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GERMAN-BRITISH FORUM "ENERGY FOR THE FUTURE – GOVERNMENTS, CITIES AND TECHNOLOGIES FOR THE NEW AGE"

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Questions for the session pose interesting questions about local impact and entrepreneurship.

The Siemens model has been to have global products with local expertise to deliver solutions and service.

Local delivery makes sure that we are properly addressing local issues and the global product portfolio enables us to have concentrated centres of excellence that we need for really expensive developments such as the new H-Class gas turbine for 60% efficient gas-fired power plants.

I should also say that these expensive developments, in efficiency improvements, in CCS, in renewables, new high voltage DC transmission, etc need adequate protection that should not prevent, indeed encourage, worldwide deployment and of course more R&D.

A couple of years ago the company published its thoughts on global mega-trends that would guide strategy for products and service portfolio development. This exercise identified four key trends driving the environment in which we live and work. These were the continuing move to large cities, population trends, especially on the back of improvements in life expectancy, and of course climate change, all within the context of increased globalization of business and interdependency of our economies.

We also published some work last year with McKinsey on energy and environmental issues in London. The mega-trends and sustainability work drives our Environmental Portfolio, which last year represented €19 bn in turnover (nearly a quarter) and has saved our customers over 148m t of carbon dioxide emissions.

This approach needs an entrepreneurial spirit and can address things that need huge amounts of money to develop.

But we would not be where we are without the independent small technology developer. Our wind turbine business started as a small family concern and there are many small businesses making ground-breaking developments.

Some of those will need global players to take up the ideas at the right time, like the wind turbines, and like concentrated solar power, where only a big player can give the fast access to markets and the level of further funding that is needed. So we need big and small in my book.

And we should not just think about electricity and transport. About half the CO₂ emissions in this country come from the production of heat – for industry, for homes,

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for offices – these all need to be addressed from lower carbon sources to extent that they cannot be reduced by energy efficiency measures. Some industries in particular rely on high temperature process heat that can be derived from highly efficient CHP plants or use heat recovery systems for power generation.

So why should we address these environmental and sustainability issues?

Some twenty years ago, the United Nations Bruntland Commission defined sustainable development as “development that meets the needs of the present generation without compromising the ability of future generations to meet their needs”. I suggest that this applies to business as much as to personal and collective action on climate change, health, education, environmental, social welfare and so on.

We can meet this year's numbers and probably next year's without considering sustainable development but will we achieve what we need to achieve for shareholders, customers and employees in 5, 10 or 20 years time if we don't? Will we be in the wrong markets with the wrong product? Will we still be in business?

In this context sustaining the company means developing and offering things that enable society to meet global and local sustainability criteria if we want to continue to be successful.