Emissions Inventory, Fiscal Year 2013
Siemens Building Technologies Division, U.S.
Executive Summary

The Building Technologies Division of Siemens Industry, Inc. is pleased to present the results of our Fiscal Year 2013 greenhouse gas (GHG) emissions inventory. On an annual basis, we track our emissions from the following activities associated with our U.S. business operations:

- Fuel consumption from our fleet of vehicles (Scope 1 emissions)
- Natural gas, heating oil and propane used in our facilities (Scope 1 emissions)
- Purchased electricity for our facilities (Scope 2 emissions)
- Airline travel directly related to business activities (Scope 3 emissions)

Measuring our GHG emissions and making the results available to key stakeholders supports two key aspects of our sustainability program and mission: (1) transparency around operational performance and (2) to lead by example in our own operations by reducing our environmental impact, and by a commitment to transparency of our performance. As a Division of Siemens representing the U.S. operations only, we do not report our sustainability performance through a formalized third-party program or protocol. Tracking and communicating sustainability performance has become increasingly important to internal and external stakeholders such as clients, investors, and employees.

However, it is important that we continue to not only track and report our emissions as a measure of the Division’s environmental impact, but also strive to reduce our footprint through a range of activities and initiatives as part of our overall sustainability program.

We have made great strides in improving the quality of our data and ability to accurately report our GHG emissions directly related to U.S. operations. Beginning in Fiscal Year 2012, we implemented a portfolio-wide utility bill management program managed by Pace Global, a Siemens business. This includes not only the reporting and payment of our utilities, but also the professional management of our energy supply contracts. As a result, we continue to increase our data accuracy, and are able to more effectively manage and increase the Renewable Energy Credit (REC) content of our overall supply. Lastly, we have decided to exclude Scope 3 emissions associated with parcel shipping that has been a part of our emissions inventory since 2007. This decision is based on the continued challenges in obtaining accurate, verifiable data from third-party suppliers on a consistent and regular basis. Historically, parcel shipping has accounted for less than 2% of our annual GHG emissions.
**Fiscal Year 2013 Emissions Summary**

Total GHG emissions for the Building Technologies Division in Fiscal Year 2013 were 62,141 MTCO$_2$e. The breakdown of our emissions, both by scope and business use, is as follows:

- **Scope 1**: 73%
- **Scope 2**: 20%
- **Scope 3**: 7%
- **Buildings**: 23%
- **Air Travel**: 7%
- **Fleet**: 70%

### Historical Emissions Trends

In each year that we have reported our emissions, we have demonstrated a total GHG emissions reduction compared to the prior year. In Fiscal Year 2013, our absolute GHG emissions were down 4.1% versus the prior year, and nearly 24% compared to Fiscal Year 2008.

Following is a summary of both the annual percentage change in emissions, by business use, and the percentage change compared to Fiscal Year 2008:

<table>
<thead>
<tr>
<th>Business Use</th>
<th>Total FY’13 MTCO$_2$e Emissions</th>
<th>Percent Change versus Prior Year</th>
<th>Percent Change Versus FY’08</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fleet (Scope 1)</td>
<td>43,726</td>
<td>(0.2%)</td>
<td>(21.4%)</td>
</tr>
<tr>
<td>Buildings (Scope 1 &amp; 2)</td>
<td>14,233</td>
<td>(12.4%)</td>
<td>(33.9%)</td>
</tr>
<tr>
<td>Air Travel (Scope 3)</td>
<td>4,181</td>
<td>(11.6%)</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>62,141</strong></td>
<td><strong>(4.1%)</strong></td>
<td><strong>(23.6%)</strong></td>
</tr>
</tbody>
</table>
Our overall GHG emissions have been reduced by almost 24% from five years ago. A significant element of this reduction is attributed to our commitment to mitigate our buildings’ electricity use through the procurement of Renewable Energy Credits (RECs). We continue to reduce the emissions directly associated with our fleet of vehicles. Following a multi-year effort to improve our average fleet fuel economy by retiring the inefficient vehicles and providing more fuel-efficient options, our total GHG emissions associated with the fleet fell by 21% compared to Fiscal Year 2008. Our overall, average fleet fuel economy continues to improve; our Fiscal Year 2013 average miles per gallon for the fleet is 21% higher than Fiscal Year 2008.

Finally, while our GHG emissions associated with business air travel remain equal to Fiscal Year 2008 levels, we have reduced emissions by nearly 12% compared to the prior year, and by 22% compared to Fiscal Year 2011 – our peak year for air travel-related emissions.

**Historical Trends in Emissions Footprint by Business Use, Fiscal Years 2008-2013**

We have reduced our overall GHG emissions by nearly 24% from five years ago and have significantly mitigated our buildings’ electricity use. We reduced energy consumption at our Buffalo Grove, Illinois campus (pictured, left) by 13% over the same period.
Highlighting GHG Emissions Reduction Efforts

Throughout Fiscal Year 2013, we continued to invest in programs and initiatives to reduce the emissions associated with our business activities.

To support GHG emissions reduction efforts in our fleet, we implemented a driver incentive program specifically for the Toyota Prius. This program reduces the personal use contribution amount compared to other fleet vehicles. As a result, the number of Prius in the fleet increased by nearly 25% compared to Fiscal Year 2012, and over 40% compared to Fiscal Year 2011.

Our field offices continue to utilize our Sustainability Eco-Fund to support local energy efficiency and sustainability initiatives. In Fiscal Year 2013, we implemented lighting retrofits in Boston, Hartford, Jackson, Pensacola and Raleigh. In order to enable deeper energy analysis and optimization, we continue to install energy metering in our locations. In Fiscal Year 2013, we added metering in our Austin, Jackson, Pensacola and St. Louis offices.

We also continued to expand our use of RECs to offset our electricity usage. We began purchasing RECs in Fiscal Year 2010 to mitigate GHG emissions from electricity use in our two locations in Illinois; the Buffalo Grove, IL corporate campus and the Mt. Prospect, IL branch office. We increased our REC purchases from 25% to 50% in the middle of Fiscal Year 2012 and are seeing the full impact of that increase in Fiscal Year 2013. Today RECs mitigate 20% of the total GHG emissions from electricity use across our portfolio, and we remain a member of the EPA Green Power Partnership.

Looking Ahead

Based on the results of our Fiscal Year 2013 GHG emissions inventory, we are confident that we will continue to meet our overall mission to lead by example in the area of sustainability, and minimize the impact of our business operations on the environment. While we have not yet set any sustainability targets, we continue to track our key performance indicators, and have a number of efforts underway that contribute to our continued success. These include:

- Install energy metering in our branch offices, and monitor our consumption to identify areas of improvement and optimization. Currently, approximately 60% of our total portfolio square footage is metered, and we expect that number to continue to rise through the current fiscal year.

- Continue to seek building certification for select branch offices as a means to drive efficiency and gain recognition for sustainability efforts. Currently, six of our facilities are ENERGY STAR labeled, two are LEED certified, two are Green Globes certified, and one earned the BOMA 360 designation.

- Leverage our sustainability Eco-Fund as a means to drive further energy efficiency and emissions reductions into our branch organization.

- Proactively manage our energy supply and evaluate opportunities to increase the percentage of Renewable Energy Credits into our supply mix.

In 2014, we will continue to drive improvement and efficiencies throughout our operations, and report accordingly. Implementing energy efficiency and carbon reducing programs to work within current economic conditions is critical to the success of our organization. At both the corporate and local levels, the Building Technologies Division continues to innovate in the area of sustainability and share these strategies with our customers, partners and suppliers. We provide answers to the toughest questions America has to offer.

Key Performance Indicators

Tracking our environmental performance compared to key business indicators is a critical aspect of our corporate sustainability program. Compared to last year, and to the past five years, we have demonstrated our commitment to reducing our environmental footprint while maintaining successful business results.

<table>
<thead>
<tr>
<th>Performance Indicator</th>
<th>Percent Change versus Prior Year</th>
<th>Percent Change versus FY'08</th>
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<tbody>
<tr>
<td>Total energy consumption from buildings</td>
<td>+1.1%</td>
<td>(16.2%)</td>
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<tr>
<td>Total fuel consumption from fleet</td>
<td>(0.2%)</td>
<td>(21.4%)</td>
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<tr>
<td>Total miles driven from fleet</td>
<td>+1.9%</td>
<td>(4.8%)</td>
</tr>
<tr>
<td>Average fleet fuel economy</td>
<td>+2.1%</td>
<td>+21.1%</td>
</tr>
<tr>
<td>Total airline miles traveled</td>
<td>(9.4%)</td>
<td>+0.6%</td>
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<tr>
<td>Total emissions relative to revenue</td>
<td>(2.4%)</td>
<td>(36.2%)</td>
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