Vision 2020
We make real what matters.

Strategy overview

siemens.com/vision-2020
Change as opportunity

Change is a fundamental feature of today’s world. It creates future opportunities, provides momentum for entrepreneurial decisions, calls into question established points of view and inspires new maxims for action.

A look at today’s digital transformation – a prominent megatrend of our time – indicates how profoundly our world has changed in the last few years and highlights the paradigm shift that the future holds in store. By the year 2000, some two billion gigabytes of data had been accumulated worldwide. Today, the same volume of information is generated in a single day. And driven by the ongoing merger of the real and virtual worlds, this trend is increasing. Siemens was one of the first companies to identify the opportunities provided by the megatrends digital transformation, globalization, urbanization, demographic change and climate change and to rigorously align its business activities accordingly.

Why? Because we know that we can’t succeed over the long term unless we view change as an opportunity and work together to manage it.
If you want to set the course, you can’t be guided by what others have done. You’ve got to anticipate changes and seize the opportunities they provide.
Our path

Making real what matters
WHAT do we stand for?

WHAT sets us apart?

HOW can we achieve long-term success?

Joe Kaeser
President and CEO
of Siemens AG
Dear Readers,

If you want to gear a company to the future, you’ve got to provide answers to the following questions: What do you stand for? What sets you apart? How will you achieve long-term success? And that’s what we’ve done. Vision 2020 is paving the way to a successful future. And to make it happen, we’re focusing on three topics:

1. **A clear mission**
   A mission expresses a company’s self-understanding and defines its aspirations. “We make real what matters.” That’s our aspiration. That’s what we stand for. That’s what sets us apart. A reflection of our strong brand, it’s the mission that inspires us to succeed.

2. **A lived Ownership Culture**
   One engine of sustainable business is our Ownership Culture, in which every employee takes personal responsibility for our company’s success. “Always act as if it were your own company” – this maxim applies to everyone at Siemens, from Managing Board member to trainee.

3. **A consistent strategy**
   With our positioning along the electrification value chain, we have knowhow that extends from power generation to power transmission, power distribution and smart grid to the efficient application of electrical energy. And with our outstanding strengths in automation, we’re well equipped for the future and the age of digitalization. Vision 2020
defines an entrepreneurial concept that will enable our company to consistently occupy attractive growth fields, sustainably strengthen our core business and outpace our competitors in efficiency and performance. It’s our path to long-term success. And we’re measuring our progress: seven overarching goals support this aim.

We’ll be working on the three areas outlined above. They describe the key factors that are enabling us to lead Siemens into a successful future. Throughout this process, we will gear all our actions to the requirements of our customers, our owners and our employees as well as to the values of society. I personally intend to ensure that the next generation will inherit a better company. That’s my vision. That’s my responsibility. That’s my promise.

Sincerely yours,

Joe Kaeser
President and CEO of Siemens AG
We make real what matters by setting the benchmark in the way we electrify, automate and digitalize the world around us. Ingenuity drives us and what we create is yours. Together we deliver.
Shaped by our history, culture and values, our mission defines how we understand ourselves. As an expression of a strong brand, it formulates our aspiration.

I We make real what matters
Grounded in reality, we’re inspired by the desire to shape the future – in cooperation with our partners. Leveraging our passion for engineering, we make real what matters, working with our customers to help improve the lives of people today and in the generations to come. Customers all around the world trust us and count on our knowhow and our reliability to make them more competitive.

I By setting the benchmark
We empower our customers to set benchmarks – with our power of innovation, our leading technologies, our global presence and, last but not least, our financial solidity. We generate value by transforming the value chain of electrification, reaching across both the digital and physical worlds. Our highly qualified and committed employees are the foundation for achieving this.

I Together we deliver
Our knowledge is the basis of our performance. We partner with our customers, leveraging sustainable business practices. With determination and ingenuity, we deliver engineering excellence, taking personal ownership until we jointly succeed.

This is the foundation on which we’ve been tackling the challenges of our time ever since Werner von Siemens and Johann Georg Halske founded our company in Berlin more than 165 years ago.
### Positioning

How can we achieve long-term success? And how are we positioning ourselves to make it happen? Our setup is aligned with framework conditions worldwide, with the long-term trends that define our markets, with our competitive environment and with the requirements of customers, partners and societies. Focused on the long term, it stands for what all our business activities have in common.

#### Electrification

We’re positioned along the value chain of electrification. Our products are designed to generate, transmit, distribute and utilize electrical energy with particularly high efficiency. Our roots are in electrification. We’ve been leaders in this field until now, and it’s here that our future lies.

#### Automation

We’ve been successfully automating customer processes for years. In automation, too, we’ve already captured leading market positions worldwide. We intend to maintain and expand these positions.

#### Digitalization

We want to exploit the opportunities offered by digitalization even better. Because added value for our customers lies more and more in software solutions and intelligent data analysis.

Across the areas of electrification, automation and digitalization, there are concrete growth fields – fields in which we see major potential. We’re rigorously aligning ourselves to exploit this potential in order to achieve long-term success. Our setup reflects this aspiration. ➔ SEE PAGE 48
Digitalization

Automation

Electrification

Power transmission, power distribution and smart grid

Imaging and in-vitro diagnostics

Power generation

Energy application
Our positioning and our strategic direction are closely linked to defined milestones – the stages in which we’ll lead our company into a successful future. We’re not only focusing on the next one or two quarters or the next reporting season but on the years and, perhaps, even decades to come. With this future in view, we now have to take all the right steps to create value – for the short-, medium- and long-term.

1 **Short term: Drive performance**

Our first task is to boost our performance. To achieve this aim, we’re retai­loring our structures and responsibilities. We’re also focusing on business excellence, in other words, the reliable management of our businesses. We want to get even those businesses that aren’t reaching their full potential back on a successful track and make them competitive again.

1 **Medium term: Strengthen core**

To achieve long-term success, you have to focus on the things that make you strong and put other things aside. In line with this philosophy, we intend to strengthen our successful businesses along the value chain of electrification. Among other things, we want to allocate resources in a more rigorous way in order to expand in strategic growth fields.

1 **Long term: Scale up**

But we won’t stop there. With the same resolve, we’ll intensify our efforts to seize further growth opportunities and tap new fields.
Vision 2020

Stages

Value

Scale up

Strengthen core

Drive performance
Goals

Only those who set demanding goals can be successful over the long term. That’s why we’ve linked the success of Vision 2020 to the attainment of seven overarching goals – goals that will provide us with a yardstick and a compass on the path to 2020. In particular, we aim to:

**Implement stringent company governance with effective support functions**

We want to live lean governance and drive continuous optimization. We’re simplifying and accelerating our processes while reducing complexity in our company and strengthening our corporate governance functions. In this way, we plan to reduce our costs by roughly €1 billion. The savings are expected to be mainly effective in 2016.

**Cut costs by ~ €1 billion**

**Strengthen portfolio**

Our intent is to sharpen our business focus in electrification, automation, and digitalization. We’re tapping attractive growth fields and getting those businesses that haven’t yet reached their full potential back on track.
**Execute financial target system**

In order to grow our company value, we’re rigorously implementing our financial target system. Our aim is to consistently achieve our capital efficiency target – an ROCE of 15% to 20% – and to grow faster than our most relevant competitors.

**Expand global management**

To get closer to our customers and markets, we want more than 30% of our Division and Business Unit managers to be based outside Germany by 2020. We now have business activities in virtually every country of the world, generating some 85% of our revenue outside Germany. We want our management to reflect this global orientation more strongly in the future.
Be a partner of choice for our customers

We foster an intimate and trusting partnership with our customers. As a result, we want to be our customers’ partner of choice – both now and in the future. To measure customer satisfaction, we use the Net Promoter Score – a comprehensive customer satisfaction survey that we conduct every year. Our goal is to improve our score in the survey by at least 20%.

Be an employer of choice

We want to unleash the full potential of our people. Highly committed and satisfied employees are the basis of our success. We are – and want to remain – an attractive employer. That’s why we conduct a global engagement survey to measure employee satisfaction. In the categories Leadership and Diversity, we aim to achieve an approval rating of over 75% on a sustainable basis.

Foster Ownership Culture

Our intent is to ignite pride and passion for Siemens, through a new mindset and equity ownership. In the future, our employees will have an even greater stake in their company’s success. We want to increase the current number of employee shareholders by at least 50%.
Enablers

To achieve these goals, we have defined projects and initiatives – the enablers of Vision 2020. One of these is the Operating Model. It aims to adapt the company’s operational capabilities to quickly and flexibly act in our continually changing business environment. Other enablers are our sustainability framework (Sustainability at Siemens) and our communication program (Brand and Business Impact Program) including our positioning as an attractive employer.
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Page 24  Employee introductions
          Part I
Page 30  Ownership Culture
Page 32  Employee introductions
          Part II
Page 43  Strengthening our equity culture
Our culture

| Acting entrepreneurially |
Even the best strategy can’t succeed unless it’s supported by a strong culture. That’s why we at Siemens live and foster an Ownership Culture – a culture that encourages every individual in our company to give his or her best in his or her position in order to help build Siemens’ long-term success.

We’ve asked employees to explain what they understand by an Ownership Culture. You’ll meet some of them on the pages that follow.
Always act as if it were your own company.
It is genuinely demonstrating commitment and responsibility to do my best and what is best for the company.

Lena Ikejiri de Medeiros
Human Resources Manager
Ownership culture for me means to apply the level of performance and rigor to every action you take as if you would take them for your own company.
Jag, tillsammans med min grupp, arbetar hårt och målsinriktat med att underlätta arbetsbördan för kollegor som tar över där vi slutar.

Together with my team, I work hard and with dedication to ease the workload for the colleagues who take over where we’ve left off.
For me, ownership culture means that everyone in the company feels they have the ability and the opportunity to really make a difference and contribute to the success of Siemens. And that everyone is encouraged to do so!

Janina Kugel

Member of the Managing Board of Siemens AG
Ownership Culture is an asset as well as a prerequisite for our global success.

Georgia Davari
Apprentice
Europeans@Siemens
Ownership culture is the key to an agile organization and the quickest way to customer satisfaction.

Günter Hahn
Vice President Customer Service
Siemens Molecular Imaging
Ownership Culture

It’s not just strategy that makes the difference; it’s also a company’s culture, its values and what it stands for.
Siemens is a company that was led for generations by owners who had a passionate interest in the firm’s long-term successful development. They all knew that every individual makes a contribution every day to the company’s enduring success. We’re following this conviction and want to foster an Ownership Culture worldwide that includes all of our people. We believe the following principles are especially important here:

1. **Owners ensure our business success**
   Our managers should serve as role models for the company’s strategic direction and ensure the sustainable and efficient use of available resources – thus inspiring and empowering their teams to give their best for the company.

2. **Our behaviors bring the Ownership Culture to life**
   Entrepreneurial behavior should be the standard and foundation for how we act at Siemens. This applies to each individual in the company – since only then can behaviors constantly evolve and improve.

3. **Owners care for each individual**
   We strive for a people-oriented approach that values and clearly fosters diversity of experience and expertise. If this is reflected in all that we do, we’ll improve the performance of our company.

4. **Ownership Culture is based on our company values**
   If everyone in the company acts responsibly, achieves excellent results and is innovative, they will personally contribute to the sustainable success of Siemens. Responsible, excellent, innovative – these values are the foundation of our Ownership Culture.

5. **Owners identify themselves fully with Siemens**
   We strongly believe that employee shareholders act responsibly and are oriented to the long term when they directly participate in their company’s success. That’s why the equity culture is an integral part of our Ownership Culture. → SEE PAGE 43
Be a role model and follow safe routines for a safer future.

Jesper Rönnbäck

Electrician
Ownership Culture is being self-motivated by continuous improvement for sustainable success, whatever your position is.
For me, Ownership Culture is my personal responsibility to make intelligent business decisions and act in a manner that generates positive impact for our company and our customers, partners and shareholders.
Personal ownership screams, "I care!" from within; and when all team members truly care, success usually follows.

Michael Cheng
Senior Manager
Engineering for Angiography
Creating a good working environment, trusting and respecting one another – that’s what Ownership Culture means to me.

Elena Rubio López
Apprentice
Europeans@Siemens
Ownership Culture is exercising a sense of belonging, taking the responsibility for doing your best, unconditionally, every day.

Sergio Souza
Program Manager
Transformation Program
Siemens Brazil
Mariel von Schumann  
Munich, Germany

Mariel von Schumann joined Siemens in 1999. After serving the company in various capacities, she was appointed head of Governance & Markets in November 2013. In her current function, she combines internal management of governance topics with the external view from the capital market. This includes, for instance, communicating with the shareholder community, coordinating remuneration of Siemens’ Managing Board and top executives, and managing the company’s organizational structure and internal equity programs. In addition, she orchestrates our initiative for fostering an Ownership Culture at Siemens, one of the main building blocks of our Vision 2020. She’s eager to be a role model in that respect – living this Ownership Culture drives her actions.

Lena Ikejiri de Medeiros  
São Paulo, Brazil

After graduating with a degree in business administration and specializing in HR, Lena Ikejiri de Medeiros joined Siemens in 1996 as an intern and has worked in human resources with passion ever since. Lena’s core competencies are employee and leadership development, succession planning and learning – the areas for which she’s currently responsible at Siemens Brazil. Drawing on two cultural heritages, Brazilian and Japanese, Lena lives both cultures’ values with great enthusiasm. She’s further enhanced her intercultural capabilities by working in a variety of Latin American countries.

Rickard Olsson  
Finspång, Sweden

Rickard Olsson is a workshop test manager at our Siemens Industrial Turbomachinery AB site in Finspång, a town in the Swedish province of Östergötland. Once famous for its cannon production, the locality now pursues peaceful activities, building the most modern and efficient gas turbine in its class. Rickard looks back on many years of experience in this field. He started his career as a trainee, followed by on-site assembly and commissioning work. Before assuming his current duties, he held various positions in a transfer project in the Middle East and worked as a warranty engineer in Europe.
Georgia Davari | Elena Rubio López
Berlin, Germany

In many EU countries, one out of every two young people has neither a job nor a vocational trainee position. Through the Europeans@Siemens initiative, we’re helping improve this situation by giving young people the chance to complete a dual education-and-training program in Germany. Since 2012, 90 young Europeans from 18 EU member countries have been selected by their respective Siemens Regional Companies and sent to Berlin. Among them are Georgia Davari and Elena López, who entered the program on August 1, 2014. Whereas 24-year-old Georgia had already earned a college degree in automation engineering in her home country of Greece, 18-year-old Elena left Spain after attaining the “Bachillerato,” which is a college entrance qualification. In the coming years, in alternating phases of theoretical instruction and hands-on practice, these two women will learn the occupation of electronics technician. After that, they intend to take the knowledge and skills acquired in the program back to their home countries. But first, they need to become proficient in German, the language in which the final examination is conducted.

Janina Kugel
Munich, Germany

Janina Kugel is responsible for strategic personnel topics and executive development at Siemens. After studying at universities in Mainz and Verona, she began work as a management consultant in 1997. Since joining Siemens in 2001, she’s been involved in the company’s development in various capacities. From 2012 to 2013, Janina headed the global HR organization at OSRAM and prepared the business for the IPO that was completed in July 2013. Since 2015, Janina Kugel is member of the Managing Board of Siemens AG.
Juliana Furlanetto Odoni  
São Paulo, Brazil

Juliana Furlanetto Odoni holds a bachelor’s degree in environmental engineering and a master’s degree in business management. The 28-year-old Brazilian first came to Siemens in 2008 as an intern in corporate quality management before joining a trainee program in 2010. Since 2011, she’s been working as a sales support manager. Always motivated to improve processes, Juliana has participated in several projects and programs focused on making Siemens Brazil a benchmark in leadership, productivity and customer satisfaction. Very committed to sustainability issues, she’s also been serving as an environmental education volunteer and panelist.

Jesper Rönnbäck  
Finspång, Sweden

Jesper Rönnbäck plays a key role in keeping production running smoothly at our gas turbine plant in the Swedish town of Finspång. Starting out as a technical assistant and moving up to the position of foreman in 2010, Jesper is responsible for all the plant’s electrical installation work, including the connecting up of the SGT-750, one of our latest gas turbines. A medium-sized gas turbine in the Siemens portfolio, the SGT-750 is capable of generating 37 megawatts of power. Its outstanding features include versatility, high efficiency and low emissions – all of which make it one of the most environmentally friendly turbines in its class.

Günter Hahn  
Chicago, USA

Günter Hahn is responsible for the worldwide service organization for Molecular Imaging Healthcare USA. He started as an apprentice with Siemens in 1971. After completing a master’s degree in engineering management from the Gordon Institute of Tufts University in 1981, he rejoined Siemens as an engineering manager and project leader. Before his appointment as Vice President of Customer Service at Molecular Imaging, Günter helped develop teams in engineering, research and general management.
Sergio Souza
São Paulo, Brazil

Sergio Souza joined Siemens in 1990 as a field service technician in the area of telecommunications. Since then, he’s held a wide range of positions in Brazil and other countries. Since August 2013, Sergio has headed the Transformation Program, a Regional initiative aimed at making Siemens Brazil an agile organization with an excellent working environment and at enabling the company to better serve its customers, better fulfill its responsibilities to society and consistently outpace its competitors.

Michael Cheng
Chicago, USA

Michael Cheng works at Siemens in the Chicago area. He holds a degree in actuarial mathematics from the University of Michigan. After working for 16 years as a pension consultant, applications specialist, tester and quality assurance manager in the defined benefits industry, he joined Siemens in 2007. Michael successfully led a test center for six years before moving on to manage a team in systems engineering.

Devina Pasta
Munich, Germany

An electrical engineer, Devina Pasta joined Siemens India in 2006, where she held positions in the area of motion control – first in product management, later in business development. There, she launched a product for the Asian market and created new business models. After driving business in Asia, she now works at Corporate Strategies in Munich, managing aspects of digital transformation – such as a Siemens CEO community – in order to address the key opportunities arising from digitalization. Devina has studied, worked and lived in Asia, America and Europe and thrives in international environments.

Sergio Souza
São Paulo, Brazil

Sergio Souza joined Siemens in 1990 as a field service technician in the area of telecommunications. Since then, he’s held a wide range of positions in Brazil and other countries. Since August 2013, Sergio has headed the Transformation Program, a Regional initiative aimed at making Siemens Brazil an agile organization with an excellent working environment and at enabling the company to better serve its customers, better fulfill its responsibilities to society and consistently outpace its competitors.
Owners identify themselves with their company and thus give their best.
A company owes its existence to the fact that its employees identify with it, trust it and commit themselves to its positive development. We intend to increase the number of employee shareholders by at least 50%. Therefore, we want employees below the management level to participate in their company’s success on an annual basis. Because the more our people trust their own company, the more personal commitment they will feel and the greater each individual’s sense of belonging and sense of responsibility will be. This is the culture we’re striving to create at Siemens – a culture that will be decisive for our company’s long-term success.
Strategy sets the course
Customer and business focus
Governance
Our strategy

Setting the course
To leverage the diverse opportunities of our complex world, a company needs a clear direction, a strong internal setup, and people who follow the set course and turn plans and ideas into reality. And that’s exactly what our strategy does: it includes a sharper customer and business focus and streamlined governance.
To leverage the diverse opportunities of our complex world, a company needs a strategy to point the way forward and set clear priorities.

Joe Kaeser
President and CEO of Siemens AG
Customer and business focus

We’re focusing on our positioning along the value chain of electrification. This is where our core business lies. From power generation to power transmission, power distribution and smart grid to the efficient application of electrical energy – in every one of these interrelated fields, electrification, automation and digitalization are the key business drivers. Our integrated setup not only enables us to leverage opportunities in individual markets; it also allows us to exploit the potential at their interfaces. A worldwide go-to-market setup and an organization geared toward shared customer markets are making this possible.

Power generation
The field of efficient power generation – encompassing conventional and renewable energy sources as well as comprehensive services – is addressed by our Power and Gas Division, Wind Power and Renewables Division and Power Generation Services Division.

Power transmission, power distribution and smart grid
Solutions and products for power transmission and distribution as well as technologies for smart grids are all bundled at our Energy Management Division.

Energy application
Our Building Technologies Division, Mobility Division, Digital Factory Division and Process Industries and Drives Division are delivering technologies for the efficient application of energy in building technology, transportation and industry.

Imaging and in-vitro diagnostics
Siemens Healthcare is responsible for our medical imaging and in-vitro diagnostics businesses.

Financial Services
In all areas related to project financing, Financial Services is a reliable partner to our customers.
Customer and business focus
Governance

We want to lead Siemens in such a way that we focus on our customers at all times and further expand our market penetration while maintaining lean and flexible structures. That’s why we’ve selected a market-integrative setup that combines a common regional organization with a coordinated vertical approach. Against this backdrop, we’ve tailored the structures and responsibilities of our businesses, our Regions and our corporate governance functions. Concretely, this means:

- Our 30 Lead Countries, which generate more than 85% of our business, report directly to our Managing Board.
- We’ve organized our business activities into nine Divisions and one separately managed unit, Healthcare. This is ensuring customer proximity and fast decision-making.
- In addition, we’ve made governance stringent across all levels of our organization. Our Managing Board leads the Company and maintains the balance between our businesses and Regions. It’s supported by strong, efficient corporate governance functions, our Corporate Core. This Corporate Core ensures fast, unbureaucratic decision-making across key company functions.

Stringent governance also means making sure that our proven methodologies for continuously improving performance are rigorously applied company-wide in our businesses and projects. We’re also managing our compliance system and company-wide compliance organization directly from company headquarters to ensure that our activities always fully comply with applicable laws and with our own internal principles and regulations.
Customers and markets

Regions

Businesses

Managing Board

Governance
Further information on the contents of this strategy overview is available from:
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Additional information
Further information on our Vision 2020
is available at:
WWW.SIEMENS.COM/VISION-2020
Further information on our Ownership Culture
is available at:
WWW.SIEMENS.COM/OWNERSHIP-CULTURE
Further information on our company strategy
is available at:
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Concept and coordination
Governance & Markets
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