemical industry.

The recent project at the Profertil facility (YPF/ Agrium) located in Bahía Blanca is an unusual example. Using innovative semen solutions, the fertilizer plant increased urea and ammonia production by about 10% using the same amount of energy, while reducing water consumption by 6%. This increased production and energy efficiency was made possible by a highly efficient model comprising a compressor, industrial gas turbine and generators.

This type of solution proposed by Siemens represents a worldwide reference point for urea production facilities that operate using the "Haldor Topsoe" process developed for ammonia production.

We could also mention the Genelba thermoelectric power plant, which uses Siemens technology in the form of a combined cycle with two gas turbines and one steam turbine, outputting a total installed power of 660 MW, and an open cycle with a single gas turbine outputting a total power of 165 MW. The electricity generated is distributed using the National Interconnected System.

As suppliers we are proud to say that this power plant is one of the most efficient in the world, having received a special mention for the management of production processes in the National quality awards, and is considered by the prestigious company Solomon Associates to be one of the best thermoelectric power plants in the world. Siemens has played its part in this success, through its know-how and experience both in the construction and in the operation of the power plant.



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## Creating jobs and developing local skills

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Siemens Argentina provides employment for

**~1.400  
workers**

We buy products and services from,  
and support the growth of,

**+15,000 SMEs**

In 17 different provinces, helping to develop  
the regional economies around the country.



## Our contribution to Job Creation

In our country, the number of students entering higher education programs every year is the highest in Latin America, and the take-up rate of three-year degrees is comparable with developed countries.

With numerous prestigious public and private universities dedicated to different specialties in engineering, science and technology, Argentina has provided the world with renowned researchers and scientists.

However, the current scarcity of engineers appears to be an important challenge for the sustainable development of the country.

To cover the needs related to the development of infrastructure and industry, the importance of a sufficient number of highly trained engineers is universally recognized.

Based on the dual training program of the Argentine-German Chamber of Industry and Commerce, we have set up mechanisms to enable students to combine theory and practice as part of an integrated learning process. Students specialize in advanced industrial administration (IK), advanced business management (KB) and advanced mechatronics (MT).

Unlike in conventional internships in which students study and carry out practical work in parallel, the program is based on an alternating scheme in which students study and are examined in a first period, before undertaking

work experience in the company six hours a day in the following module. The program lasts for two years with rotation periods of approximately one month, and each rotation is intended to familiarize the student with a different area of the company, so that they complete their training with an overview of the processes and of the business.

Siemens also runs educational internships by means of agreements with leading universities, including ITBA, UTN, UBA and UCA. The primary objective of the scheme is to encourage new generations to train as engineers in the electromechanical sector.

Internally, Siemens strives to continuously develop people within the company, giving employees opportunities for personal and professional growth throughout all stages of their career.

Siemens builds and encourages a talent culture, in which employees control their own careers and managers are highly involved in individual personal development, all of which is supported by tools intended to increase transparency. Furthermore, as a fundamental part of this talent development process, Siemens encourages international assignments such as delegations and business trips.

Diversity in Siemens Argentina

**22%** Baby Boomers

**39%** Generation X

**39%** Generation Y

**20**  
nationalities

work at the company



# Our contribution to Diversity

People are the life force of Siemens. Its employees have made Siemens what it is today, and their experience, skills and high level of commitment are in turn building the foundations for the future success of the company.

To remain competitive, we need to continuously attract and retain the best and most brilliant talents. As an employer of choice, we encourage diversity and employee commitment with a high-performance culture, we encourage continuous learning and development, offer an attractive working environment and guarantee health and safety at our installations.

In turn, diversity strengthens our innovative capacity and unleashes employee potential, which contributes directly to our business success. All of our activities, measures and programs are intended to take full advantage of the diversity present in the workforce and to improve Siemens as an employer of choice.

Within this context, we strive to create an inclusive working environment that enables all employees to develop to their maximum potential.

We want to create a working environment that is open to everyone, regardless of their cultural background, heritage, ethnic origin, sexual orientation, gender identity and individual gender expression.

The areas of interest we work on are as follows:

- A diverse labor force at all levels
- Women in leadership positions
- Generational diversity
- Culture of inclusivity

We have adapted our processes to ensure that preliminary candidate selection better reflects diversity at all levels.

For example, the percentage of women in management positions at Siemens worldwide has almost doubled since fiscal 2002.

## Diversity in Siemens Argentina

- 22% Baby Boomers (1945-1964)
- 39% Generation X (1965-1981)
- 39% Generation Y (1982-1994)

- 78% Men
- 22% Women
- 20 Nationalities

# Our contribution to Training



We encourage our employees to develop their knowledge and experience through continuous training and education. In this regard, our talent management plans include:

- **Professional growth:** This is intended to provide tools to promote professional growth.
- **Annual training cycle:** Every year, an individual annual training plan is prepared by the human resources department and the direct manager of each employee.

In addition to this, each sector of the organization independently handles the technical training of employees, providing training in specific areas related to each technology and business area.

Furthermore, we develop professional training programs for wider society, through the following channels:

- **University chairs and participation in forums:** our employees act as chairs in public and private universities in their areas of professional expertise.
- **Sitrain:** Siemens backs up its product portfolio with a program of structured courses with an implementation method common to all regions around the world.

Siemens has been systematically providing external training courses in its technology for more than 20 years. In 2015 alone, more than 300 attendees took these courses to get to know in greater detail or to improve their knowledge of automation technology, variable speed drives, digital control of machines and tools, switching and electrical protection and other technologies related to industry and energy.

Investments exceeding 3 million pesos a year are made to continuously improve infrastructure, equipment and instructor professionalization. Our company provides training support for the use of the products that it markets, and its own installations or at user installations directly involved anywhere in the country.

- **Siemens Cerca:** A mobile group of engineers with promotional didactic and demonstration material who can reach regions of the country where training means are not easily available.

In this way, users wishing to learn more about technology issues can be reached, on request and at no cost to them, by the Siemens Cerca program, including in conjunction with our business partners, such as distributors.

- **Siemens Cerca Web:** In order to provide rapid, simple and direct access to training on new automation and drive technology, Siemens launched "Siemens Cerca Web", a program of open, free-of-charge online courses where interested parties can obtain training remotely and without the need for prior enrolment. In 2015 alone, more than 500 attendees accessed these conferences.

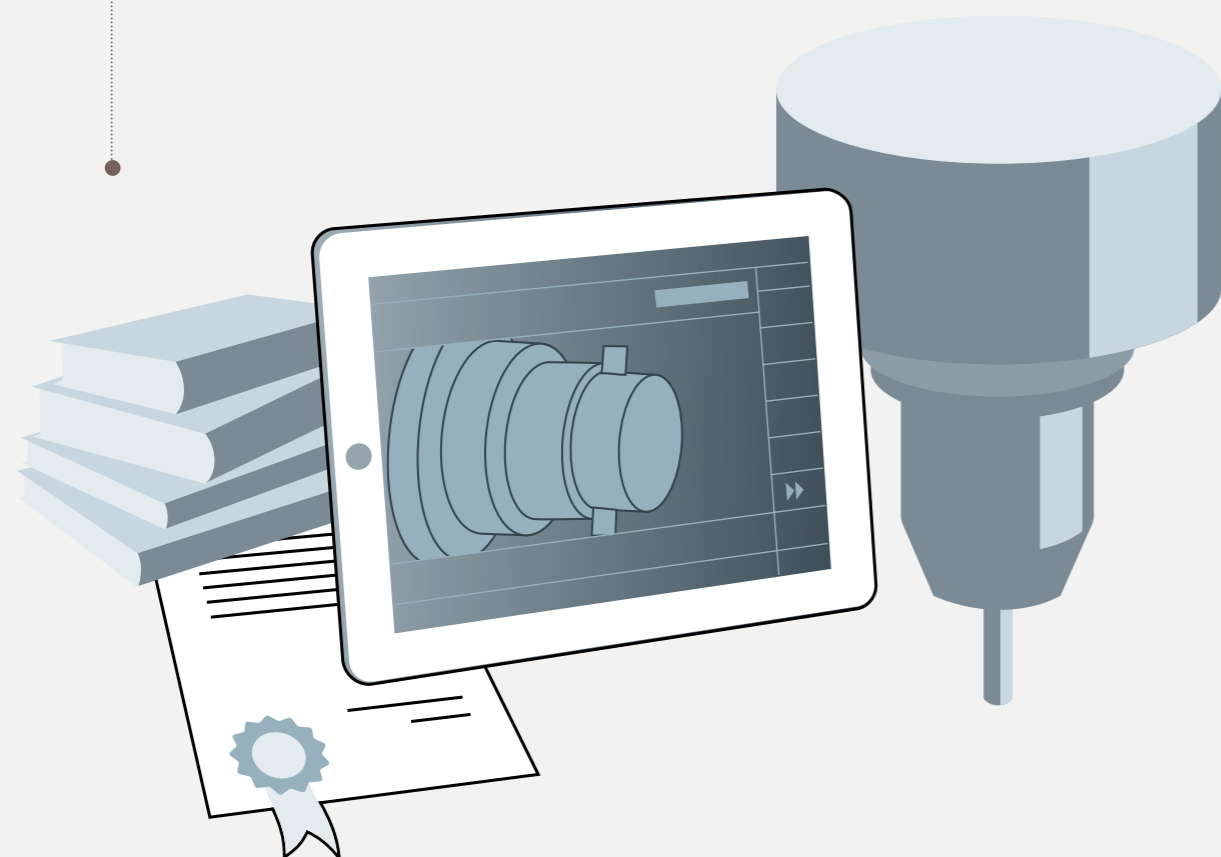
- **Training with clients:** In order to create closer ties with clients and references in the energy, industry and transport sectors, we hold technology update days and workshops throughout the country.

Our "Solution Partners" network includes

**20**  
companies

**1,000+**

technicians and engineers are employed by these companies



## Our contribution to the value chain of Partners and Suppliers

Our products are based on technologies oriented specifically to satisfy the daily requirements encountered by our varied range of industrial users.

As one of the world's largest engineering companies, our deep understanding of drive and automation technologies, combined with vast experience in energy control and switching, make us one of the most reliable solution providers for industrial systems.

Automation systems for cement works, data transmission networks for monitoring oil pumping systems, full engineering for paper machine drive systems, designing switchboards for switching energy in power supplies for food production plants, and complete solutions for analyzing gases and liquids in the chemical and oil industries are all typical examples of the international-standard products provided by our engineers.

In 2015, our engineers met the requirements of dozens of control, switching and drive projects, substantially improving the efficiency of our clients' production processes.

The continuous training of our engineers in Argentina enables us to provide production management system solutions (MES) for industries including agrochemical, pharmaceutical, biochemical and automotive.

### A network of partners to add value

Our company makes use of a global program called Partner Management to allow it to take on highly innovative projects with differentiating flexibility requirements. It is based on a distinctive network of Solution Partners, national engineering firms dedicated to integrating our technologies to achieve made-to-measure solutions for our clients, these companies being extremely familiar with their processes and requirements.

Siemens periodically evaluates the technical and operational capabilities of its Solution Partners in order to issue them a certificate recognizing their skill in our branded technology, and this is their calling card with end users. The strategic integration between our company and Solution Partners is a unique alliance, recognized worldwide as the best option for added value.

In Argentina, Siemens has a network of 20 Solution Partners, covering process and industrial automation, drive and instrumentation technologies.

These companies employ more than 1000 specialists, most of whom are engineers who do highly technical jobs and whose companies invest heavily in them to keep them trained in the latest technical trends.

Companies such as CALSA, Catalent, Cervecería Quilmes, Hemoderivados, PSA (Peugeot), Renova, SC Johnson & Son, Sinergium And Unilever have entrusted the integration of their projects to certified partners, which have used Siemens technology not only to satisfactorily meet their requirements in good time, but also to do so within budget, establishing lasting relations and guaranteeing full support for the installations, after sales services, updating and future expansions.



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# Innovating with added value

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>30 GW

Installed electricity generation power in the country

>30%

of this total provided using Siemens technology



# Our contribution to Electrification

Our country is facing important energy challenges. Electrical infrastructure has reached its limit, resulting in consumers suffering significant drops in the quality of the service that they receive.

On the other hand, the current energy mix is characterized by high dependency on fossil fuels, which have had, have and will continue to have a relative weight within the national mix, but that must make way for renewable energy in the medium term.

Siemens technology is currently used to cover approximately one third of the existing electricity generation capacity in Argentina, fundamentally through our installed base of gas and steam turbines.

Siemens is also a leading provider of transmission and distribution solutions for the national electricity network, such as substations and medium-voltage cells.

We have also launched pilot projects in the country for smart networks and smart metering technology which will help to improve management of electricity demand.

Furthermore, Siemens has installed products and solutions for traction power supply, catenary and control systems for the energy systems serving urban and intercity passenger transport services, as well as for industrial applications.

## Challenges and future commitments

The world is moving towards a new electricity era characterized by the full electrification of all users, including industry, buildings, transport and homes.

Our studies have revealed that electricity demand in Argentina could double in the coming 15 or 20 years. Furthermore, the network will not be the same as the existing network (which is linear and unidirectional), but will need to be intelligent and to process huge quantities of digital information in real time to manage and guarantee the stability of an increasingly dynamic network.

This network will incorporate renewable energy sources on a large scale, and thousands of distributed small generators, which will form a complex two-way matrix network able to store some of the energy generated from renewable sources (which are supplied irregularly).

Energy efficiency will be a key criterion, given that the cheapest and cleanest energy is energy that is not used. In general terms, the machines, motors and buildings found in our country today have huge potential for reducing consumption, and the investment required to modernize them will be paid off in no time at all.

Furthermore, in the field of mobility, the train, metro and tram networks need to be further expanded (and electrified) and in the long term buses and motor cars need to be gradually switched over to electrical propulsion.

All of this represents an enormous challenge, but also an opportunity to help the environment, guarantee energy resources, promote economic development and improve quality of life in society as a whole. We are working on this every single day.

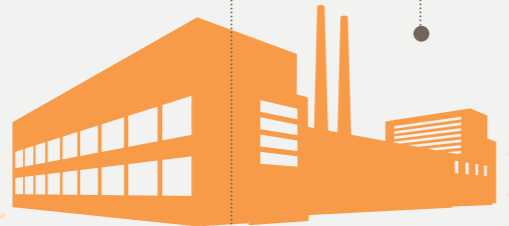


80%

of the country's 20 main exporters use Siemens automation technology on their production lines

26+

billion dollars: Total value of products exported by these companies every year



# Our contribution to Automatization

The industrial sector plays a leading role in the growth of our country. Indeed, Argentina currently has a relative industrial GDP that is one of the highest in the region.

This leading role is not a merely quantitative phenomenon, but also includes dynamic changes within the production sector, intended to ensure the constant modernization and the recovery of capacity lost in the past.

However, in recent years growth rates have been dropping off and stagnating for multiple and varied reasons, both internal and external, which have adversely affected these sectors.

In this regard, it is essential that the sector becomes competitive again, which will depend to a great extent on the incorporation of technology designed to sustainably increase productivity.

An ongoing process of mechanization combined with automation of industrial production will improve its competitiveness, increase its contribution to GDP and generate new, more qualified jobs.

Automation is already driving innovation, efficiency and productivity in the main fields of the agro-industrial, oil and gas, manufacturing and mining sectors, which contribute approximately one third of GDP.

Siemens automation solutions have a large installed base, making it a market leader in this technology which is firmly rooted in the country's industrial sector. Our clients continue to use and trust our technology solutions to automate industrial processes and to make manufacturing safer, more efficient and more productive.

**30 GB**

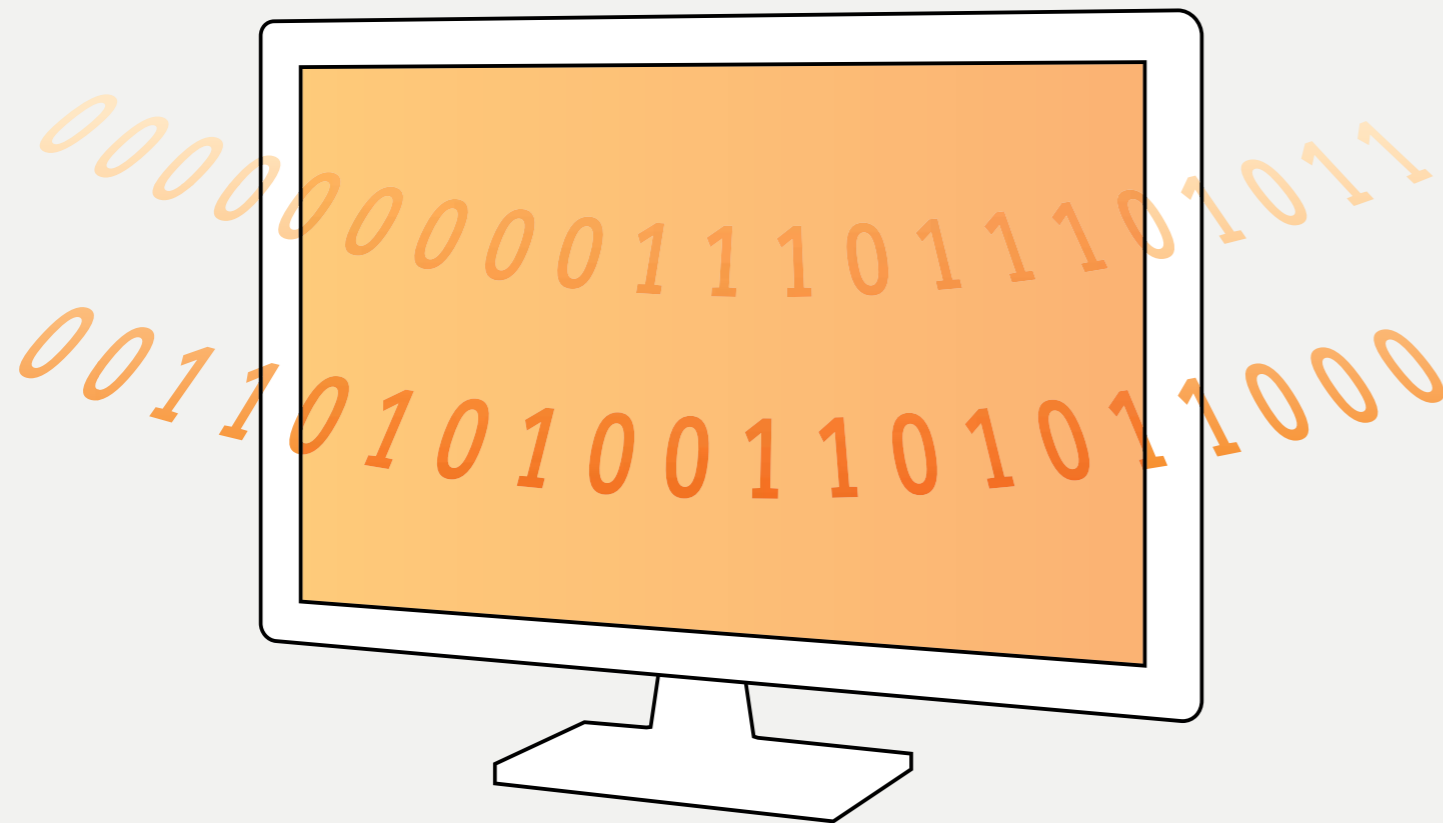
of data is generated every day by each Siemens gas turbine

**2 TB**

of data is generated every month by each Siemens CAT scanner

**25 GB**

of data can be generated every day by one million connected smart meters



## Our contribution to digitalization

The quantity of data in the world today is soaring, since digital information increases tenfold every five years. Terabytes of data generated every day from sources as varied as intelligent systems and social networks, requiring ever increasing storage and processing capacity.

To drive digitization, various different projects and activities related to smart data have been successfully implemented on a local scale.

Some examples:

Intelligence services and data analysis during operation of a gas or steam turbine provide important data used to optimize business processes and reduced day-to-day operating expenses.

Every day, every one million smart meters connected generates up to 25 GB of data, which is processed by a management center, helping to improve energy efficiency.

Each next-generation CAT scanner generates 2 TB of data every month, which is used to improve their performance and the work flows of different solutions and products related to production processes.

Increased digitization generates huge quantities of data. The importance of software and data analysis in business will increase in the coming years.

Using remote diagnostic services (RDS) provided for in the operation and maintenance contracts for the San Martín and Belgrano thermoelectric power plants, Siemens teams located in the USA and in Germany monitor operation of the equipment. The large quantities of vital information generated are analyzed and help to improve preventive maintenance and improve the efficiency of the equipment.

The extended duration programs (FlexLTP) offered by Siemens are flexible service contracts adapted to the client's needs in terms of scope, frequency and performance. For example, the contract agreed with Profertil, the country's largest urea producer, enables inspection work, scheduled maintenance and spare parts supply to be coordinated with the specific business needs of this client.

Siemens offers industry innovative digital services intended to increase efficiency and effectiveness of production resources. Industrial service agreements have been set up in various different industries (such as retail, food and drink, mining and paper), providing remote assistance and service for different solutions and products related to production processes.



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# Caring for the environment

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In the last year we reduced

**683** m<sup>3</sup> gas consumption

**1,13** tons paper printouts

**~190** MWh energy consumption

We recycle **~400** PET bottles every day



## Our contribution to caring for the Environment

Siemens aims to be the first big industrial company in the world to achieve a zero carbon footprint by 2030. With an initial investment of €100 million for the coming three years, the company plans to cut total carbon dioxide emissions (CO<sub>2</sub>) in half by 2020.

By investing in innovative technology, energy management systems, building automation and production processes, Siemens also hopes to reduce overall energy costs by €20 million per year.

The company also intends to implement three additional actions: using distributed energy systems at its production facilities and office buildings to optimize energy consumption, systematically using low-emission vehicles and electric mobility concepts in its worldwide fleet, and using clean energy sources, such as wind power.

In addition to this, it is important to note that the Siemens environmental portfolio enabled its clients worldwide to reduce CO<sub>2</sub> emissions by the equivalent of 487 million metric tons in 2015. To put this figure into perspective, it is of a similar magnitude to the total carbon dioxide emissions (equivalent CO<sub>2</sub>) generated by Argentina in one year.

This is the same environmental portfolio that we market and install in Argentina, helping to significantly reduce CO<sub>2</sub> emissions.

In line with global strategy, Siemens Argentina runs various different initiatives to reduce carbon emissions (CO<sub>2</sub>):

### Gas

- Consumption: 16,484 m<sup>3</sup>
- Reduction: 683 m<sup>3</sup>

### Efficient consumption initiatives:

- Homeworking: We encourage this working option, thereby reducing CO<sub>2</sub> emissions related to commuting.

- Bike parks: We encourage sustainable mobility to reduce the use of fossil fuels.

### Power

Consumption: 1,068,627 kWh

Reduced energy consumption: 185,457.48 kWh over the year

### Efficient consumption initiatives:

- Light measurements: We take two types of measurement (in favorable conditions with the lights turned on and the curtains open, and in unfavorable conditions with the lights turned off and the curtains closed) three times a day.
- Lighting routine: Establishment of a schedule for turning lights on and off in the different sectors of our offices, including the company canteen.
- Air conditioning schedule: Fixed times for using air conditioning and identification of air conditioning zones depending on the season.

### Technological waste

#### Efficient consumption initiatives:

- We manage electronic waste in partnership with Silkers. Moreover, we work on the management of hazardous waste such as acid batteries (emergency lights, telephone exchanges, UPS), aerosols, solvents, paint, rags with residues of grease or oil, among other materials.

### Paper

- Total paper recycled in 2015: 1.13 tons

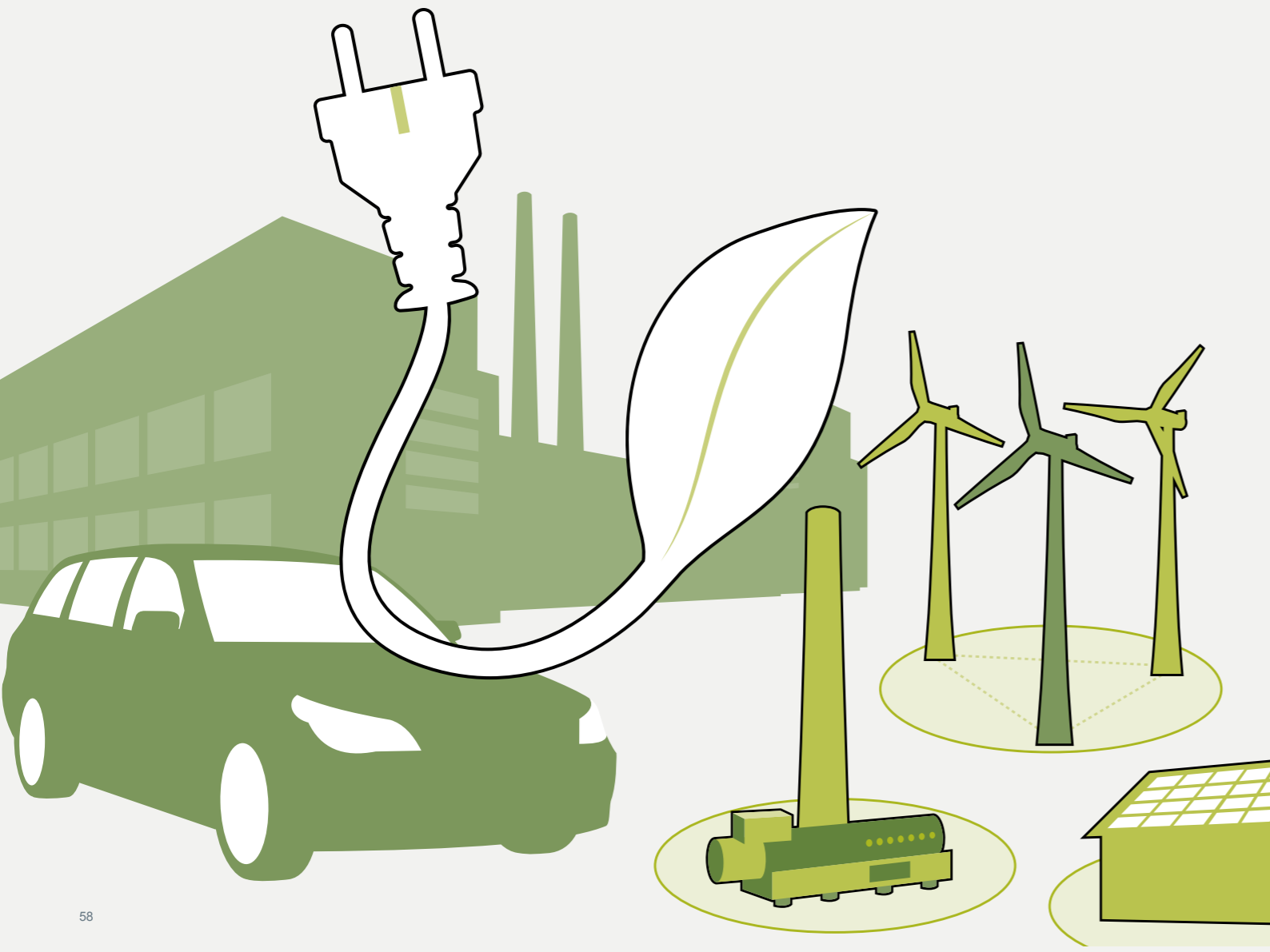
### Efficient consumption initiatives

- Internal magazines are published digitally to reduce paper consumption.
- We recycle paper using Shred-it: Number of trees saved: 72
- We are a "Forest Neutral" company thanks to the print neutral program run by the Banco de Bosques foundation, saving 4,300 m<sup>2</sup> of native woodland.

Last year, our environmental portfolio enabled us to reduce CO<sub>2</sub> emissions by

**487**  
million tons  
CO<sub>2</sub>

This quantity is similar to the total equivalent CO<sub>2</sub> emissions generated in Argentina in one year



## Environmental portfolio

National growth is based on the development of different sectors and the availability of resources. This growth needs to be sustainable, and as such we need to take care of the most scarce resources in general, and the environment in particular.

As a central tenet of such sustainable growth, it is important to move towards self-sufficiency in energy, simultaneously improving both supply (in terms of quantity and quality) and in particular demand, by optimizing usage. Minimizing CO<sub>2</sub> emissions must be a fundamental objective when planning the route towards self-sufficiency.

Siemens environmental portfolio offers products, systems and integrated solutions throughout the energy transformation chain. Siemens uses an innovative system to achieve an optimum position in terms of bleeding-edge technology, including:

- **Conventional electricity generation** facilities that are highly efficient and flexible, thereby optimizing the use of fossil fuels and reducing environmental impact. In this regard, Siemens has rolled out its technology in various different thermoelectric power plants, including General Belgrano (Campana, province of Buenos Aires) and San Martín (Timbúes, province of Santa Fe), which have a combined-cycle configuration enabling the achievement of efficiency values close to 60%.

- **Smart electricity networks** used to manage and guarantee the stability of an increasingly complex network, which will increasingly incorporate not just renewable sources, but also thousands, or maybe in the future millions, of small electricity generators, forming a very complex two-way matrix network. In this regard, Siemens is using its technology to support implementation of the first pilot project for smart networks in the country. The first stage includes a remote control system for the electricity network located in Armstrong, a department in Belgrano in the

province of Santa Fe, which will enable the local electricity cooperative to improve its efficiency levels on the network and to improve operation and maintenance times.

- **Renewable energy** sources will become increasingly competitive and play a more central role in the local mix. We are a leading player in this technology around the world, and have more than 10 GW installed on the continent.

- **Transmission networks** to carry this energy to the centers of demand, which must suffer very low losses, for example by using high-voltage direct-current transmission technology (HVDC).

- **Energy efficiency** must be a central criterion in energy strategy, given that the cheapest and least contaminating energy is energy that is not used. In general terms, machines, motors and buildings have huge potential for reducing consumption, and the investment required to modernize them will be paid off in no time at all.

In all of these areas, Siemens has the expertise required to implement technological solutions of any complexity.



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# Improving quality of life

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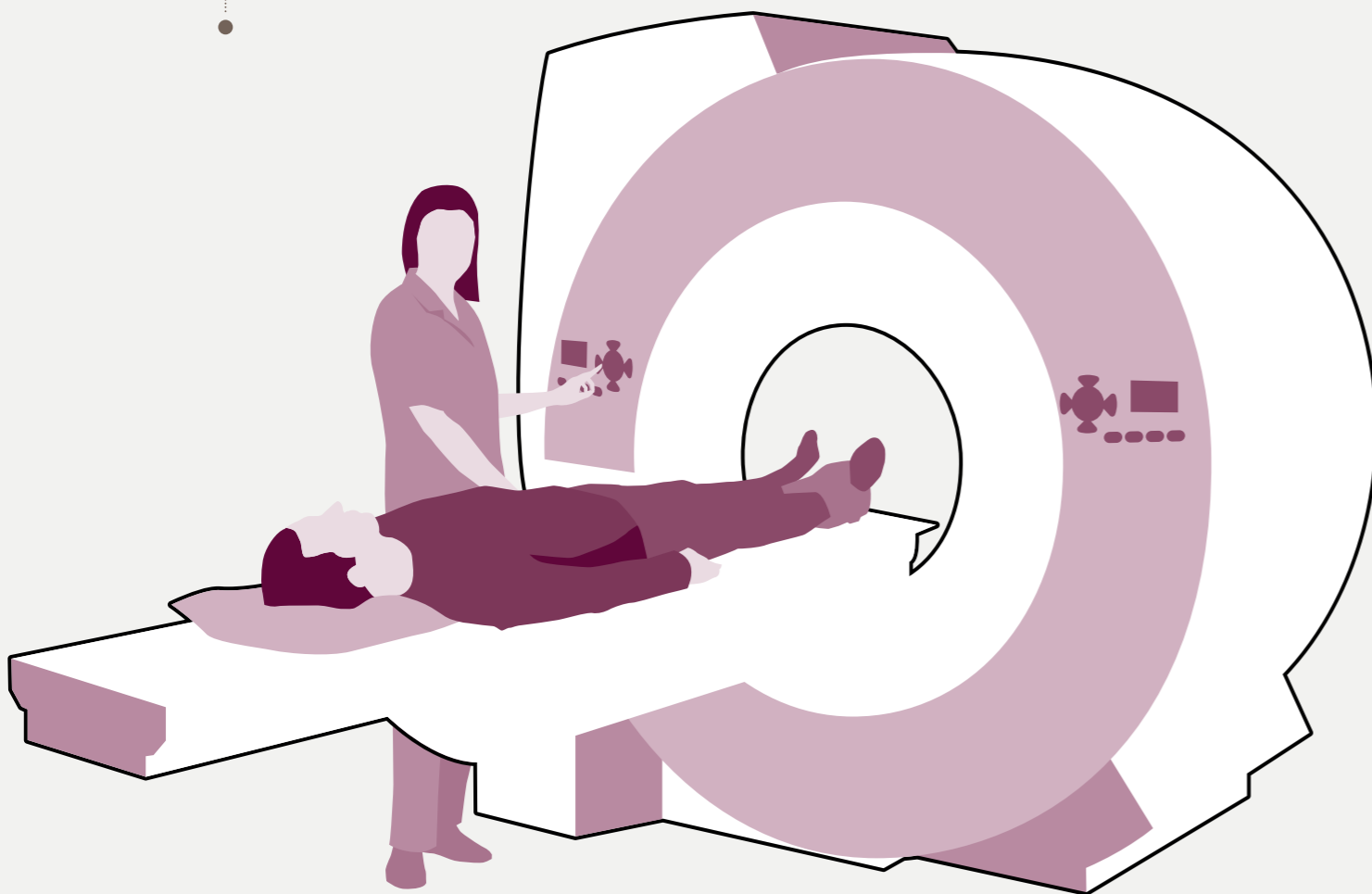
**+75%**

of Argentinian laboratories use our technology directly or indirectly to process highly complex clinical analyses

Interventional cardiologists can work in the 300+ rooms in the country with our system upgrades

## Interventional care

Minimally invasive technique for diagnosing and treating pathologies, primarily in the cardiovascular system



The products and services offered for the healthcare sector are sold in the country through Siemens Healthcare S.A.

# Our contribution to Healthcare

The population of the world is increasing. In 2013, our planet was home to 7.2 billion people.

According to the United Nations, this figure will rise to 9.6 billion by 2050, and the greatest growth will take place in developing countries where the population will inevitably increase from 5.9 billion today to 8.2 billion in 2050.

Consequently, the demand for professional, affordable and basic healthcare solutions will intensify.

Furthermore, statistics from the last decade revealed that the main causes of death were cardiovascular disease (30%), cancer-related illnesses (15%) and infectious diseases (15%).

Nowadays in Argentina, one in five people suffers from some type of allergy, asthma being the most common, and one in five children suffer from hay fever, and this figure is increasing. Children who suffer from hay fever are 4 to 6 times more likely to develop asthma. When both conditions are not properly treated, they represent one of the main causes of absenteeism from school and work. Early diagnosis is critical for prevention and treatment of this problem, which is a healthcare issue for people around the world.

Siemens has pioneered the development of innovative technology to diagnose these types of allergies since 1998, and is now a leader in the measurement of third-generation specific allergens. Using a child-focused allergy test, Siemens has established a new standard in the diagnosis of this pathology.

Moreover, cardiological and cancerous diseases need to be treated in hybrid surgeries using more convenient and less

invasive methods. In such surgeries, specialist interventional doctors and surgeons work together to ensure the successful treatment of their patients that require interventional care and surgery simultaneously.

To achieve this, Siemens has developed a robotized hemodynamic system with a high degree of freedom of movement that enables the equipment to act as a hemodynamic interventional system and a tomograph simultaneously, rotating and acquiring 360° images. These less invasive procedures result in quicker operations and quicker recovery times with fewer complications and secondary surgery.

With a focus on efficiency, diseases need to be detected sooner, diagnoses need to be accurate, they need to be made in good time, and we need increasingly specific and multidisciplinary treatments. Our products and solutions help healthcare professionals to fight the most threatening diseases.

We innovate continuously to provide new improved diagnosis functions, innovative and minimally invasive treatments, integrated organizational solutions and digital healthcare services.

The future is now, and that is why Siemens is working to ensure that Argentina has access to these types of systems, which—in the hands of excellent healthcare professionals—enable a wide variety of diagnoses and treatments focused on improving patient health.

merco

**21<sup>st</sup>** Most attractive employers 2015

**Apertura**

**17<sup>th</sup>** Employers 2015

**SIEMENS**

## An attractive employer

At Siemens we provide a working environment of mutual trust, we prioritize employee-support initiatives, we offer training programs and internal development, flexible working hours and a staff welfare plan.

Furthermore, to measure employee satisfaction, every other year the human resources department runs an anonymous global employee engagement survey, which is subsequently used to identify areas of improvement.

- **Benefits:** As part of our strategy to improve our working culture and the existing employment environment, we set up a benefits program and in 2015 ratified the Work & Life Balance® program of the European Institute of Social Capital (EISC).

This initiative structures and systematize is the existing benefits in the company and adds new proposals, enabling employees to enjoy benefits such as an extra week's holiday, gradual return to work following childbirth, free charters to facilitate moves, flexible Fridays, running teams to improve health and birthday parties, among others.

Furthermore, with the same objective of substantially helping to create an excellent sustainable working culture and environment, the company provides its employees with a flexible and inspiring working environment, creating modern spaces that are open and transparent at its new Vicente López offices.

The acquisition of next-generation IT and communication equipment optimizes working conditions in terms of combining private and professional lives, while simultaneously improving the efficiency of the working day, regardless of location.

Nowadays, employees work in accordance with policies for hot-desking and mobility (remote working), making it easy to comfortably accommodate the same number of employees using 25% less space than in previous locations, which also results in energy savings.

We were continuously to provide our employees with a working environment that enables and encourages them to give the best of themselves.



# Siemens in Argentina

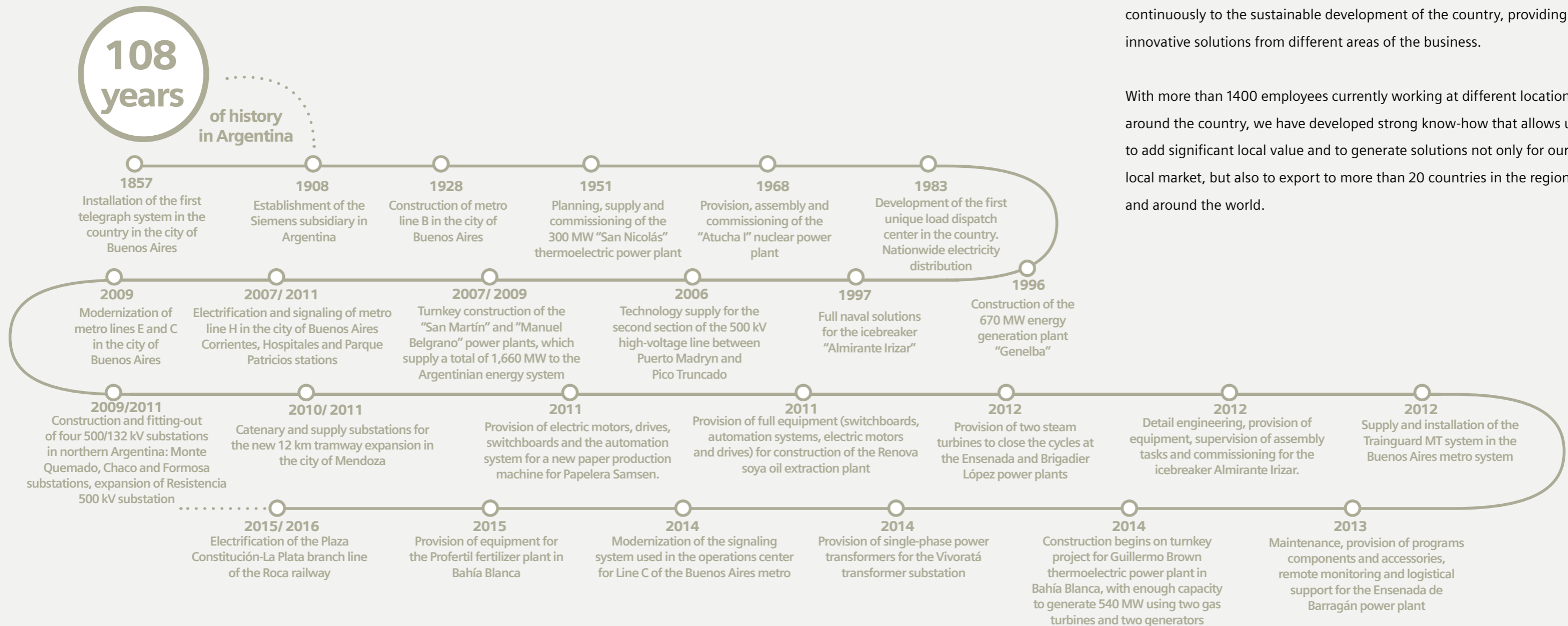
We have been present in the country for 108 years, consistently supporting its development

Siemens is a global integrated technology company that has demonstrated its excellence in engineering, technology, innovation, quality and reliability for more than 169 years.

Present in more than 200 countries and employing more than 348,000 people around the world, the company currently focuses on electrification, automotive and digitization, where it is a market leader.

In Argentina, Siemens implemented its first project in 1857 with the installation of the first telegraph system that ran alongside the La Porteña railway in the city of Buenos Aires, and has since contributed continuously to the sustainable development of the country, providing innovative solutions from different areas of the business.

With more than 1400 employees currently working at different locations around the country, we have developed strong know-how that allows us to add significant local value and to generate solutions not only for our local market, but also to export to more than 20 countries in the region and around the world.



## Siemens Foundation "Experimento" project

583 schools

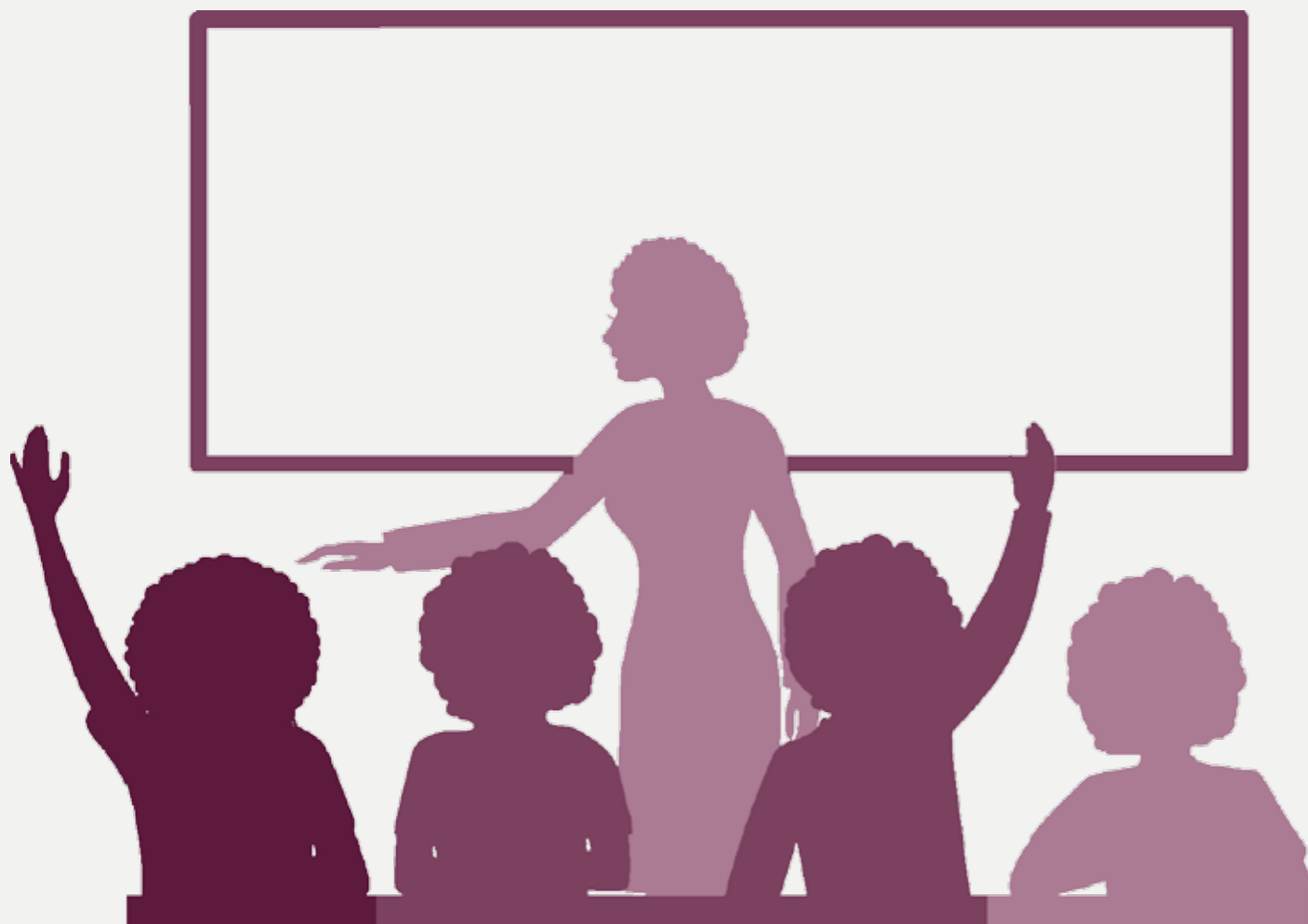
1.311 trained teachers

1.249 educational kits distributed

~50.000 students

5 million

pesos invested in corporate social responsibility every year



# Siemens Foundation

Since 2009, we have strengthened our social commitment by creating the Siemens Argentina Foundation, which is used to improve people's quality of life.

The Siemens Argentina Foundation works in line with Siemens foundations around the world to promote, encourage, contribute to and/or participate in educational, social, artistic and environmental initiatives, projects and tasks, placing particular emphasis on bringing children and young people closer to the sciences and new technology.

"Experimento - Siemens Foundation" is currently the main project being implemented at a local level. The initiative is based on promoting innovative and interactive teaching methods in classrooms, implemented using teacher training days and kits of teaching material designed especially to enable children aged four and over to carry out different classroom experiments based on the fields of energy, the environment and healthcare.

In 2015:

- Training and equipment was provided for all of the state primary schools in the city of Buenos Aires.
- All of the technical secondary schools joined the project, focusing on the theme: "Energy efficiency"
- The program was reinforced in 25 primary schools in Vicente López.
- All of the primary and secondary schools in Puerto Madryn have joined the project, which is being implemented along with the company ALUAR S.A.I.C as part of the company's value chain.

Furthermore, in order to reward the creativity of technical school students, we have been working together with the Digital Factory and Process Industries and Drives divisions since 2006 to run the LOGO! competition for creativity in

automation which assesses and awards prizes to projects intended to address needs or issues in the fields of industry and housing, in all cases with a view to protecting the environment.

2015:

9th edition: 4 regions, 70 participating students, 23 projects submitted

"Werner von Siemens" School of Technology

Siemens set up the "Werner von Siemens" School of Technology in Argentina 60 years ago. Nowadays, the school is an educational branch of the National Technological University (UTN) and the company continues to support development of the school as part of an ongoing commitment to the technical and professional training of its students.

Since 2015, all last-year students have had the option of taking work experience at Siemens with a dual educational objective: firstly generating skills intended to develop technical aspects, with each student mentored by a Siemens professional, and secondly this approach is complemented by experiences with a high social content, in which students build electrical kits to be installed in homes built by the NGO TECHO.

In 2015, 19 students did work experience at the company and made 137 electric kits during a six-month period, as well as helping to install the kits as part of a corporate volunteering action. This initiative has given 600 people safe electrical lighting.



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# Supporting Transformation

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~ 1,000

Employees trained in the last three years

## Recognition from the director of the "Global Compact"

Mr. Georg Kell, Director of the Global Compact, recognized the collective actions undertaken by Siemens AG, and the fact that the company concluded the various different Siemens Integrity Initiatives started in emerging countries.



# Our contribution to Good corporate governance

The "Compliance" system governs the ethical and legal actions of each employee of the company in their respective positions. Its tenets include: "Preventing" (prevention of incidents), "Detecting" (early identification of issues) and "Responding" (suitable responses to suspicious circumstances). As such, by means of a process of systematic improvement, Siemens has set up a solid system that has earned it recognition as a leader in compliance and transparency.

"Compliance" is a global initiative applied to all operating groups, regions and corporate functions throughout the world. Each of the three tenets is based on concrete actions and responsibilities. The following training courses have been run in Argentina in recent years to raise awareness amongst our employees:

### In-person training

- Compliance Basic Training: 547 courses were run for new arrivals.
- Integrity Dialogue: Every year, an integrity dialogue is held between the Compliance Officer and Top Management, who report back to their teams and adapt measures to the daily situations encountered in each sector.

### Web Based Training:

- Data Privacy: Training aimed at employees with a view to raising awareness of the importance and sensitivity of personal data. Total number of employees trained: 265.
- SIECO (Siemens Compliance): Training intended to give employees the necessary know-how to recognize

compliance risks in daily situations. Total number of employees trained: 141.

We have also participated actively as sponsors and speakers with NGOs to disseminate and promote this vision with a view to making the markets we operate in more transparent:

- Ethical and Responsible Business Days organized by the University of San Andrés along with the German-Argentinian Chamber of Commerce (AHK). (September 10–11, 2015) Collective Action Panel.
- Risk Management in Corporate Governance organized by IDEA. (September 22, 2015) Panel: What are companies doing about business risk?
- Conference on the Future of Corporate Sustainability and the UN Global Compact in Europe. Panel: Preventing Corruption in the Value Chain.
- Centre for Governance and Transparency at the IAE Business School, and Argentine Compliance and Best Practice Network  
Siemens Argentina participated in the first group dealing with anti-corruption issues in Argentina. The activities are based on bimonthly workshops attended by experts and practitioners who present themes and issues facing compliance professionals.
- Chamber of Commerce (AHK) Compliance Committee, "From Companies for Companies" Training course aimed at SMEs to help them achieve greater business transparency.

# Conclusions

In addition to traditional annual external reports, such as the Annual Report and Balance Sheet or the Sustainability Report, we have decided to add this new report, which will be known as the “Business to Society Report”, which has been designed to objectively measure and demonstrate our contribution to the sustainable growth of Argentina.

It is the first time that our organization has organized an impact study of this kind in the country, and we are proud to be the first company in our group in South America to do so.

This work is not only intended to provide our stakeholders with even greater transparency regarding the actions of our company on the local market, but it will also enable us to continuously identify areas in which we can improve as a company, which we can then use to develop specific action plans.

To do so, we intend to draw up reports using relevant up-to-date information to reflect our progress in six key areas:



## Driving the economy

Apart from the significant direct contribution that our company makes to the local economy, we believe that our real value comes from the contribution we make when we build our technology into key developmental areas for the country, such as industry, energy, transport and healthcare.

This is demonstrated throughout this document which analyses each key area.



## Creating jobs and developing local skills

We are continuously making significant investments in education and training to develop skills and talent to consolidate our contribution to the growth of the country in key areas in the long term.

Although we are extremely proud of the positive contribution that Siemens makes in creating jobs and developing local skills, we want to increase the participation of female employees in our company and in particular in management and executive positions.



## Innovating with added value

Nowadays, Siemens technology makes a significant contribution to the electrification and automation of public and industrial infrastructure in the country, but we know there is still room to play an even more important role in the field of digitization within the markets in which we operate, helping to improve the competitiveness of our clients in a global context.



## Caring for the environment

To continue the important contribution that Siemens makes to protecting the environment, we want increasingly challenging objectives for our CO<sub>2</sub> emissions. In this regard, we have made a global and local commitment to reducing our carbon footprint to zero by 2025.

Siemens technological innovations help our clients to reduce their own environmental impact. Given our extensive history in the country, the large installed base and the durability of our products, it is still possible to find technology still in operation with levels of energy efficiency that can be improved, and one of our challenges is to modernize this technology alongside our clients.



## Improving quality of life

Siemens technology and various different initiatives run by the company make a positive contribution to society in areas such as healthcare, education, general welfare and the welfare of our employees in particular.

We believe there is room for improvement by encouraging an even stronger volunteer culture, for which we will try to create more opportunities for our employees to offer their time and contribute to good causes.



## Supporting transformation

Siemens is making a positive contribution to the socio-economic transformation taking place in Argentina through the creation of employment, the development of skills, supporting SMEs and good corporate governance.

With regard to the latter, we continue to reinforce our commitment through local activities that promote ethical behaviors and more transparent markets, implementing further dissemination actions and encouraging the development of new collective initiatives.

Siemens S.A.

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