



2005 Annual Environmental Performance Report Form

Rockwell Collins

Name of corporation

400 Collins Road

Street address (U.S. corporate headquarters)

Street address (continued)

Cedar Rapids, Iowa 52498

City/State/Zip code

Please give us information about your contact person for the Performance Track Corporate Leader designation.

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Annual Report # (1st, 2nd, 3rd, 4th, 5th): #1

Membership Term: 1

Reporting Year: 2005

Due Date: July 9, 2006

Section A

Your environmental performance commitments.

Please summarize your company's progress toward its environmental performance commitments, relative to the baseline year.

Part 1

First commitment

- 1 **Category:** Energy Use
Indicator: Total renewable energy used
Baseline quantity (2004): 0
2005 quantity (actual & normalized): 10,000 MWHRs renewable energy certificates (RECs) purchased (13.8 million pounds CO2 reduction impact). This was 5.6 % of the total energy purchased in 2005. Rockwell Collins joined EPA's Green Power Partnership program.
Goal quantity: Participation in Green Power Partnership and purchase of 10,000 MWHRs of renewable energy certificates per year
- 2 Summarize how you achieved improvements for this indicator through 2005 or, if relevant, any circumstances that delayed progress.

Through leadership commitment the resources were made available to purchase the RECs which enabled membership in EPA's Green Power Partnership Program. Ten percent of the renewable energy Rockwell Collins purchased supports new Iowa wind farms and regional economic and community development in our largest employee base area. Renewable energy creates cleaner air for the communities we serve, promotes the development of emerging energy technologies and supports the Rockwell Collins mission to utilize innovative solutions for establishing business goals. The amount of greenhouse gas offset by this action has an equivalent environmental benefit to planting 1,863 acres of trees or taking 1,205 cars off the road and reducing Rockwell Collins environmental footprint.

Second commitment

- 1 **Category:** Material Use
Indicator: Hazardous Materials Used
Baseline quantity (2004): 1,862,036 lbs, 3.41 lbs/dollar of output
2005 quantity (actual & normalized): 2,223,481 lbs (19.4% increase), 3.46 lbs/dollar of output (1.5% increase)
Goal quantity: 5,505,946 lbs (20% reduction the first year)
Rockwell Collins has changed the measure to chemicals issued rather than chemicals purchased as reflected in the application. Chemicals purchased is not an accurate reflection of usage and the

impact of the improvements that are gained from the use of a chemical services provider (CSP). This is because purchases drop dramatically the first year as the inventory on site is depleted then jumps in the second year when just in time ordering begins from the CSP warehouse. Chemicals issued is a better reflection of what is used and because it includes scrap from the floor, it is a better reflection of efficiencies gained from improved shelf life management. This goal and the data collected reflects Rockwell Collins Iowa facilities and the Melbourne, Florida facility at this time. These facilities are where the chemical management services process has been deployed first.

- 2 Summarize how you achieved improvements for this indicator through 2005 or, if relevant, any circumstances that delayed progress.

Rockwell Collins has seen environmental impact improvements resulting from more efficient management of chemicals including shelf life and the right sizing of containers through the Chemical Management Services process. This has led to less chemical waste and scrap as well as significant reductions in air emissions in Rockwell Collins largest manufacturing facility of 11% from 2004 to 2005. Over that same time period, the Iowa and Melbourne, Florida facility's hazardous waste generation was reduced 23% when normalized to sales.

The increase in chemicals issued can be explained best by a 17.8% increase in production at the named facilities from 2004 to 2005 causing an increase in chemical usage.

Part 2

List your facilities that newly joined Performance Track or similar state performance-based programs in 2005.

Atlanta Service Center in Atlanta, Georgia in the Performance Track program and Kaiser Optical Systems in Ann Arbor, Michigan in the Michigan Clean Corporate Citizen program.

Section B

Your value chain environmental performance commitments.

Please summarize your company's progress toward its value chain environmental performance commitments, relative to the baseline year.

First commitment

- 1 **Category:** Supplier's Environmental Performance
Indicator: Will vary depending on the improvement areas and projects identified for each facility during internal lean events and their participation in the Green Suppliers Network (GSN). Traditionally, these kinds of lean events lead to improvements in water usage, energy usage, natural resource/raw materials usage and packaging reuse and recycling.
Baseline quantity (year): 0 participation in GSN
2005 quantity: 0 participation in GSN in 2005
Goal quantity: 15 suppliers participating each year
- 2 Summarize how you achieved improvements for this indicator through 2005 or, if relevant, any circumstances that delayed progress.

Rockwell Collins began an engagement with the Green Supplier Network (GSN) around May of 2005. After conducting considerable research, participating in phone conferences with the EPA and other Primes involved, it was decided to conduct a Pilot with one of our key subtier suppliers to learn more about the program, how it operates and potential results. The Value Stream Mapping event with our Pilot supplier took place in late August 2006.

The results of the pilot will identify the true potential for our subtier special processors (i.e., plating, painting, heat treating). Some limitations right now are the extent of the Manufacturing Extension Partnership (MEP) network and the familiarity and ability of these MEP's to effectively deliver the GSN product. This network will expand over time but needs time to develop and mature.

15 suppliers per year are unrealistic at this early stage of the program. Given a successful Pilot, a marketing initiative will be implemented to encourage more supplier participation. This will enable a more realistic target for the next 4 years.

Second commitment

- 1 **Category:** Supplier's Environmental Performance
Indicator: Completion of the initial supplier survey. (A more specific performance indicator to be developed.) An Environmental Performance Award given annually.
Baseline quantity (year): ESH expectations are in the 2004 supplier brochure but not used actively in the evaluation of suppliers. No award in existence.

2005 quantity: ESH expectations were updated in the 2005 supplier brochure which was handed out at the supplier conference. It was also made available to suppliers when they visited RCI facilities. A draft of an initial survey to obtain baseline information from the top 100 suppliers was created.

Goal quantity: ESH expectations developed for supplier evaluation process in year one. Existing suppliers evaluated for their ESH performance in subsequent years. One environmental achievement award given each year.

- 2 Summarize how you achieved improvements for this indicator through 2005 or, if relevant, any circumstances that delayed progress.

Rockwell Collins is currently developing “Self Service” functionality on its supplier portal, www.SupplyCollins.com, which will facilitate supplier management of key information, provide the ability to perform audits and administer surveys. Initial phases of this tool will be rolled out late in FY06 and on into FY07. This will enable the initial environmental performance evaluation of our existing supply chain.

Rockwell Collins is also developing the criteria for an Environment, Safety & Health Performance Award to be presented at our Annual Supplier Conference. Data gathered using this survey tool along with inputs from the Rockwell Collins Commodity Teams, Supply Chain Quality Assurance Audits and ES&H Department will factor into this award selection.

Section C

On behalf of Rockwell Collins,

I certify that:

I have read and agree to the terms and conditions for Membership as a Performance Track Corporate Leader, as specified in the *Performance Track Corporate Leader Guide* and in the *Application Instructions*. The company, to the best of my knowledge, continues to meet the program criteria.

I have personally examined and am familiar with the information contained in this Annual Report. The information contained in this Report is, to the best of my knowledge and based on reasonable inquiry, true, accurate, and complete.

I agree that EPA's decision whether to accept companies into or remove them from the Performance Track Corporate Leader designation is wholly discretionary, and I waive any right to challenge EPA's acceptance or removal decision. I also understand that my company's membership in the program will not be considered to be legally relevant in any enforcement proceedings for violations of environmental requirements.

I am a senior executive of the company to whom the environmental function reports and am fully authorized to execute this statement on behalf of the company applying for the Performance Track Corporate Leader designation.

Signature / Date	_____
Printed Name / Title	<i>Jeff Moore, Sr. Vice President Operations</i>
Phone Number / E-mail	319-295-6669/jamoore2@rockwellcollins.com
Company Name	Rockwell Collins
Company Street Address	400 Collins Road
City / State / Zip Code	Cedar Rapids, Iowa 52411

The National Environmental Performance Track is a U.S. Environmental Protection Agency program. Please direct inquiries to Dan Fiorino, 202-566-2869, or e-mail fiorino.dan@epa.gov.

To submit your membership application:

- 1) E-mail the completed form to fiorino.dan@epa.gov,
- and
- 2) Fax the completed and signed participation statement (not the entire form) to 202-566-2985.

If you cannot e-mail the membership application, mail a hard copy of the entire completed form to:

Dan Fiorino
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