

The Future of Mobile Work @Siemens

Munich International Tax Forum

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SEPTEMBER 2023

IRW Journey – Pre-Covid and Covid

Covid 19 Impact

- Borders closed
- Stranded employees
- Restrictions for office work
=>home office kick off

Covid 19 Impact

Regain “control” of employees’ working habits & locations

2021/ 2022

New Normal work!?

- “New Normal” work in place
- 2-3 days a week office work / mobile work depending on the individual country rules & regulations
 - “Home office” limited to the country of work contract

- 2020

- Business Travel & Delegation
- BTAT-Tool
- Double Heads
- Frontier Workers

03/ 2020

11/ 2020

Challenges around IRW

Siemens Workshop



Deloitte Webcast

REMOTE WORK CONSIDERATIONS

A variety of stakeholders across functions need to align and identify priority actions and shared goals to ensure successful remote working can be achieved – enhancing employee experience and business unit efficiencies, while reducing compliance (tax and legal) risks.

CORPORATE TAX

- Domestic and international corporate tax implications
- Permanent establishment risk
- Transfer pricing implications

EMPLOYMENT TAX & PAYROLL

- Compliance analysis to quantify risks
- Continuous data tracking and reporting
- Employment tax compliance risks
- Income tax withholding and filing requirements
- Entity and payroll registration requirements

FINANCE

- Cost modeling and financial budgeting
- Cost accruals and forecasting

EMPLOYMENT / HR COMPLIANCE

- Employment contracts and taxability of benefits
- Wage and hour requirements
- Workspaces and home office expense compliance (e.g. ergonomic consultations)
- Intra-company agreement

IMMIGRATION

- Visas and work authorization impacts

WORKSPACE PLANNING & REAL ESTATE

- Site location strategy domestically and internationally
- Office space planning and reconfigurations
- Workspace planning and logistics

TALENT STRATEGY

- Enterprise philosophy and strategy
- Workforce segmentation and job profile analysis
- Impact to strategies across the talent lifecycle (e.g. recruiting, onboarding, performance management, learning and development, etc.)
- Assessing and supporting diverse talent

PROGRAM & OPERATIONS

- Policy guidelines and benefits
- Roles and responsibilities, process, and tools
- Employee and stakeholder communications

REWARDS

- Compensation strategy, methodology, and data
- Benefits design and implementation
- Cross-border long-term incentive considerations
- Retirement plan implications and policy review

SAFETY & SECURITY

- Employee location tracking for security purposes
- International and domestic SOS implications

IP & DATA SECURITY

- Network security risks
- Intellectual property safety

TECHNOLOGY

- Virtual team collaboration platforms
- Synchronous and asynchronous communication tools
- Cloud-based task and project management
- Cloud-based file sharing and storage

IRW Journey – Post-Covid

Post Covid

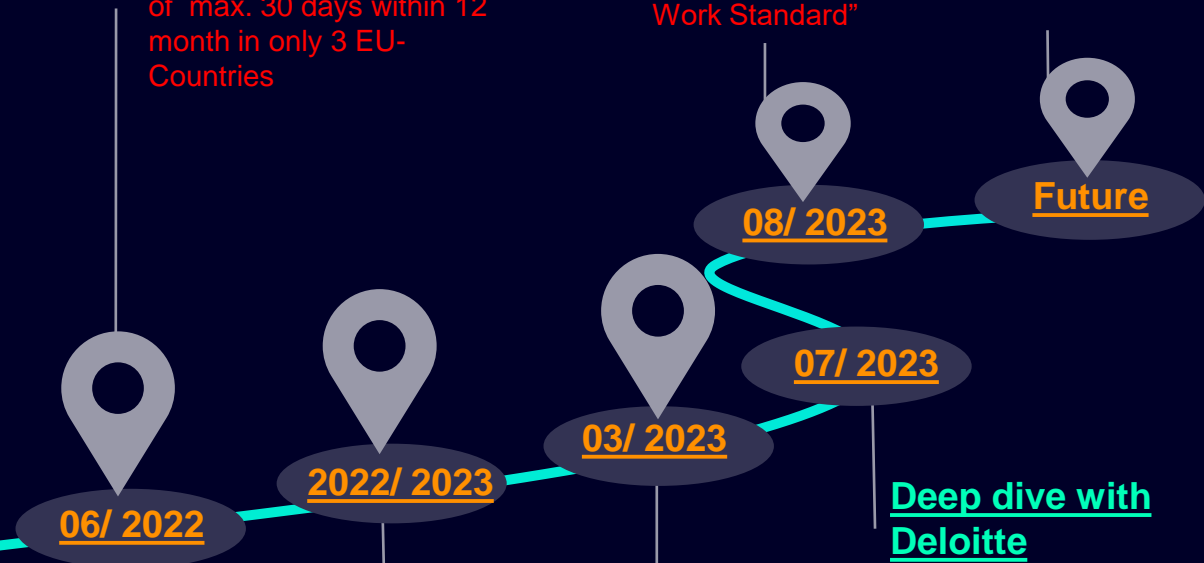
- Expectation that cross-border mobile work demand will be high
- Decision for a DE pilot of max. 30 days within 12 month in only 3 EU-Countries

Siemens Standard

Publication of Siemens' "International Mobile Work Standard"

Outlook

- Deloitte approach



06/ 2022

2022/ 2023

03/ 2023

07/ 2023

08/ 2023

Future

Pilot review & Further Extension of the Pilot

- Decision for extension to 7 more EU countries
- Further EU-combinations added
- Goal: Approve max. 30 days of mobile work if possible

Deep dive with Deloitte

- Tool-based approach / status needs to be analyzed
- 30 test cases defined

RFI for a tool solution

Market screening for a tool-based solution in order to manage international assignments as well as international remote work

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Overview Project Phases



#1: Workation Matrix "Analyze"

Scope:

Identify **risk areas** relevant for **workation cases** under the **Siemens framework**. Undertake a detailed risk analysis for **210 country combinations**.

Aim:

Gain a deep understanding of **compliance risks** associated with specific workation cases to form a **solid basis for automation**.



#2: "Go Work" Use Cases "Automate"

Scope:

Utilize Deloitte's **Go Work Tool** to assess compliance risks for workation cases **within and outside the Siemens framework**.

Aim:

Understand **tool capabilities** and **customize to Siemens' needs** to enable an automated risk assessment for workation cases.



#3: New Ways of Work "Extend"

Scope:

Identify the need for **further types of international mobile work** to provide the business with further **flexibility**, to meet the **needs of the employees** and to support the **talent organization initiatives**.

Aim:

Extend automated risk assessments to cover further cases of international mobile work (e.g. permanent remote hire).



Tailor "Go Work" logic to Siemens specific requirements to deliver Siemens configured answers for workation cases



Develop further "Go Work" engines to support a variety of types of international mobile work

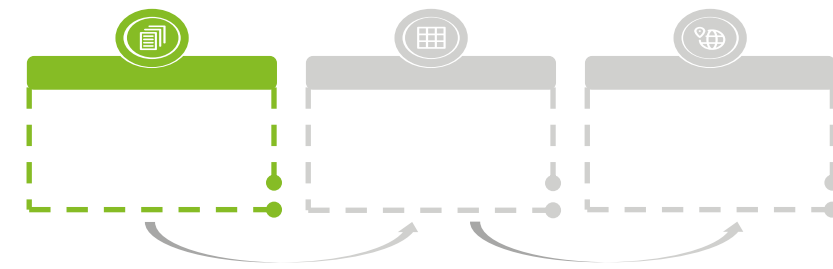
Poll #1 | Remote Work Current State

Where are you on your cross border remote work journey? (Please select one answer only)

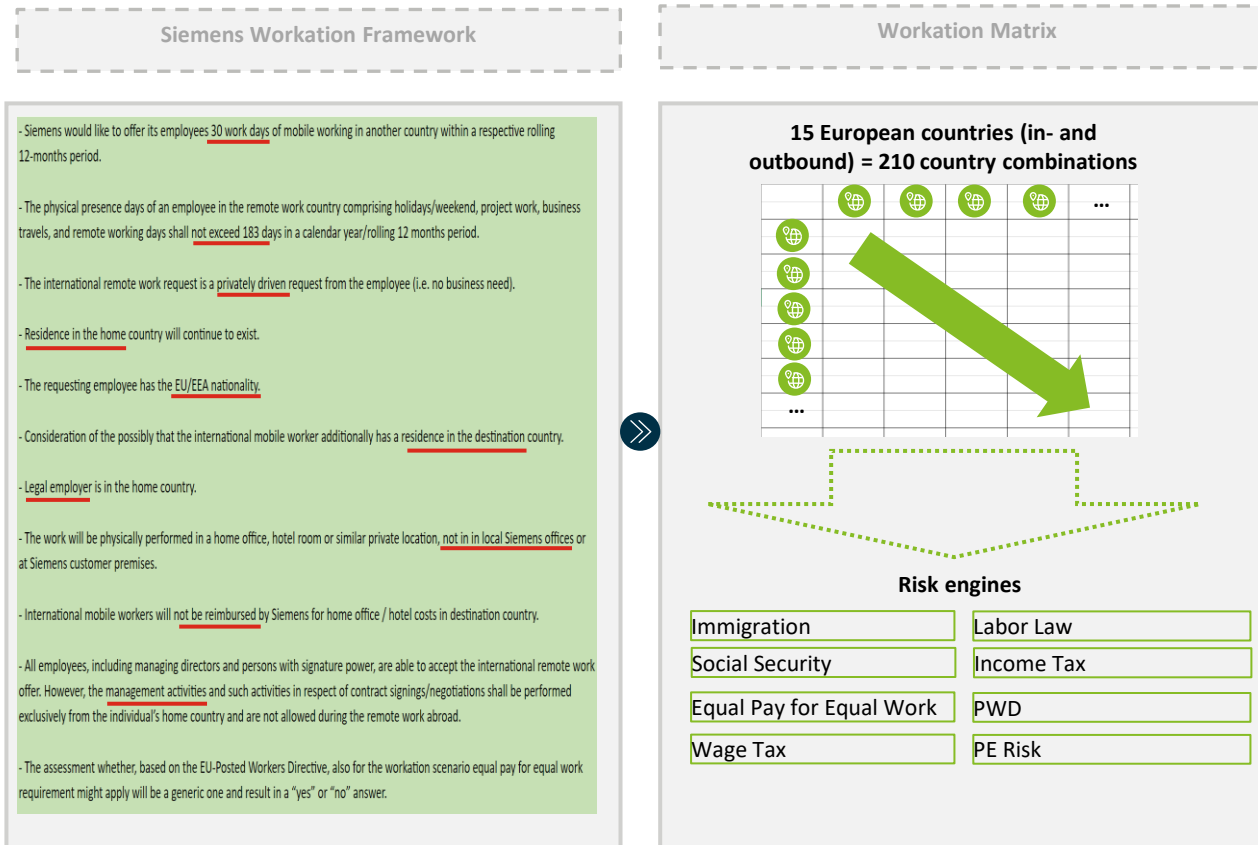
1. **Undecided** – we have not yet implemented a remote work policy
2. **No formal policy** – some cases, but exceptions only
3. **Day threshold** – we have implemented a **short-term** remote policy but have **challenges** in operationalisation and tracking
4. **Day threshold** – We have implemented a **short-term** remote policy which is **working well** and we're stopping there for now
5. **Embracing** - We have implemented a policy for **short-term** remote work and we're handling **longer-term** business-driven and/or employee-driven requests
6. Don't know/not applicable

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Deep Dive #1: Workation Matrix | “Analyze”

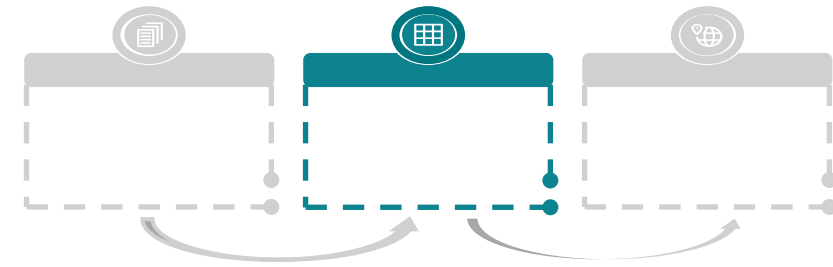


Based on the **Siemens framework for workation cases** Deloitte performed a detailed analysis of the **compliance risks** identified for **200+ country-combinations**. The results form the basis for an **automated solution**.

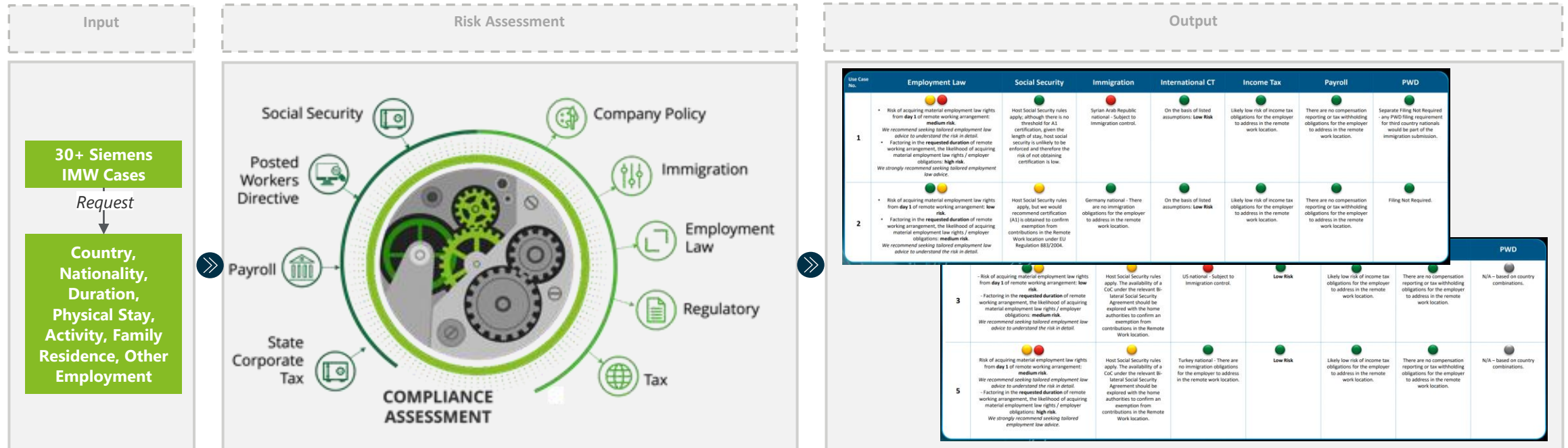


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Deep Dive #2: “Go Work” Use Cases | “Automate”



Our **Go Work** solution supports both business travellers and remote workers. It combines intuitive technology with Deloitte’s tax, regulatory, and legal expertise to **assess, manage, and track** large volumes of mobility events in **real time**. Typically Go Work is the interface client employees engage with to submit requests and the GlobalAdvantage reporting module is used to visualise compliance and drive insights through programme data.



! The sample cases will be used to tailor the “Go Work” logic to **Siemens specific requirements** to deliver **configured answers for workation cases**.

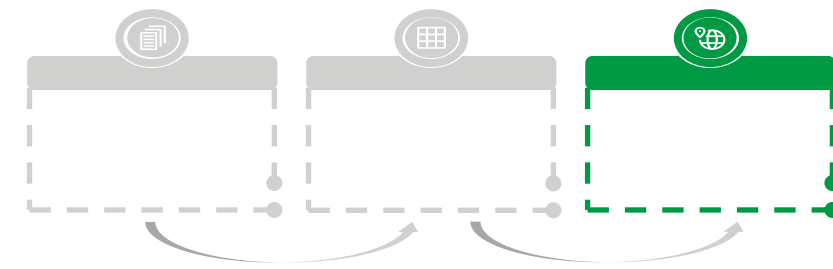
Poll #2 | Remote Work Future State

Looking forward, how do you look at the future of remote work? (Please select all that apply)

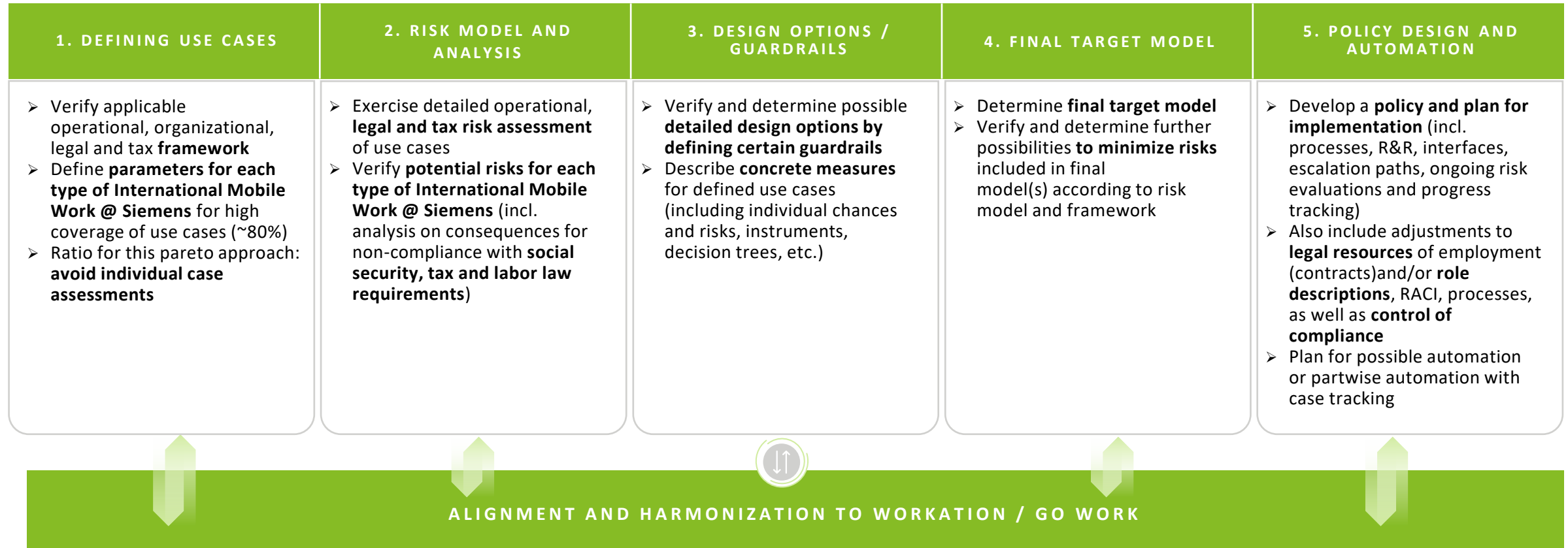
1. The trend is **back into the office**
2. **Mainly office work**, less remote work
3. Talents might be required to **work from their home country** (but nothing more)
4. Remote work will **stay**
5. Remote work will **expand**
6. In the future the **typical permanent home** might be in a **camper**
7. **Digital nomads** will dominate the labor market

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Deep Dive #3: New Ways of Work | “Extend”

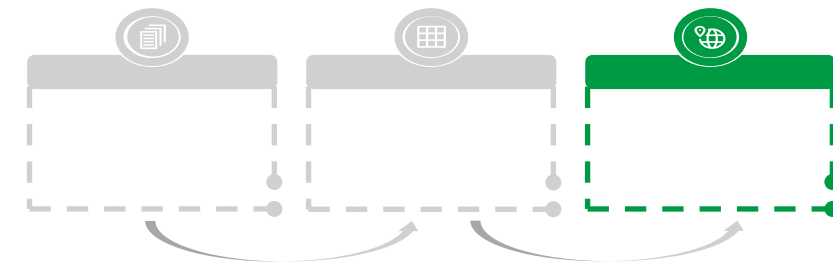


Five project phases have been defined to identify **further types of international mobile work** (e.g. beyond remote working / workation), to assess their **compliance risk** and to **implement** them in the context of Go Work.

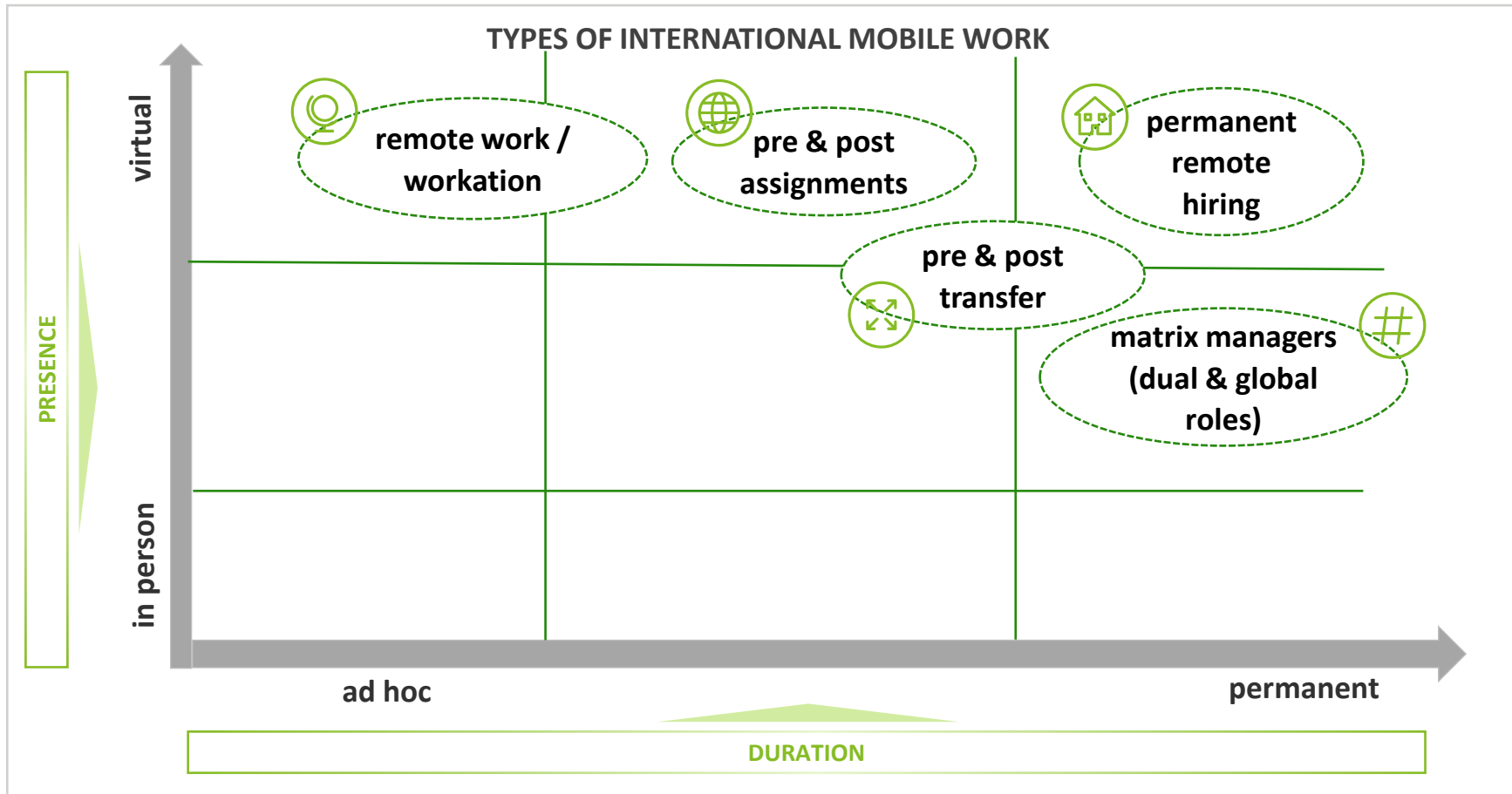


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Deep Dive #3: New Ways of Work | “Extend”

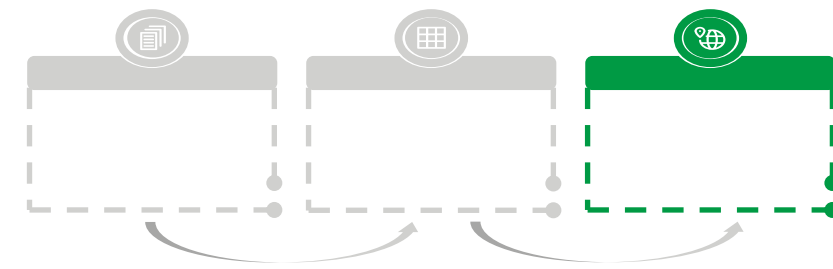


The different types of international mobile work are supposed to provide the **business with further flexibility**, to meet the **needs of the employees** and to **support the talent organization initiatives**.



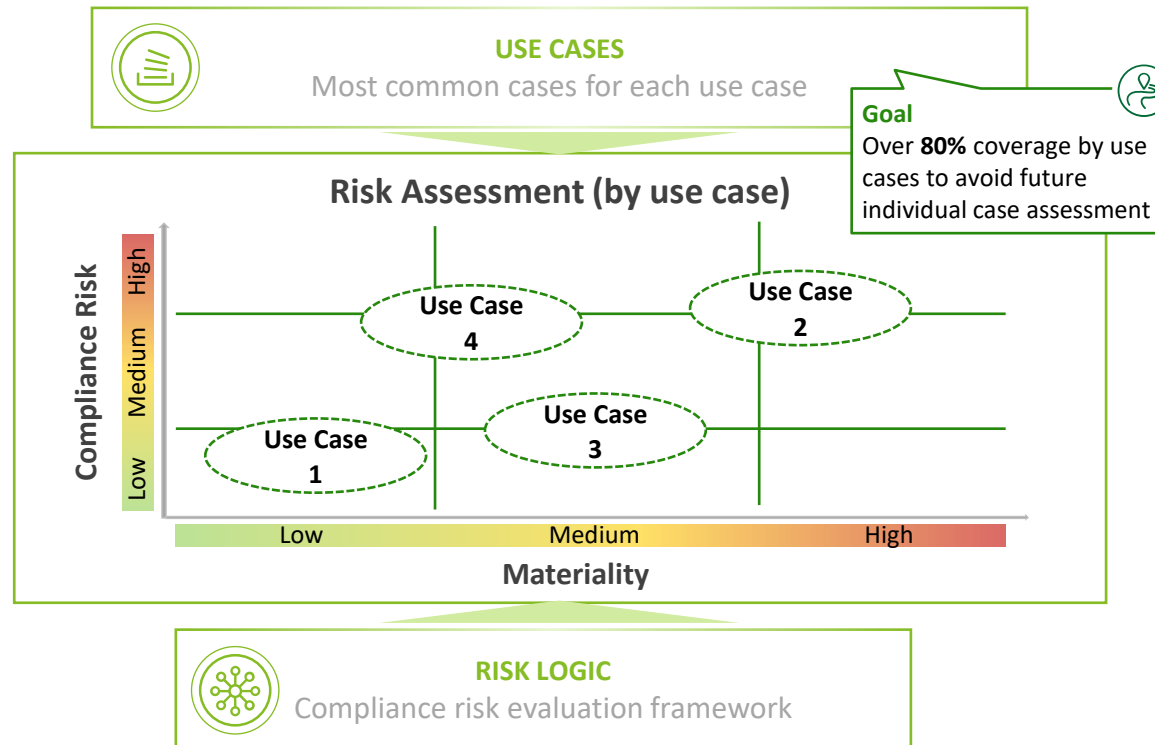
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Deep Dive #3: New Ways of Work | “Extend”



Development of **risk model** based on use cases to capture most common international mobile work requests and consideration of relevant **compliance risk types** to quantify the risk assessment for further decision making.

RISK MODEL DEVELOPMENT PER TYPE

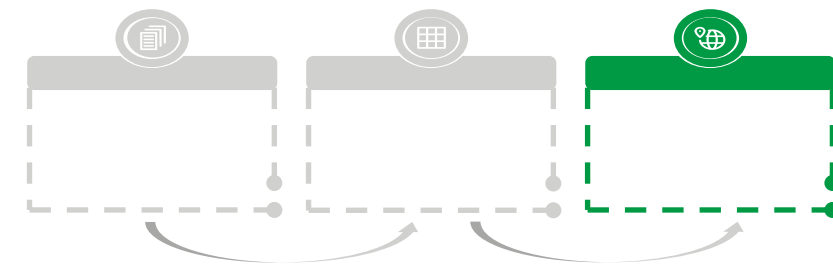


RISK TYPES OF INTERNATIONAL MOBILE WORK

PERMANENT ESTABLISHMENT	LABOR LAW
SOCIAL SECURITY	IMMIGRATION
IMMIGRATION	WAGE TAX
POSTED WORKERS DIRECTIVE	INCOME TAX

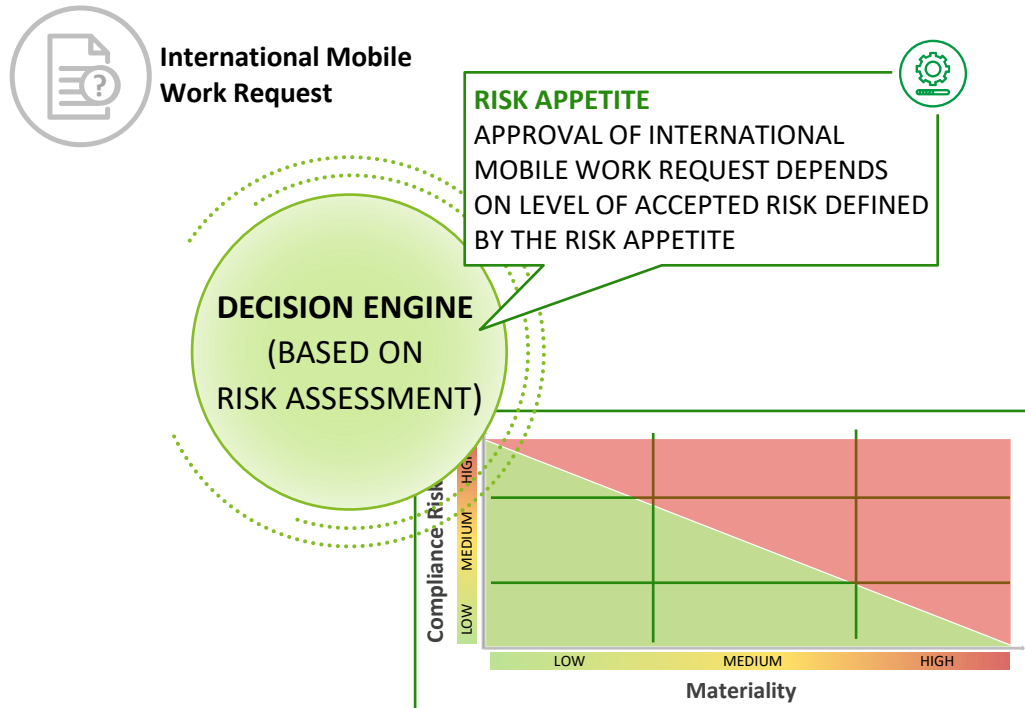
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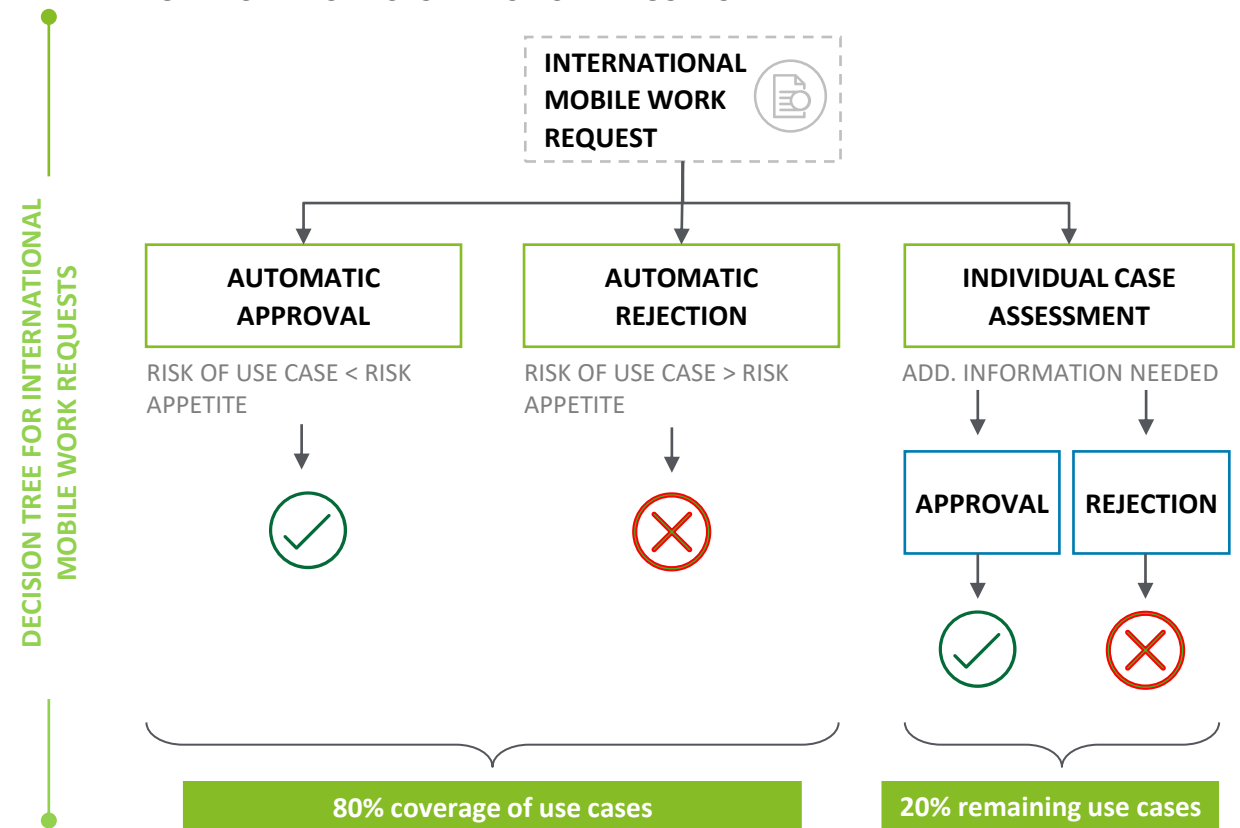


International Mobile Work requests are assessed based on the risk model and the decision is made in accordance with the defined **risk appetite**, meaning that the **policy and risk design** as described on the earlier pages will depend on the requirements and preferences of Siemens.

RISK ASSESSMENT UNDER FINAL TARGET MODEL:



TARGET MODEL FOR AUTOMATION UNDER GO WORK:



Poll #3 | Longer Term Strategy

Looking forward, which areas will you explore further for your business? (Please select all that apply)

1. **Longer-term/permanent remote working** to address talent needs
2. **Commuter arrangements**
3. **Virtual assignments**
4. Use of **Global Employment Company (GEC)**
5. Use of **Employer of Record (EoR)**
6. Use of **Independent Contractors**
7. Don't know/not applicable



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