This document contains a general description of available technical options. Any specific solution(s) will be based on a client's particular requirements and will be addressed in the contract for the project.

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The Siemens Building Technologies Division is committed to creating a more sustainable future for its customers, employees and communities. Guided by our strong sustainability principals, we have the ability to lower the environmental impact of our products and business operations, bring innovative environmentally friendly solutions to the marketplace and provide transparency to our sustainability initiatives. From our broad product portfolio to the employees that deliver them to the marketplace, we have a proud history of advancing sustainability throughout the industry. For more information, visit www.usa.siemens.com/btsustainability.
I am pleased to present our 2012 Sustainability Report, which outlines our sustainability efforts as a company. At Siemens, sustainability has always been an integral part of who we are as an organization. Since the introduction of our company’s first energy-saving products over a century ago, enabling our customers to conserve resources has been fundamental to our corporate mission. We also understand that today’s environmental challenges are driving our stakeholders growing expectations of us as an organization. I am proud to say that our experienced and innovative people are stepping up to this challenge and working to continually improve the environmental performance of our operations and products.

“Our commitment to continual progress illustrates how important environmental responsibility is to our culture and our professional lives.”

Since issuing our last report, we have continued to deliver industry leading products and solutions that help our customers improve the efficiency and sustainability of their buildings and operations. In FY2012 energy and sustainability related business accounted for 29 percent of our total sales. We are also investing in new sustainability services and technologies. In FY2011 we acquired Pace Global, a market leading energy management and sustainability strategy provider. The expansion allows us to now offer an end-to-end energy consulting and project delivery capability that is unique in the market.

At the same time we continue to make strides in lowering the environmental impact of our own business operations. We continue to measure, monitor and reduce our energy and greenhouse gas footprint. In 2012 we developed an online sustainability training module that was made available to all employees and highlights how environmental actions can be incorporated into our daily professional lives. Our sustainability Eco-Fund continues to underwrite energy-efficiency and sustainability programs initiated by employees to improve their local Siemens branches. Launched in 2009, we have awarded more than 160 grants to date.

Our commitment to continual progress illustrates how important environmental responsibility is to our culture and our professional lives. As a team, we are proud of the accomplishments highlighted in this report and we are even more excited about what is still to come.

Sincerely,

Matthias Rebellius
President, BT Americas
Pillar 1: Products
Reduce the environmental impact of the products we manufacture.

We incorporate sustainability into the manufacturing, packaging and labeling of our products.

This mindset begins in the research and development of every new product and continues all the way through to the shipping phase. Our own standards dictate that every next generation product we create must use less energy and natural resources to produce than its predecessor. We continue to increase our usage of recycled content materials and the amount of products and packaging we recycle, and to work with our vendors to increase reusable packaging.

Our approach also includes redesigning, retrofitting and repackaging existing products to meet our own rigorous internal Siemens standards known as SN36350. These internal product norms identify and mandate elimination of materials that are known to negatively impact the environment but are not regulated by law. Frequently, we work to voluntarily comply with the requirements of regulatory authorities, prior to being mandated. This ensures that our products continue to meet the highest environmental standards.

Pillar 1 Key Accomplishments
- Completed Environmental Product Declarations (EPDs) for all 987 valves, actuators, sensors, controllers and displays released in the last 10 years, up from just 100 products two years ago
- Developed a new green clean agent technology for our Sinorix 1230 fire suppression system; with a Global Warming Potential of 1 (the lowest for any chemical agent) and zero ozone depletion, Sinorix 1230 allows system engineers to replace existing suppression agents and achieve U.S. Green Building Council LEED-EB certification credits
- Redesigned the packaging for our Sinorix Suppression tank technology to eliminate the need for plastic and bubble wrap on more than 1,500 tanks shipped annually
- Reduced the material consumption and weight of our Sinorix LMC products by more than 50%, which also significantly reduces the carbon footprint associated with shipping these products
- Complied with Category 9 of the European Union’s Restriction of Hazardous Substances Directive years before being required to do so
- Complied with the European Union’s Waste from Electrical and Electronic Equipment Directive

Benefits Beyond the Expected

There are often benefits beyond the expected to having a sustainable mindset. Reducing resource consumption can often lead to increased process efficiency — a win-win for everyone involved. A case in point involves regulatory agency inspections of our products manufactured in our Buffalo Grove, Illinois facility. Regulatory agency inspectors must review one product in each different product category while it is being produced to compare it with the specifications that were tested and approved. There can be no variations.

At our Buffalo Grove, IL facility, we manufacture so many products that are tested and certified according to the latest Underwriter Laboratories (UL) standard that we undergo weekly inspections with the organization instead of the typical quarterly inspections. In the past, our UL inspector needed to print the electronic files for each product prior to being inspected, generating a lot of paper waste.

“We realized that if the files were already electronic, we could eliminate the paper usage by providing an iPad for use during the inspection,” said Daniel Majewski, NCE, LEED AP, Senior Manager, Hardware Process & Quality Assurance. Now, the inspector signs into his account with our iPad when he arrives and reviews the product files electronically while going through the plant, moving through the process much faster.

“Now we’re not wasting anything, time or paper,” Majewski said. “UL Follow-Up Services is now evaluating this for implementation as a best practice across their entire organization.”

100% of all products manufactured at our Buffalo Grove, HQ have environmental product declarations

1,572 Sinorix tanks shipped in FY12; all using reusable packaging
Pillar 2: Operations
Minimize the environmental footprint of our business operation.

We believe sustainability starts at home.

For us, it means making the way we operate our corporate facilities, 100 field offices, fleet of over 4,000 vehicles, and day-to-day business activities more energy and resource efficient. From our innovative Eco-Fund grant program, branch sustainability standards, renewable energy purchases, employee sustainability training, to our cross-divisional green teams, we are working to continuously drive environmental progress throughout Siemens Building Technologies.

Pillar Two Key Accomplishments

- Reduced Building Technologies total FY2011 greenhouse gas emissions by 3.8% from FY2010 levels. Significant gains were made by:
  - Maintaining our EPA Green Power Partnership and offsetting 6% of our electricity consumption through the purchase of certified renewable energy
  - Reducing our fleet’s FY2011 emissions by 7% from FY2010 levels by 3,263 MtCO₂ and increasing overall fleet fuel efficiency by 6.0%

- Approved over 60 Eco-Fund grants in FY2011 and FY2012 enabling projects such as:
  - Lighting retrofits for the San Francisco, Austin and Philadelphia branches resulting in energy and greenhouse gas savings
  - Replacing disposable cups, cutlery and/or dishware at seven branches to lower the amount of waste we send to landfill
  - Developed an interactive sustainability training module that has been made available to all Siemens Building Technologies employees

- Implemented Branch Sustainability Standards that establish guidelines for energy efficiency, waste reduction and community engagement, to help guide local branch sustainability efforts

- Our local offices have made strong progress in earning key green building certifications:
  - Dallas, San Diego, Detroit, Washington D.C. and Maine all became ENERGY STAR labeled within the last three years
  - Our Austin branch achieved Green Globes certification, and certification projects are underway in Chicago, San Francisco, Rochester and Detroit
  - Detroit and Washington D.C. have also achieved LEED EB certification

In September 2012, the 14,860 square foot Texas branch of Siemens Building Technologies Division earned the distinction of becoming the first facility in Austin to receive Green Globes® certification for Continual Improvement of Existing Buildings (CIEB).

As part of a global leader in providing smart, efficient and sustainable solutions in the marketplace, the Austin branch wanted to ensure its office was “walking the talk” on sustainability and maintaining the Siemens standard for efficiency.

Employing the expertise it uses for its own clients, the Austin office’s staff performed an energy and sustainability audit of the building’s systems, mechanical infrastructure and operations & maintenance practices. Based on their findings, the staff was able to pinpoint areas of improvement that would result in greater operational efficiency and reduced cost. The Siemens in-house team implemented a range of improvements to reduce energy, water and waste. And to better align itself with the requirements for Green Globes certification, Siemens adopted new energy and environmental policies, improved it’s recycling program and adopted green cleaning practices. In addition, the team created building operating manuals, standardized documentation, and regular staff training to ensure that sustainability improvements are maintained.

"The fact that the building rated three Green Globes shows the company’s commitment to operating and maintaining an environmentally sound space and speaks highly to Siemens commitment to sustainability," said Sharene Rekow, VP of Business Development, GBI.
Pillar 3: Solutions
Develop solutions that generate a positive environmental impact for our customers.

Across our company, we are driven to innovate and challenge the status quo.

It’s a drive that makes Building Technologies a leader in sustainability and a partner to organizations wanting to make real environmental progress. Customers rely on our innovative solutions and experience to help reduce the environmental impact of their building portfolio. The work we do together attacks a major source of greenhouse gas in the United States and reduces resource consumption. Buildings consume more than 70% of the nation’s electricity and 40% of raw materials, contributing nearly 40% of greenhouse gas emissions.

Pillar Three Key Accomplishments

- Developed new solutions focused on meeting specific customer needs:
  - Siemens Solar Power Purchase Agreement (PPA), in conjunction with Siemens Financial Services, making us the only partner who finances, designs, builds, and maintains solar equipment on a customer’s property
  - Existing Building Commissioning (EBCx), which provides savings of 10% to 20% by implementing facility improvement measures that have an average simple payback slightly over one year

- Grew our sustainability portfolio through strategic acquisitions:
  - Pace Global, a U.S.-based energy service provider of energy and sustainability consulting, sophisticated utility bill management, and energy and carbon management software
  - Site Controls, LLC, whose web-based energy and facility management system provides real-time monitoring and control of major energy-consuming devices
  - Advanced Telemetry and its EcoView™ wireless and cloud-based energy management solution for retail, small commercial and franchise businesses

- Produced a "Building Cities, Building Futures" national tour with the National League of Cities focused on sustainable infrastructure as a catalyst for economic growth

- Added 140 LEED-accredited professionals in Building Technology operations across the U.S. and Canada since 2010

- Continued rollout of Demand Flow™, our proven technology that optimizes central chilled water systems to reduce a plant’s total energy consumption by 20% to 50%

Customers Leading the Way

Nothing is more important to us than the success of our customers.

Working closely together, we help customers take major strides in meeting their energy efficiency and sustainability goals. They are often the first in their sector to earn green building certifications.

- Adlai Stevenson High School in Lincolnshire, Illinois became the first high school in the country to achieve LEED EB: Gold certification with facility improvements that generate $100,000 in annual energy savings. “Earning LEED Gold status is a validation of our ‘Green Initiative’ to reduce the school’s carbon footprint, and an achievement we all share, including the faculty, staff, and especially the students,” said Mark Micheli, Assistant Superintendent for Business, Adlai Stevenson High School.

- The Los Angeles Convention Center (LACC) became the largest convention center in the nation to earn LEED Gold certification and exceeded its goal of recertification at the Silver level. “Siemens was interested in the center achieving LEED certification and how this would benefit us. They were really looking out for us as the customer. They were an advocate for us throughout the process,” said Ray Castro, LACC Chief Building Engineer.

- The City of Houston completed energy-efficiency improvements to 5.5 million square feet of city facilities and nearly 10,000 traffic and pedestrian signals, generating energy savings of more than $30 million over the 13-year performance contract. “Siemens has helped the City save millions of dollars by helping us implement programs and install new technologies that save money,” said Laura Spanjian, Director of Sustainability, City of Houston. “Our experience with Siemens has been exceptional because of their vast knowledge and experience working with public facilities, including those that operate 24 hours a day. Siemens Project Manager, working in conjunction with the Project Engineer, keeps buildings functional and open to the public and City staff,” said Wes Phillips, Sr. Project Manager, General Services Department.

Los Angeles Convention Center
Los Angeles, CA

City of Houston

Adlai Stevenson High School
Lincolnshire, IL
Collaborating with our employees and customers.

We believe it all takes of us working together to make meaningful progress towards achieving our sustainability goals. That is why we are committed to communicating honestly and transparently to our employees and customers about our sustainability strategies, progress and challenges.

We work to create internal awareness and encourage participation through our local Sustainability Champion network, monthly sustainability webinars, case studies and sustainability intranet site. For our customers and shareholders, we conduct industry-leading research and produce thought leadership events to advance sustainability knowledge and best practice sharing.

Pillar Four Key Accomplishments

- Created an innovative sustainability training module that has been made available to all employees
- Continued our commitment to developing industry leading research that advances our understanding of sustainability:
  - “A Path to Achieving Higher Building Performance”: released results of survey of 150 building portfolio owners conducted with McGraw-Hill Construction in June 2012
  - “Greening of Corporate America”: released results of our third survey conducted with McGraw-Hill Construction in October 2012
  - “Sustainability Scorecard”: released results of new survey developed with Building Operating Management (BOM) magazine in October 2012
  - Partnered with Buildings magazine to develop a “2013 State of Sustainability” survey of how organizations are financing and evaluating energy-conservation efforts
- Launched our public Sustainability@BT microsite to provide our stakeholders with information on our sustainability efforts as well as third-party research reports, articles, case studies, videos and sustainability reports
- Partnered on important thought leadership forums:
  - Sustainable Industries magazine’s 2012 Economic Forums in San Francisco and Seattle
  - Siemens Sustainable Cities Tour focused on solutions and programs that can make cities more lasting, livable and prosperous
  - Exclusive sponsorship of Buildings magazine’s Smart Sustainability Expo

“The Greening of Corporate America” highlights continued adoption of corporate sustainability.

The results of the 2012 “Greening of Corporate America” study shows a dramatic shift in how corporate sustainability is transforming business since the first of three studies was conducted by Siemens and McGraw-Hill in 2006.

“In only six years, it has grown from being a fledgling concept to becoming a standard element of corporate strategy. Companies are no longer incorporating sustainability simply out of obligation,” said Ari Kobb, Director, Sustainability & Green Building Solutions, Siemens Building Technologies division.

The 2006 study demonstrated a fundamental shift in the attitudes and practices of our nation’s leading corporations regarding the greening of their operations and commitments to sustainability. By 2009, the new Corporate Sustainability Officer position had emerged within corporations and standard sustainability practices were being integrated into everyday operations and business growth.

In 2012, the percentage of firms that are highly engaged in sustainability rose from 18% in 2006 to 42%. Energy and cost savings remain the most important drivers encouraging sustainability in Corporate America, while financial considerations such as the state of the economy and budget issues are the greatest obstacles to broader adoption.

The full Greening of Corporate America report can be found at usa.siemens.com/greeningusa.
Measuring Our Progress

FY2011 Emissions Inventory

We’ve tracked our carbon impact at Siemens Building Technologies Division since Fiscal Year 2007 and have completed our inventory through Fiscal Year 2011. We track our carbon emissions from the following activities associated with our 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)
- CO₂ associated from parcel shipping (Scope 3 emissions; data provided directly by our key shipping providers)

At the time of this report, Building Technologies was in the process of setting future goals related to emissions reductions. Our efforts to date have focused on building an accurate emissions inventory that spans the entire breadth of our business and putting in place the necessary data-gathering processes and tools. This will ensure that we have access to the most accurate and timely information to make informed long-term commitments to significant carbon reductions in the future.

FY2007 through FY2011 by use (fleet, buildings, air travel).*

<table>
<thead>
<tr>
<th>Year</th>
<th>Fleet</th>
<th>Buildings</th>
<th>Air Travel</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>22,705</td>
<td>66,018</td>
<td>10,480</td>
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<tr>
<td>2008</td>
<td>56,252</td>
<td>61,813</td>
<td>19,866</td>
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<tr>
<td>2009</td>
<td>51,322</td>
<td>51,528</td>
<td>16,343</td>
</tr>
<tr>
<td>2010</td>
<td>58,283</td>
<td>45,921</td>
<td>13,751</td>
</tr>
<tr>
<td>2011</td>
<td>45,921</td>
<td>45,921</td>
<td>11,755</td>
</tr>
</tbody>
</table>

*Historical comparisons exclude emissions associated with parcel shipping.

Methodology and Data Sources for CO₂ Inventory

CO₂ calculations in this report follow guidelines issued by the World Business Council for Sustainable Development and the World Resources Institute (Greenhouse Gas Protocol). These include CO₂ equivalents for fuel fleet consumption, purchased electricity and natural gas, and airline travel. CO₂ data for parcel shipping is provided directly by FedEx Corporation and United Parcel Service.

- Fleet CO₂ is based on total fuel consumption utilized for business-related purposes, provided by Wheels, Inc.
- Buildings CO₂ covers both purchased electricity and natural gas, and figures are extrapolated to 100% if the data available does not cover the whole of our facilities. Electricity calculations are based on EPA 2005 eGrid subregion CO₂ emissions factors (Source: EPA eGRID 2007 version 1.1 year 2005 summary tables).
- Airline travel equivalent CO₂ is based on total miles flown for Building Technologies Division, U.S. based only, and includes both domestic and international travel.

Sustainability Metrics

Our focus on sustainability is making an impact at local facilities across the country as well as at our headquarters buildings. We’ve also made concerted efforts to reduce the emissions of our fleet, air travel and parcel shipping to minimize our carbon footprint. The evidence is in the data.

Key statistics reflected in the following charts include:

- Reduced emissions footprint by 3.8% in FY2011 over FY2010 and 15.4% over FY2007
- Reduced energy consumption from our buildings by 2.0% in FY2011 over FY2010 and 4.4% over FY2007
- Increased average fleet fuel efficiency by 6.0% in FY2011 over FY2010 and 14.8% over FY2007
- However, carbon emissions from air travel in FY2011 increased by 28.7% over FY2010

<table>
<thead>
<tr>
<th>Performance Indicator</th>
<th>Percent Change FY'10 vs. FY'11</th>
<th>Percent Change FY'11 vs. FY'07</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total energy consumption from buildings</td>
<td>-2.0%</td>
<td>-4.4%</td>
</tr>
<tr>
<td>Total fuel consumption from fleet</td>
<td>-7.1%</td>
<td>-20.7%</td>
</tr>
<tr>
<td>Total miles driven from fleet</td>
<td>-1.5%</td>
<td>-8.9%</td>
</tr>
<tr>
<td>Average fleet fuel efficiency</td>
<td>+6.0%</td>
<td>+14.8%</td>
</tr>
<tr>
<td>Total airline miles traveled</td>
<td>+27.1%</td>
<td>+78.6%</td>
</tr>
<tr>
<td>Total CO₂ relative to total revenue</td>
<td>-11.4%</td>
<td>-30.5%</td>
</tr>
<tr>
<td>Fleet CO₂ relative to total revenue</td>
<td>-14.8%</td>
<td>-32.6%</td>
</tr>
</tbody>
</table>
A long-term commitment.

The Building Technologies Division, part of the global Siemens family, recognizes the long-term importance of solid sustainability practices. We implement our practice in both our business operations and in the products, solutions and services we offer our customers. This practice reflects the commitment of our parent company, Siemens AG, which is a leader of one of 19 super sectors represented on the Dow Jones Sustainability Index. To ensure continuity, employee involvement and progress, Building Technologies created a three-point sustainability governance structure.

- **Our Executive Environmental Council** guides the long-term direction of our program. Comprised of executive level leadership from across the Division, it meets quarterly to provide broad oversight and guidance to the Division’s sustainability strategy.
- **Our Core Environmental Committee** works to provide day-to-day management, implementation and monitoring for the Division’s sustainability initiatives. The Committee is made up of a dedicated cross-divisional team designed to represent all of the employees at Building Technologies headquarters. It provides input and suggestions that incorporate and improve sustainability in our daily operations.
- **Our sustainability program is further supported by a broad volunteer network of Sustainability Champions in the field that help engage and educate our employees on sustainability efforts.**

At Building Technologies, as at Siemens world wide, we’re committed to creating a sustainable future for years to come.

On Our Horizon

**These are just the first steps in a much longer journey for our organization.**

While we’ve made significant strides in recent years, there’s much more to come. We’ll make more of our buildings greener. New and re-designed products and packaging will be more sustainable. We’ll deliver more research and thought-leader programs. And we’ll help more customers achieve their highest sustainability goals.

Our “Four Pillars of Success” structure makes it easier for us to target specific changes and capture the positive results. Our Internal Sustainability Committee continues to drive our program, engage our stakeholders and the marketplace, and report on our performance. Over the next two years, we plan to:

- Finalize our five-year strategic sustainability plan
- Focus on metrics and measurement, establishing clear goals, commitments and KPIs
- Continue to demonstrate superior facility performance by earning key labels and certifications

And we will always pursue product and service innovations for our customers. The future is bright when we all work together to make it more sustainable.