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# 2010 Sustainability Report

Initiatives for lasting environmental quality

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**SIEMENS**



At Siemens, we remain committed to sustainability and environmental responsibility across every aspect of our business and this comprehensive report—our second—is intended to communicate with honesty and transparency our progress as we work toward achieving a more sustainable future for our U.S.-based operations.

Although my leadership role at Siemens Industry, Inc.'s Building Technologies Division is relatively new, my passion and personal commitment to sustainability and environmental responsibility is as established as my career here at Siemens.

From the inception of Siemens Building Technologies Internal Sustainability Committee in the summer of 2007, it has been our express intent to thoroughly integrate sustainability into our operations and make it part of our entire organization's strategic mission. Since that time, we have come a long way, from simple policy changes designed to prompt employee recycling and waste reduction, to major organizational changes that have drastically reduced our vehicle fleet's fuel consumption and emissions.

Certainly we are proud of what we've accomplished, but we realize there is much more we can and must do. I, like my predecessor, intend to push the organization to achieve even more as we look to find opportunities to use our resources more efficiently and change for the better our interaction with our local and global environment.

This is also true for thousands of our customers. Every day we are working to improve the efficiency of their buildings and operations. We are also working hard to ensure our company and our people are doing the same, rewarding employees who champion local sustainability efforts.

As we continue our efforts, we are sure to discover new opportunities to launch meaningful and lasting environmental initiatives. But there are many opportunities right in front of us—especially when it comes to the resource and energy efficiency of our buildings—and we have the tools, the technology and the motivation to make significant improvements to the environment. There really are no excuses and the time to start is right now.

As you read this report, I and my colleagues sincerely hope it will inspire you to embrace our strategies and adapt them to start your own journey toward a more sustainable future.

Best regards,

Andreas Schierenbeck  
President, Building Technologies Division

## From the Sustainability Committee

On behalf of the Building Technologies Division of Siemens Industry Inc., we are pleased to present our 2010 U.S. Sustainability Report. The purpose of this report is to provide an update on our activities over the past year since we issued our first Sustainability Report in 2009. That report, which introduced our Division's program, tracked our process for making sustainability a part of our organizational mission, reported our first-ever emissions inventory, and highlighted key successes and initiatives during the early stages of our efforts.

When we built our Internal Sustainability Committee in 2007, comprised of a cross-functional group of professionals whose roles and responsibilities were impacted by – and could influence – our sustainability efforts, we knew that this structure was critical to the ongoing success of the program. While individuals have moved to new roles and responsibilities throughout the year, our Committee structure remains in place and is as strong as ever.

When we look back at the last year since that report, we are not only proud of our accomplishments, but are excited about the significant progress we have made towards institutionalizing our sustainability program in all aspects of our business. Our four core Pillars of Success of Products, Operations, Solutions and Transparency that we will highlight in this report have been embraced throughout the company. They continue to serve as a guideline for our initiatives and the ongoing measurement of our program's impact in our marketplace, with our people and within our communities.

Over the past year we have also grown with the integration of the Low Voltage Distribution business unit into the Building Technologies Division. In future sustainability initiatives, this business unit will be represented in all pillars of activities as well as CO<sub>2</sub> reporting and more.

Perhaps the greatest accomplishment has been the commitment of our network of Local Sustainability Champions in place throughout all of our operating Zones and Areas in the country. Through their dedication and hard work, they are leading local teams that are making our sustainability vision and mission a reality each day.

To support their efforts, our Sustainability Eco Fund Program, established in 2009, has been widely embraced by our Sustainability Champion community. This innovative program has enabled many of our local offices to jump-start their programs and implement a range of sustainability efforts that have resulted in energy savings, cost reduction and positive environmental impact for our employees and communities.

As you review our 2010 Sustainability Report, we hope that you share in our progress and sense our continued commitment to the mission that we began just a few short years ago. We are more confident than ever that the structure, process and overall program that we have in place will ensure that the Building Technologies Division remains a true leader in sustainability now and into the future.

Siemens Industry, Inc.  
Building Technologies Division  
U.S. Sustainability Committee

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# Progress on our Pillars of Sustainability

When we originally developed our four *Pillars of Sustainability*, we set out to establish a framework that demonstrated our commitment to building a successful and long lasting sustainability program that reflects our business, our environmental responsibility, and our employees and customers. These Pillars remain the cornerstone of our program, and they continue to guide our efforts even as our business grows and evolves.



## Pillar 1: Products

Reduce the environmental impact of the products we manufacture.



## Pillar 2: Operations

Minimize the environmental footprint of our business operations.



## Pillar 3: Solutions

Develop industry-leading products, services and solutions that generate a positive environmental impact for our customers.



## Pillar 4: Transparency

Provide transparency and visibility of our sustainability strategies, initiatives and performance.

# Key Accomplishments

Over the past year we have made tremendous progress in our Sustainability Program. We are proud of the accomplishments, not only of our sustainability leaders throughout the organization, but of all of our employees whose combined efforts prove that we all have a role to play in fulfilling our sustainability vision and mission.

- Completed our emissions inventory for Fiscal Year 2009, and demonstrated a 9% reduction in total CO<sub>2</sub> compared to Fiscal Year 2008
- Joined the EPA Green Power Partnership, and made a commitment to purchase a minimum of 3% of our total buildings' electricity use through Renewable Energy Credits
- Accelerated our Sustainability Eco Fund Program to support local sustainability efforts
- Introduced new research and tools to the marketplace that continue to support sustainability and green buildings
- Continued our comprehensive internal Green Building solutions training program that began in Fiscal Year 2009, by training over 300 Siemens personnel on the LEED rating system and Siemens Green Building solutions
- Strengthened our market leadership position by continuing our Green Thought Leadership event series in six markets, and extended our program reach into the Siemens Answers for Industry events throughout the country
- Integrated our Division's sustainability program into to the broader Siemens USA sustainability initiative underway across all of Siemens business sectors

In 2010 we achieved a number of significant milestones that truly demonstrate "sustainability in action" across our business:

- Our Plymouth, Michigan (Detroit) branch office became the first building in our U.S. portfolio to achieve LEED certification
- Our San Diego, California branch office became the first building in our portfolio to earn the EPA Energy Star label, followed by our second branch office, in Scarborough, Maine
- We recognized our Heartland Area with our first Sustainability Award as part of our annual business excellence program



Members of Siemens Plymouth team (from left): Keith Cazan, Dave Evancho, Laurie Murray, David Everest, Lance King and Jacob Arnold.

# Pillar 1: Products

Reduce the environmental impact of the products we manufacture



The Building Technologies Division of Siemens makes, distributes and installs thousands of products for more than 35,000 non-residential facilities of every type. Our products include a broad range of heating, ventilation and air conditioning valves, actuators and controllers. In addition, we offer fire and life safety systems, security applications and sophisticated building automation and energy management technologies.

The goal of Pillar One is to reduce the negative environmental impact of our products, specifically in manufacturing, packaging and labeling.

Lighting retrofit at our Building Technologies manufacturing operation, Buffalo Grove, IL

## Meeting our objectives

Our goal of improving product and packaging standards drives our efforts to comply with the requirements of outside certification groups — even when we're not obligated to meet them — and to meet our own internal product norms and standards, called SN36350. As a result, we:

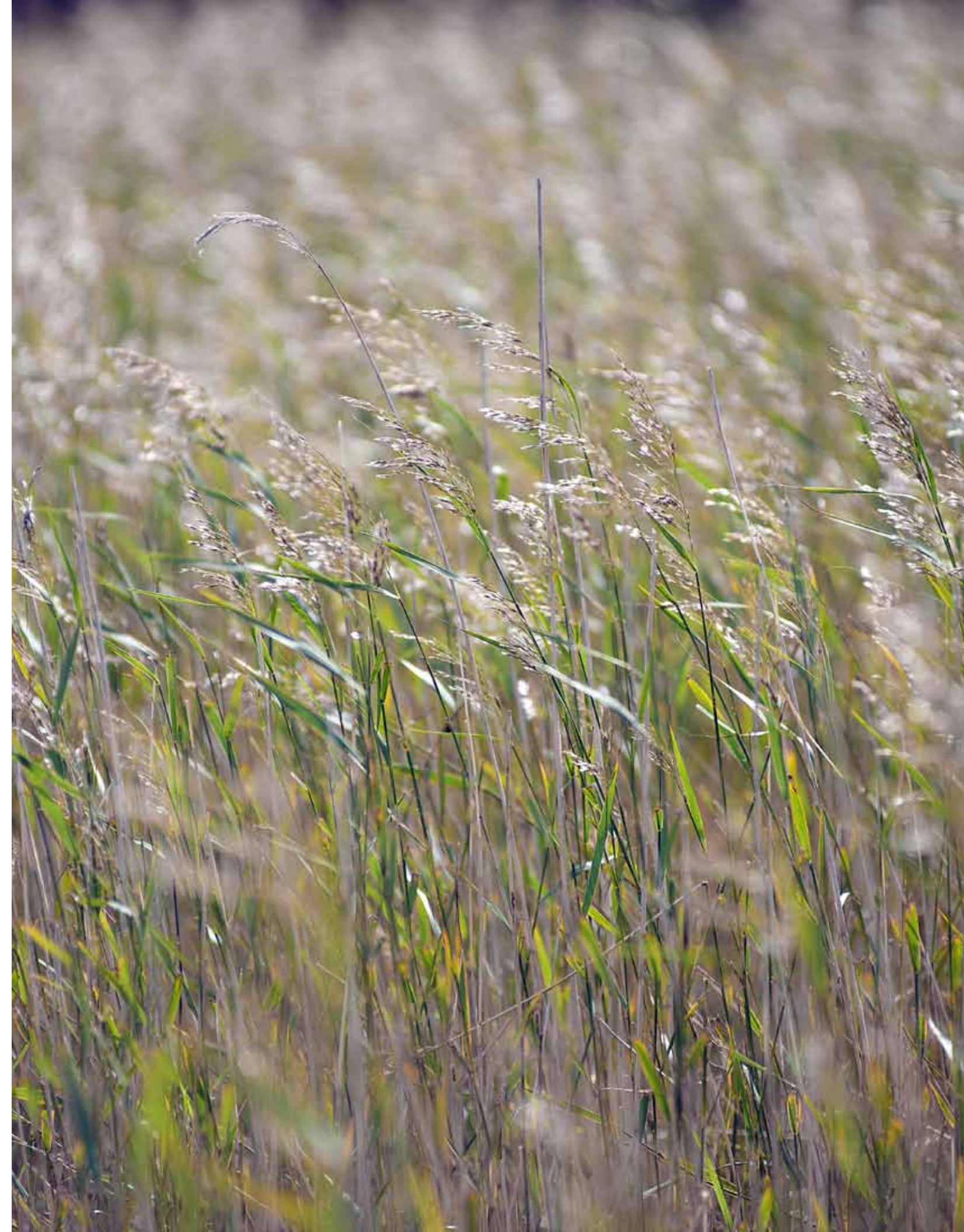
- Identify and eliminate banned materials that cannot be used in a product.
- Identify and avoid materials that are unsafe or considered hazardous in the design and construction of our products.
- Publish an Environmental Product Declaration (EPD) for every product we release; the EPD identifies all materials used in the manufacturing of the product.
- Comply with standards from outside organizations, such as the European Union's Waste from Electrical and Electronic Equipment (WEEE).
- Conduct internal audits by our global environmental group to ensure our products, materials and development processes comply with Siemens global environmental standards.

## Pillar One: Key Accomplishments

In 2010 we continued to build on the progress made in Fiscal Years 2007 and 2008 with the goals of improving product efficiency, materials, labeling, recycling, compliance, supply chain management and certification. Our most significant effort this year was the integration of our Fire products manufacturing into our Buffalo Grove manufacturing facility, which began in 2009 and was completed in 2010. This effort will help streamline our supply chain, standardize many of our manufacturing processes, and enable us to apply many of the environmental initiatives to that product line that we began for our HVAC products.

## Pillar 1: 2010 Actions and Progress

Actions	Progress and Status
Publish an Environmental Product Declaration (EPD) for every product we release; the EPD identifies all materials used in the manufacture of the product	<ul style="list-style-type: none"> <li>■ Every new HVAC hardware product released since 2005 has an Environmental Product Declaration included. Since that time, over 100 products have been released</li> </ul>
Use of less material in products, requiring all new products to use fewer materials, by volume, than the previous generation of products	<ul style="list-style-type: none"> <li>■ Every new next-generation HVAC product has met this target, including controllers, I/O modules, and combination devices</li> </ul>
Reduction in energy usage in our products, requiring that all new products use less energy than the previous generation	<ul style="list-style-type: none"> <li>■ Every new next-generation HVAC product has met this target, including controllers, I/O modules, and combination devices</li> </ul>
Reduction/elimination of paper labels on all products	<ul style="list-style-type: none"> <li>■ Where possible, all new HVAC products utilize pad or laser printing, and many of the fire products that are now manufactured in our Buffalo Grove facility have reduced the number of labels being used</li> </ul>
Voluntary Reduction of Hazardous Substances (RoHS) through voluntary compliance of all new and major redesigns of electrical and electronic equipment	<ul style="list-style-type: none"> <li>■ 100% voluntary compliance of every HVAC-developed hardware product since 2005</li> <li>■ Since that time, over 100 products have been introduced that do not contain the following banned substances: lead, mercury, cadmium, hexavalent chromium, polybrominated biphenyls or polybrominated diphenyl ethers</li> </ul>
Add product sustainability goals to all hardware projects, including voluntary portions of the Siemens SN36350 Environmental Norms	<ul style="list-style-type: none"> <li>■ Modifications to our Building Technologies Product Development process make this mandatory for every project and product. An environmental requirements template is created for all hardware projects</li> </ul>
Participate in annual Environmental Audits, including ISO 14001 audits, and those administered by the environmental standards group in our Zug, Switzerland BT Global Headquarters	<ul style="list-style-type: none"> <li>■ Have achieved continuous compliance since 1998</li> </ul>
Add a more environmentally friendly fire suppression gas to our portfolio	<ul style="list-style-type: none"> <li>■ The Sinorix product line utilizing the 3M Novec 1230 gas will be released in January 2011. This new product line directly impacts achievement of LEED credit</li> </ul>
Eliminate the practice of using one-time use packaging that then is disposed of with every shipment	<ul style="list-style-type: none"> <li>■ Reusable packaging has been used for over 10 years on numerous products</li> <li>■ Expansion to existing suppliers will begin in January 2011</li> </ul>



# Pillar 2: Operations

Minimize the environmental footprint of our business operation



Fuel efficient Ford Transit Connect cargo van replaced less efficient service vehicles



**At the Building Technologies Division of Siemens, we help thousands of customers improve the environmental performance of their facilities each day. To achieve this, we operate an extensive network of more than 100 field offices and manage a fleet of more than 5,000 vehicles.**

**Meeting customer needs while taking environmental considerations into effect is the focus of Pillar 2.**

## Pillar Two: Key Accomplishments

- In 2010 we continued to measure our greenhouse gas footprint and completed our inventory for Fiscal Year 2009. Compared with Fiscal Year 2008, we demonstrated a significant reduction in our carbon footprint, both in absolute terms and relative to key financial and performance metrics.
- Our fleet of vehicles accounts for nearly 70% of our total emissions inventory, and we are seeing the results of significant changes in our fleet that began three years ago. Our overall average fleet fuel economy has increased each year over the past three years; and efforts, such as the addition of the Toyota Prius Hybrid and the incorporation of the fuel-efficiency Ford Transit Connect cargo van to replace larger, less efficient service vehicles, will continue to improve the environmental performance of our fleet.
- Throughout the year our network of "Local Sustainability Champions" continued to grow and emerge as a true leadership group that is making sustainability a part of our local business. Each of our zones has an organization in place that is working with local management and staff to help fulfill our sustainability mission and vision. In addition, we continue to leverage our Sustainability Eco Fund as a means to support local sustainability efforts on a range of initiatives. Heading into Fiscal Year 2011, this program will continue to be a cornerstone of our sustainability efforts.
- Within our building portfolio, we continue to make energy conservation a priority. In our Buffalo Grove corporate office, we completed a comprehensive factory lighting retrofit in October, 2009, which has reduced our energy usage by 30% over last year, and 40% compared to our average use over the past three years.
- In our branch locations, we reached two significant milestones in 2010: our Plymouth, Michigan branch achieved LEED for Commercial Interiors certification, and our San Diego and Scarborough, Maine branches earned Energy Star Label. We also began an effort to obtain Energy Star Performance ratings for all our branch offices, and to date 25 of our facilities have an Energy Star benchmark.
- The Building Technologies Division is proud to be a Corporate Champion as part of the Green Suppliers Network. Through this innovative program, we have demonstrated our commitment to improving the health of our supply chain and helping small- and medium-sized manufacturers remain competitive and environmentally sound. To date, we have selected two of our suppliers to participate in the Green Suppliers Network Review process.

## Pillar 2: 2010 Actions and Progress

Actions	Progress and Status
Measure our organization's environmental impact by conducting an annual carbon emissions inventory	<ul style="list-style-type: none"> <li>Completed our inventory for Fiscal Years 2007 through 2009</li> </ul>
Improve fleet fuel efficiency	<ul style="list-style-type: none"> <li>Our overall fleet CO<sub>2</sub> emissions fell by 8.4% in FY2009 vs. 2008</li> <li>We incorporated more fuel efficiency vehicles into the fleet, including the Toyota Prius hybrid and the Ford Transit Connect cargo van</li> <li>Relative to sales, total fleet CO<sub>2</sub> per revenue dollar declined 4.8%</li> <li>The contribution to total fuel consumption of our least fuel efficient service vehicles declined from 66% of total to 49%</li> <li>We currently have a total of 260 fuel efficient Ford Transit Connect cargo vans in use and on order</li> </ul>
Provide visibility of environmental impact in air travel	<ul style="list-style-type: none"> <li>Included an automatic CO<sub>2</sub> calculation for air travel booked through our online travel website to provide visibility and improve data collection for CO<sub>2</sub> footprinting</li> </ul>
Incorporate Renewable Energy Credits (RECs) to offset fossil fuel consumption in our buildings	<ul style="list-style-type: none"> <li>Increased our offsite renewable energy content for our Buffalo Grove headquarters and our Mt. Prospect (Chicago) branch office from 20% to 25%</li> <li>Joined the EPA Green Power Partnership, making a commitment to offset at least 3% of our buildings' electricity use through RECs; for FY2009, our Renewable Energy Credit purchases accounted for 7% of our total portfolio</li> </ul>
Demonstrate energy efficiency and green building practices in our own facilities	<ul style="list-style-type: none"> <li>Our Plymouth, Michigan office achieved LEED for Commercial Interiors certification</li> <li>Our San Diego, California office received the Energy Star label</li> <li>Our Beltsville, Maryland office is working towards LEED for Existing Buildings: Operations &amp; Maintenance certification</li> <li>Have completed Energy Star Performance Ratings for 25 of our branch office locations</li> </ul>
Support local sustainability efforts through continued use of our Sustainability Eco-Fund	<ul style="list-style-type: none"> <li>Since we began our Sustainability Eco Fund, we have approved a total of 49 funding requests, including 24 in FY2010</li> <li>Since our program began in 2009, over one third of the total amount granted has been for energy efficiency</li> </ul>
Improve environmental performance of our Buffalo Grove headquarters campus	<ul style="list-style-type: none"> <li>Completed a lighting retrofit for our factory, and have demonstrated a 30% reduction in energy usage to date</li> <li>In the process of installing an energy performance dashboard on campus, providing clear visibility to all of our employees and visitors on energy use and trends for each of our buildings as well as our factory</li> <li>Completed an energy audit of three of our campus facilities, which uncovered significant opportunities to reduce our energy use</li> <li>Established a Sustainability Network, similar to our Local Sustainability Champion group, within our corporate headquarters; this group provides on-site education on sustainability topics, and has coordinated our Earth Day activities across the campus</li> <li>Continue to see growth in our Sustainable Parking program; to date, we have issued preferred parking passes to nearly 100 employees who either carpool or drive fuel efficient vehicles</li> </ul>
Support the greening of our supply chain through supplier surveys and third-party programs	<ul style="list-style-type: none"> <li>The Building Technologies Division became a Corporate Champion in the Green Suppliers Network, and have selected two supply chain partners to participate in the Green Suppliers Network Review process</li> <li>We surveyed 110 suppliers with our own supply chain sustainability survey</li> </ul>



Solar PV covered parking, Siemens Mobility, Sacramento, California

## FY2009 Emissions Inventory

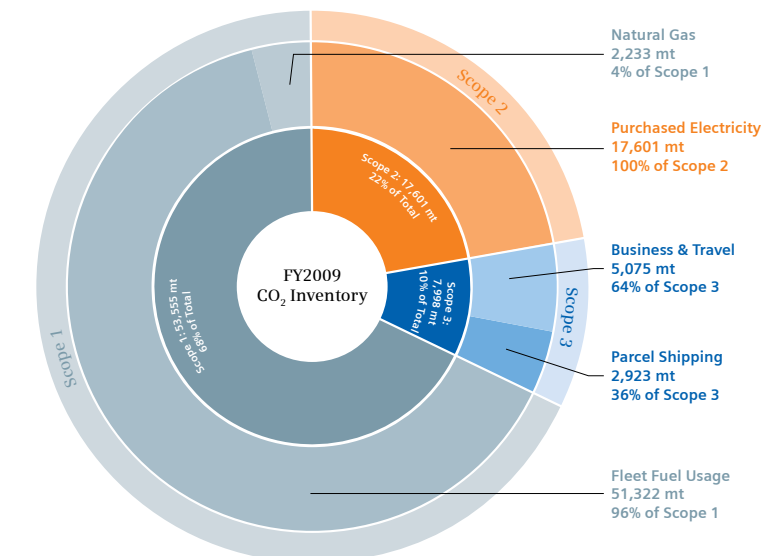
The Building Technologies Division of Siemens Industry, Inc. has tracked our carbon impact beginning in Fiscal Year 2007, and has completed our inventory through Fiscal Year 2009. We track our carbon from the following activities associated with our business operations:

- 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)
- CO<sub>2</sub> associated from parcel shipping (Scope 3 emissions; data provided directly by our key shipping providers)

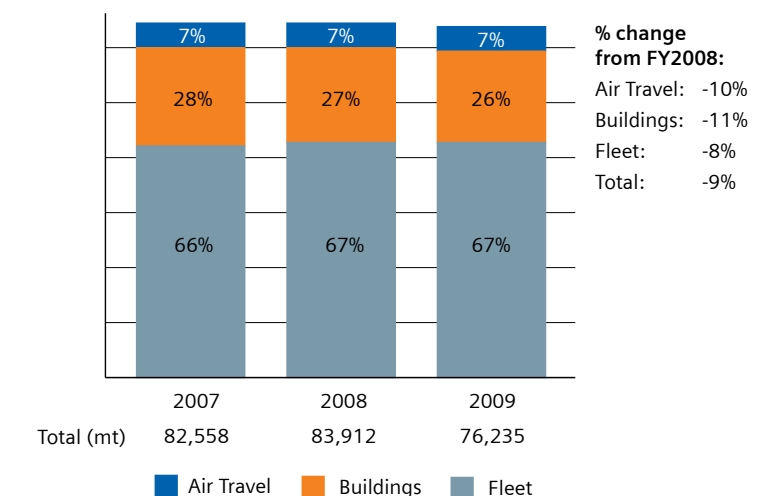
Our inventory includes all facilities occupied by Building Technologies Division employees in the United States, but excludes the Building Technologies Low Voltage segment, which was incorporated into the Division on October 1, 2009.

To date, the Building Technologies Division has not set any future goals related to emissions reductions, either in total or relative to key business indicators. Our efforts 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.

### 1. FY2009 Inventory – by scope, and within scope by use (fleet, buildings, air travel, parcel shipping)



### 2. FY2007 through 2009 by use (fleet, buildings, air travel)\*



\*Historical comparisons exclude emissions associated with parcel shipping.

## Highlighting our local sustainability efforts

Our network of Local Sustainability Champions plays a critical role in making our sustainability program such as success. Our local champions consist of a dedicated group of professionals, from all

aspects of our business, who are volunteering their time and effort to build a sustainability program throughout their operating zones. Some highlights of their activities in 2009 and 2010 include:

Siemens local area	Sustainability highlights
Gateway Zone	<ul style="list-style-type: none"> <li>Improved recycling programs in our Chicago, Kansas City, Des Moines, Bloomington (IL) and St. Louis offices</li> <li>Started a preferred parking program for our Chicago office</li> <li>Removed all disposable polystyrene, paper and plastic from our Chicago and Minneapolis offices</li> <li>Installed motion-controlled lighting in Des Moines and Minneapolis</li> <li>Connected the existing lighting control system in our Chicago office to the APOGEE automation system and installed occupancy sensors in conference rooms</li> </ul>
Great Central Zone	<ul style="list-style-type: none"> <li>For all offices throughout the zone: Obtained Energy Star benchmarks, removed all polystyrene and plastic, and improved recycling</li> <li>All offices throughout the zone replaced folded paper towels with automatic motion sensor holders</li> <li>Eliminated the use of all plastic water bottles in the Cleveland and Columbus offices</li> <li>Installed motion-controlled lighting in Columbus</li> </ul>
El Dorado Zone	<ul style="list-style-type: none"> <li>Removed all polystyrene and plastic in our Phoenix and Las Vegas offices</li> <li>Completed a lighting retrofit in our Cypress, CA warehouse</li> <li>Earned the Energy Star Label in our San Diego office</li> </ul>
South Atlantic Zone	<ul style="list-style-type: none"> <li>Improved recycling programs in our Miami and Raleigh offices</li> <li>Removed all disposable polystyrene, paper and plastic in our Miami office</li> <li>Installed Vending Misers on vending machines to reduce energy use in the Raleigh office</li> </ul>
Mountain Pacific Zone	<ul style="list-style-type: none"> <li>Conducted energy audits for in our Denver and Salt Lake City offices</li> <li>Improved recycling programs, installed Vending Misers, and removed all disposable polystyrene, paper and plastic in our Denver office</li> <li>Implemented sustainability practices statewide at all Alaska locations including improved recycling, landfill reduction and energy conservation measures</li> </ul>
Northeast Zone	<ul style="list-style-type: none"> <li>Removed all disposable polystyrene, paper and plastic in our Boston office</li> <li>Improved recycling in all offices throughout the zone, including both cell phone and toner recycling in the Boston office</li> <li>Switched to office paper with a high recycled content in the Boston office</li> <li>Obtained an Energy Star benchmark for all offices throughout the zone</li> <li>Scarborough, ME office achieved Energy Star Label</li> </ul>
Appalachian Zone	<ul style="list-style-type: none"> <li>Set all printers in the zone to default to double sided printing</li> <li>Improved recycling programs in our Richmond and Nashville offices</li> <li>Pursuing LEED for Existing Buildings certification in our Beltsville, MD office. To support improved energy performance, they replaced nearly 50 fluorescent fixtures with LED down-lighting</li> <li>Completed a lighting retrofit and installed motion sensors in our warehouse in Richmond</li> <li>Installed low flow faucets, touchless towel dispensers, automatic soap and sanitizer dispensers in the Baltimore and Beltsville, MD offices</li> </ul>

## Sustainability Metrics in our Buffalo Grove Headquarters and Manufacturing Facility

Sustainability Metric	Measurement	FY2006	FY2007	FY2008	FY2009
<b>Energy</b>					
Energy Consumption	MMBtu	49,407	49,983	49,316	49,198
Energy Utilization Index	KBtu/Sq. Ft.	125.55	127.01	125.32	125.02
Total Electricity through RECs	% of total KWh	0%	0%	8%	20%
Total CO <sub>2</sub>	Mt	9,138	9,018	7,926	6,685
<b>Water</b>					
Total Water Use	'000 Gallons	5,378	5,664	5,214	6,186
<b>Waste and Recycling</b>					
Solid Hazardous Waste Recycled	Pounds	1,796	1,926	777	977
Liquid Hazardous Waste Recycled	Gallons	129	138	104	335
Universal Waste Recycled – Lamps	Pounds	1,220	1,189	622	1,207
Universal Waste Recycled – Batteries	Pounds	704	1,385	664	1,223
Electronic Scrap Recycled	Tons	9.1	12.4	3.9	2.8
Solid Waste Recycled as Separate Fractions	Tons	270	308	285	311
Mixed Solid Waste not Recycled	Cubic Yards	5,485	4,655	4,985	4,266

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**Sustainability in Action**  
EPA Green Power Partnership

BT joined the Environmental Protection Agency's Green Power Partnership. We have made a commitment to purchase a minimum of 3% of our total U.S. electricity use from green power sources.

**BT Green Power Purchases:**

- Renewable Energy Credits (RECs) for 20% of Buffalo Grove and Mt. Prospect total electricity use
- Represents 7.5% of total BT electricity consumption

**Results:**

- Saves over 5 million pounds of CO<sub>2</sub> per year
- Equivalent to the CO<sub>2</sub> emissions of 325 average America homes for one year

## Sustainability in Action

### EPA Green Power Partnership

BT joined the Environmental Protection Agency's Green Power Partnership. We have made a commitment to purchase a minimum of 3% of our total U.S. electricity use from green power sources.

# Pillar 3: Solutions

Develop industry-leading products, services, and solutions that generate a positive environmental impact for our customers



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Siemens Plymouth, MI Branch Office



The impact of buildings on the environment is wide ranging, consuming more than 70% of the nation's electricity and 40% of raw materials while contributing nearly 40% of greenhouse gas emissions.

Driving energy efficiency and environmental responsibility in the marketplace through our products, services and solutions is the focus of Pillar 3.

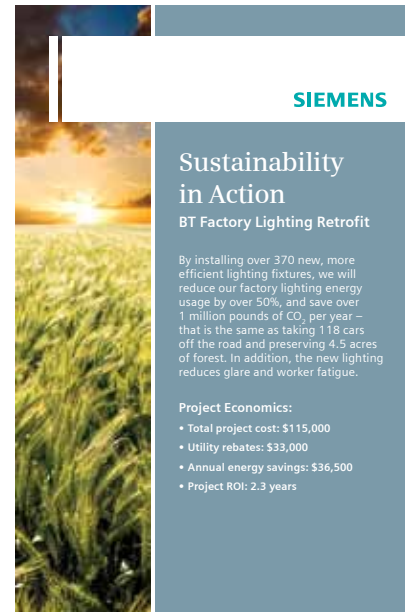
## Pillar Three: Key Accomplishments

- Throughout 2009 and 2010 we continued to take an active role in training our internal resources and providing educational forums for the broader market to promote the value of sustainability and green buildings. We continued our extensive internal training program that we started in 2009 into 2010, and experienced ongoing growth in the number of LEED credentialed professionals throughout our organization.
- Also in 2010 we held our Green Thought Leadership series in additional markets. During these events, held in Washington, D.C., Houston, Phoenix, Philadelphia, Boston and Columbus, we brought together an impressive lineup of industry experts and practitioners who shared their insight and experiences in making sustainability and green building practices a reality.
- Launched new online tools that helped our customers learn about energy efficient and green building solutions and how to measure their impact. Tools include the Siemens Green Building Portal, which helps users navigate the LEED rating system and identify Siemens products, solutions and services that meet LEED prerequisites and credits, as well as a Greenhouse Gas Reduction Calculator, which lets users measure the impact of energy efficiency projects.
- Have continued to help and encourage customers to meet their sustainability and green building goals. Among them is Dell Children's Hospital, which in 2010 became the first LEED Platinum hospital in the world.

Siemens Green Thought Leadership Event: Fenway Park, Boston, MA

## Pillar 3: 2010 Actions and Progress

Actions	Progress and Status
Continue training internal personnel on the LEED Rating System and the Siemens Green Building Solution	<ul style="list-style-type: none"> <li>Completed training programs in 9 locations throughout the U.S. and Canada</li> <li>Combined with our efforts in 2009, we held training in 22 locations, for over 500 sales and operations professionals</li> </ul>
Grow our population of LEED credentialed professionals throughout the organization	<ul style="list-style-type: none"> <li>As of FY2010, a total of 155 Siemens personnel in the U.S. and Canada have achieved either their LEED Accredited Professional or LEED Green Associate credentials</li> <li>This represents a four-fold increase compared to Fiscal Year 2007</li> </ul>
Educate the marketplace on sustainability and green buildings	<ul style="list-style-type: none"> <li>Held six external events throughout the country as part of our Green Thought Leadership series, with presentations by industry leaders and practitioners, with nearly 400 attendees</li> <li>Completed an update to the groundbreaking 2006 research study, Greening of Corporate America, in conjunction with McGraw-Hill Construction, and released the findings at Greenbuild in 2009. The research highlights the significant progress over the past three years in corporate America towards adopting sustainability as part of corporate strategy</li> </ul>
Continue to introduce new tools and resources that highlight green building solutions, and clearly articulate how Siemens helps our customers meet their green building goals	<ul style="list-style-type: none"> <li>Launched the Siemens Green Building Portal, a user-friendly way to navigate through the LEED rating systems, clearly identifying how specific Siemens products, services and solutions can help meet individual LEED prerequisites and credits</li> <li>Enhanced our online Greenhouse Gas Reduction Calculator, by adding the ability to calculate the impact of energy efficiency projects on greenhouse gas reductions for Canada and the United States</li> </ul>
Help our customers achieve their sustainability and green building goals through our products, services and solutions	<ul style="list-style-type: none"> <li>Continued to work with our sister company, Siemens Mobility, to install nearly 5,000 additional solar panels on their plant in Sacramento California. Combined with the first phase of the project, completed in 2009, a total of 2.2 MW hours of solar energy will be generated, accounting for 75% of the facility's energy use and avoiding approximately 1.5 million metric tons of CO<sub>2</sub> per year</li> <li>Helped the Dell Children's Hospital become the first LEED Platinum hospital in the world</li> </ul>



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### Sustainability in Action

#### BT Factory Lighting Retrofit

By installing over 370 new, more efficient lighting fixtures, we will reduce our factory lighting energy usage by over 50%, and save over 1 million pounds of CO<sub>2</sub> per year – that is the same as taking 118 cars off the road and preserving 4.5 acres of forest. In addition, the new lighting reduces glare and worker fatigue.

**Project Economics:**

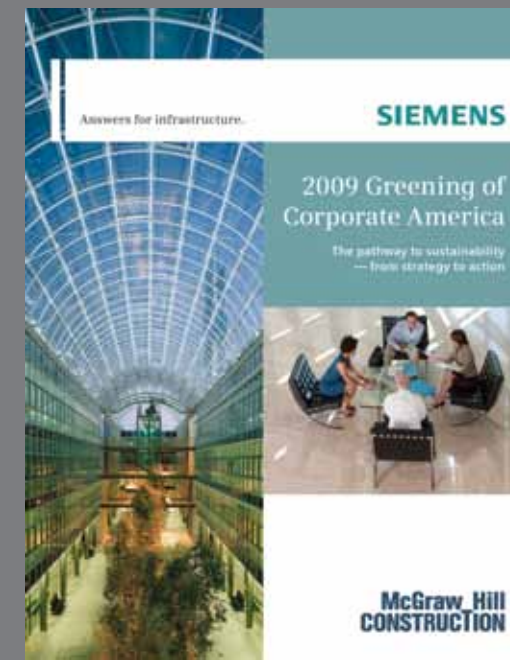
- Total project cost: \$115,000
- Utility rebates: \$33,000
- Annual energy savings: \$36,500
- Project ROI: 2.3 years

## Sustainability in Action

### BT Factory Lighting Retrofit

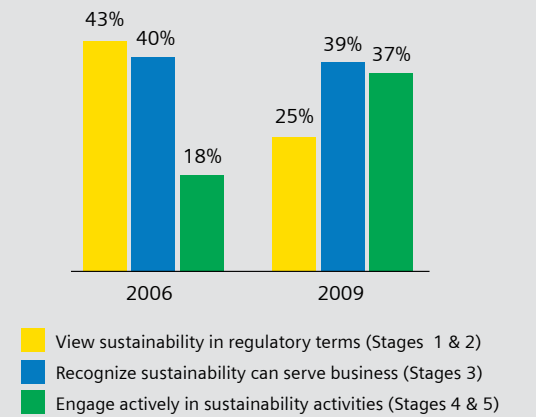
By installing over 370 new, more efficient lighting fixtures, we will reduce our factory lighting energy usage by over 50%, and save over 1 million pounds of CO<sub>2</sub> per year – that is the same as taking 118 cars off the road and preserving 4.5 acres of forest. In addition, the new lighting reduces glare and worker fatigue.

## Greening of Corporate America Research Study



### GCA Finding: Corporate views on sustainability are evolving

Company Involvement in Sustainability Over Time (2006-2009)



In 2009 Siemens partnered with McGraw-Hill Construction to conduct a follow-up study to the landmark Greening of Corporate America research study conducted in 2006. The study, which explored the attitudes of the C-Suite of corporate America, demonstrated that we were rapidly approaching a tipping point, where sustainability would become the norm rather than the exception. The goal of the 2009 update was to track the progress of America's corporate leadership and to assess the impact of a severe economic downturn on sustainability efforts.

The 2009 Greening of Corporate America study confirms that corporations are steadily progressing in their commitments to sustainability and belief that sustainability is good for the bottom line.

#### Some of the most exciting results include:

- Corporations are steadily progressing in their commitments to sustainability — the percentage of firms at the highest levels of engagement doubled over these three years, growing from 18% of firms to 37%.
- There has been a significant shift in looking at sustainability in terms of how it can save money. Now, firms are driven by revenue generation— more than half (56%) are providing green products and services to the market as well as requesting sustainability information from their vendors and service providers.

- Corporate leaders understand the market differentiation sustainability commitments can bring their firms. Over just three years, the number of C-Suite executives that perceive this advantage has grown from 31% to 57%.
- Sustainability is at some level insulated from the economic downturn. Over half (58%) of the respondents believe that corporate sustainability practices are either unaffected or are aided by the economic crisis.
- Increased energy cost continues to remain the primary driver for green initiatives.

Corporate leaders should learn from their peers in order to maximize the benefits from the incorporation of sustainability into their business practices. From our research, we are confident that sustainability and sustainable business practices are here to stay.

- Sustainability will continue to become part of standard corporate practice.
- Increased regulation is likely to occur.
- Public reporting and transparency is becoming routine.
- Larger corporations are embracing sustainability more enthusiastically and engaging in more benchmarking activities.

# Pillar 4: Transparency

Provide transparency and visibility of our sustainability strategies, initiatives, and performance



Scarborough, ME office displays Energy Star Label



Building Technologies headquarters: Buffalo Grove, IL

The Building Technologies Division of Siemens remains committed to transparency and communications when it comes to our sustainability efforts.

Our goals are to provide transparency and communicate our divisional sustainability strategies, initiatives and performance. Through online and in-person communications, we strive to pass along information that will be both informative and beneficial to our various stakeholders.

## Pillar Four: Key Accomplishments

- Participated in thought leadership events promoting sustainability and environmental responsibility. Included among these was participation in the "Going Green: America's Cities and the Role of Government" event which featured green innovations in the government sector. Opening remarks for the event were given by Siemens Industry, Inc., CEO, Daryl Dulaney.
- Promoted Earth Day 2010 company-wide through the distribution of "acts of green" materials and video cameras used to create a "Sustainability at Siemens" video featuring local green initiatives.
- Throughout the year we highlighted our divisional sustainability efforts through increased external communications directed at various stakeholders. We developed and dispersed a divisional sustainability report, drove traffic to online BT sustainability websites, and integrated sustainability messages into a variety of digital media.
- We carried out several initiatives that increased internal communication and awareness of BT sustainability efforts among Siemens employees, including continued operation of the Innovating Naturally blog and assistance in the Mobility Division's first sustainability report.

## Building Technologies Sustainability Team



2010 Sustainability Annual Meeting

### Corporate Sustainability Committee

Brad Haeberle	Jennifer Olmstead	Shane Adams
Ari Kobb	Caroline Kaufmann	Kim Greenstein
Dan Majewski	Jennifer Schmitt	Jack Greenstein
Carl Oberland	Ali Khan	Michael Poutre
Jeff Kosiorek	Naomi Miyake	Mark Wiemer
Linda Coy	Tom Strollo	Bob Perlowski

### Local Sustainability Champions

Harry Lee	Ryan Kabat	John Pardekooper
Louis Asbaty	Mary Sundve	Florence Hopp
Tony Schaeffer	Scarlett Karas	Dave Merrill
Rylan Ortiz	Matt Kelly	Paula Jesiolkiewicz
Pete Myers	Kevin Scarborough	Laurie Murray
Megayla Franks	Kevin Kelley	Darcie Confar
Gary Fifield	Mark McCormick	Regina Durga

## Pillar 4: 2010 Actions and Progress

Actions	Progress and Status
Provide thought leadership and support for major industry events	<ul style="list-style-type: none"> <li>Contributed to "Going Green: America's Cities and the Role of Government," a thought leadership event about green innovations and movements within the government sector, held in Washington, D.C., on March 24, 2010</li> <li>Daryl Dulaney made opening remarks and introduced a panel of VIPs including Carol Browner, Director of the Office of Energy, White House; Marsha Blackburn, U.S. House of Representatives, Committee on Energy Independence; Jay Inslee, U.S. House of Representatives, Committee on Energy Independence</li> <li>Supported 2010 Earth Day events in the U.S. by supplying and distributing assets to regional offices such as posters, stickers, video cameras, and other materials</li> <li>Contributed over 850,000 "acts of green" towards the Earth Day Network's Billion Acts of Green® campaign</li> </ul>
Increase awareness and transparency of divisional sustainability efforts and strategies	<ul style="list-style-type: none"> <li>Created and disseminated BT Sustainability Report, developed and published an eBook version of the report, and created a one page summary that is included in customer presentations and sales efforts</li> <li>Developed and published a Green Buildings and Sustainability web banner ad that drove traffic to the BT website</li> <li>Created "Sustainability at Siemens" video that demonstrates Siemens thought leadership in the green building marketplace to our customers and employees</li> <li>Integrated a sustainability section into the Green Touchscreen Demo that communicates BT sustainability efforts to customers and prospects</li> </ul>
Increase internal sustainability efforts and communication	<ul style="list-style-type: none"> <li>Created an interactive dialogue between Sustainability Committee members and employees by continuing to develop the Innovating Naturally blog, discussing more than 60 topics throughout the year</li> <li>Worked with Mobility Division, helping them form a corporate responsibility team and issue their first sustainability report in May 2010</li> </ul>



## What to expect in Fiscal Year 2011

We remain as committed as ever to fulfilling our vision and mission for sustainability within the Building Technologies Division of Siemens Industry, Inc. Entering into Fiscal Year 2011, we are excited not only about the momentum that we have built over the past year, but also about the team of committed individuals throughout our company that are making a difference every day for our customers, communities and employees.

We held our first sustainability planning meeting in the summer of 2010, where we brought together our Corporate Sustainability Committee and our Local Sustainability Champions to help create a sustainability action plan for the coming Fiscal Year. Some aspects of the plan include:

- Continue our Sustainability Eco Fund program to support our local sustainability initiatives
- Create further consistency across our field offices by ensuring that each office adopt a series of sustainability actions by the end of the year, including our community service activities
- Include our Building Technologies Low Voltage segment into our sustainability program; this segment joined the Building Technologies Division in the beginning of Fiscal Year 2010

- Implement a comprehensive building energy monitoring program for all of our branch office locations
- Achieve LEED for Existing Buildings certification in at least one of our field office locations
- Increase the number of domestic suppliers utilizing reusable shipping containers for inbound materials
- Raise awareness of sustainability by developing a sustainability education program for all of our employees

This is just a sample of our FY2011 program and goals. We are confident that as we report on our achievements in the coming year, we will continue to demonstrate progress and our commitment to sustainability.

We are proud to be an active member in the following organizations and others that support sustainable business practices and greener environmental responsibility.



### Methodology and Data Sources for CO<sub>2</sub> Inventory

CO<sub>2</sub> 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 CO<sub>2</sub> equivalents for fleet fuel consumption, purchased electricity and natural gas, and airline travel. CO<sub>2</sub> data for parcel shipping is provided directly by FedEx Corporation and United Parcel Service.

- Fleet CO<sub>2</sub> is based on total fuel consumption utilized for business-related purposes, provided by Wheels, Inc.
- Facility CO<sub>2</sub> 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 CO<sub>2</sub> emissions factors (Source: EPA eGRID 2007 version 1.1 year 2005 summary tables).
- Airline travel equivalent CO<sub>2</sub> is based on total miles flown for Building Technologies Division, U.S. based only, and includes both domestic and international travel.