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"We are committed to energize society and shape the energy of tomorrow."

Kian Mossanen Chief Information Officer Siemens Energy

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Siemens Energy's mission to decarbonization

Each month, we speak to a different industry leader about their approach to innovation and emerging trends impacting the industrial sector. For this edition, we talked with Kian Mossanen, Chief Information Officer at Siemens Energy about his take on the state of play of energy transition and decarbonization of industry, and his predictions of the game changers that lie ahead:



Addressing the changing energy industry



Role of data and the cloud in decarbonization



<u>Making change</u> <u>happen</u>

In conversation with Siemens Energy's Chief Information Officer Kian Mossanen



Kian Mossanen Chief Information Officer at Siemens Energy

Siemens Energy is committed to empower their customers to meet the growing global demand for energy while transitioning to a more sustainable world. And in 2020, the company brought on one of its biggest advocates for change, CIO Kian Mossanen. "Our north star is to decarbonize the world for our kids and grandkids," says Kian. To achieve this, he argues, requires collaboration and a constant desire to change and learn. "If we don't, the solutions we bring into the organization will become obsolete in three to five years. We need to constantly look at the latest technology and latest cloud application, or software-as-aservice. It's a question of being passionate about what we are doing, and eager to learn and to create a new future."

With an ambitious pledge to become carbon neutral by 2030 and help accelerate its customers' own sustainability journeys, Siemens Energy is innovating apace. The company is pursuing a transition to hydrogen and renewable energy sources and driving change by harnessing everything from drone technology to artificial intelligence. We spoke to Kian about how he keeps his team inspired, and why cybersecurity presents an opportunity, not just a threat.

What one word describes you best?

Passionate. I am a passionate global digital leader who has decarbonization at the top of his list. Therefore, Siemens Energy is the perfect environment – I have great teams around me all working to bring decarbonization forward from a digital point of view.

Can you share some insights around your career journey to date?

I started in finance before becoming an IT manager. Today, I would call myself a digital manager, handling the company's end-to-end digitalization from purchasing to sales.

My role touches on our external portfolio, helping our end customers optimize our digital solutions to decarbonize their footprint. Siemens Energy is incredibly present in many different topics that are so important, like living up to the commitments of the Paris Agreement. And the responsibility starts with us as individuals – we must all contribute to decarbonization. If we're not able to do that as individuals, how can we do it together as a team and as a company working across different fields? It starts with the supply chain and optimizing the purchasing of raw materials. What is the carbon footprint of chemical products, for example? We're working on how to become carbon neutral by 2030 as a company. Beyond that, we have even greater potential to make an impact by helping our customers to decarbonize. That could be in data centers, or in energy production and consumption.

Siemens Energy is very active in the hydrogen space and now you're combining traditional combustion technology with wind power. Can you give us an overview of these activities?

In many parts of the world, and especially in Germany, we're moving out of coal.

Siemens Energy made a clear commitment to the market, but even more importantly to itself as a company, to not make a new coal deal. We will move from coal to gas, and the next step is to move from gas to hydrogen. We just announced another great collaboration to provide one of our customers with small gas turbines. Gas turbines that will be able to use hydrogen or a mix of fuels in the future. We are helping these customers on their journey to using green energy. And this is actually how Siemens Energy is different from the competition: our big differentiator is that we have an end-to-end energy portfolio. It starts with wind turbines onshore and offshore, our grid technologies and storage, and all kind of turbines from gas to hydrogen. Having endto-end solutions for our customers makes us unique in the market.



How is data helping you achieve your goals?

Data is of the utmost importance and is the reason Siemens Energy brought a Chief Data Officer onboard two years ago.

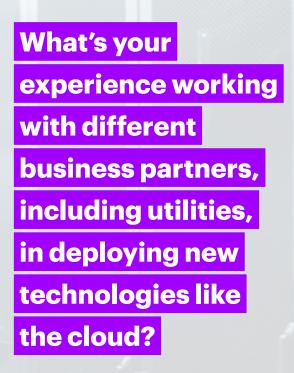
Because it all starts with our assets, and the asset in today's world is data. That means we need to better maintain our data in our own environment, our production environment, and in the customer fleet to be able to optimize and help our customers better digitize based on the information we have. Better digitalization helps with predictive maintenance and can help us detect pipeline leaks earlier than it would be possible to do physically. Drones, camera technology and AI help us to analyze an area and identify any need for maintenance. So, it goes from the ground to the air. Digitalization is everywhere. Our digital solutions help our customers to become more effective, increase performance, and reduce carbon emissions. Besides data and technologies, collaboration is key to achieving our goals especially around the decarbonization topic. We collaborate with our customers and other partners like hyperscalers or digital companies to be successful. They bring development knowhow and new methodologies. The "just invented here"-approach of the past won't be successful, especially when it comes to the enormous energy ecosystem.

What's the role of cloud solutions in your work?

It's vital we have a clear cloud strategy. We use the hyperscalers' functionalities and great solutions.

We need to be able to scale up and meet with our customers in the cloud to develop the solutions of tomorrow together. Without this approach, we wouldn't be where we are today. It starts with basic things, like moving a lot of our assets and equipment into the cloud. That gives us the chance to clean the house and have better housekeeping going forward. Then we can scale up the new functionalities and bring those all around the globe. We were very limited in the past. Now with cloud, we see a lot of potential in many dimensions.





Most industries and most leaders fully understand that there's a lot of beauty in software, because you can scale up and have completely different margins compared to hardware.

We will continue to be a hardware company, but it's important to enrich software and increase its use. Our suppliers, customers and partners are all looking at ways to improve software to become more efficient. I see a change in utilities that started some years ago, and must continue to accelerate.

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Our company has a very high exposure, so security is top of the list, inside the company and out.

It needs to be built into the products that we ship to our customers from the very beginning. It's not something that comes as an add-on. It needs to be maintained and monitored from end to end. For us, it's an opportunity. There is a threat, obviously, but it's also an opportunity to show that we are a player in the market that can bring a higher degree of cybersecurity to customers.

How do you guide your teams through all this change and build up the right capabilities?

It starts with the company's purpose.

We are committed to making sustainable, reliable and affordable energy possible. This is how we shape the energy of tomorrow. And we have so many passionate digital experts and a great purpose as an organization. Our north star is to decarbonize the world for our kids and grandkids.

Do you face any resistance to change? And how do you deal with change in that environment?

We all have to constantly change and learn. If we don't, the IT solutions we bring into the organization will become obsolete in three to five years. We need to constantly look at the latest technology and latest cloud application, or software-as-a-service. It's a constant learning curve. For me, that has nothing to do with age. It's a question of being passionate about what we are doing, and eager to learn and to create a new future.

What inspires you most?

First, I have so many great people around me that I learn from every day, including my family.

I get a lot of energy from that private environment and from doing sports. You need a good mix, then you can motivate everyone around you and give each other energy to achieve what we need to achieve.



In closing

A macro environment with an unprecedented level of volatility has created serious pressure and the industrial sector is no exception. The sector's slowed down growth continued into the new year, but recent results tentatively suggest its slump has passed. If you look at recent earnings, the leaders in the digitalisation of and within industrial businesses are reporting strong sales, and in some cases even record profits.

How industrial companies can drive clear and significant outcomes in the face of disruption

The biggest challenges facing the Eurozone manufacturing/industrial sector right now include supply chain disruption, given the scarcity of materials, and then access to talent in what is a tough labor market. Both is needed to generate revenues from existing backlog and new sales.

Companies that want to ensure they can maintain or build resilience and that want to be well-equipped to action change in the face of these external pressures, need to reinvent themselves. They should look at investing in technologies such as cloud, automating more of their operations, upskilling employees, rebalancing their supply networks and manufacturing footprint - and they must do this in a responsible manner. As our latest Accenture report shows, adopting such a holistic approach to transformation works. The report shows that a small number of companies, ones we call Reinventors, are systematically changing the game for their industry by embracing a new strategy we call Total Enterprise Reinvention centered around a strong digital core and new ways of working.

The insights provided by Siemens Energy's Kian Mossanen in this edition of The Industrialist emphasize that a strong digital core is fundamental to all other strategic needs of an organization and a primary source of competitive advantage. By leveraging the power of the cloud, data and AI across the enterprise, it allows for rapid development of new capabilities, the development of new products and services, and insights for decision-making - ultimately driving growth and optimizing operations. It also becomes clear that the digital core including a future-proof cloud environment helps Siemens Energy to realize its sustainability goal of becoming climate neutral for its own operations by 2030 while delivering increased value to end-customers and decarbonizing their footprint.

Best regards,



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Thomas Rinn Senior Managing Director, Global Industrial Lead, Accenture

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The Industrialist is our monthly digital magazine that puts game-changing perspectives in the spotlight. It combines thought-provoking content and insights, to keep you on top of what's new in the industrial industry.

Featuring different CXOs and diverse views, you can be inspired by leading innovators, explore the latest trends, tools, technologies, and innovations, and ignite your industry interest with transformational thought leadership.

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