



2007 Annual Environmental Performance Report Form

_____ Rockwell Collins _____
Name of corporation

_____ 400 Collins Road _____
Street address (U.S. corporate headquarters)

_____ MS 127-150 _____
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.

Name _____ Vicki Fisher _____

Title _____ Sr. Manager, Enterprise ES&H _____

Phone _____ 319-295-5738 _____

Fax _____ 319-295-3437 _____

E-mail _____ vlfisher@rockwellcollins.com _____

Company Website _____ www.rockwellcollins.com _____

Annual Report #: 3rd

Membership Term: 1

Reporting Year: 2007

Section A

Your environmental performance goals.

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

Part 1

First goal

1	Category:	Energy use
	Indicator:	Total renewable energy used
	Baseline quantity (2004):	0
	2005 quantity:	10,000 MWhs renewable energy certificates purchased; joined EPA's Green Power Partnership program
	2006 quantity:	10,000 MWhs renewable energy certificates purchased; continued EPA's Green Power Partnership program
	2007 quantity:	10,000 MWhs renewable energy certificates purchased; continued EPA's Green Power Partnership
	Goal (2009) quantity:	10,000 MWhs of renewable energy certificates purchased per year; and Participation in EPA's Green Power Partnership program

- 2 Summarize how you achieved improvements for this indicator through 2007 or, if relevant, any circumstances that delayed progress.

- 3 In 2005, Rockwell Collins announced it was offsetting its carbon emissions by purchasing 10,000 MWhs of renewable energy annually for the first three years of a five year goal as the company works on a longer term strategy. A national provider of renewable energy solutions and services, has provided Rockwell Collins with Green-e certified tradable renewable certificates from new wind projects in Iowa and biomass facilities across the nation through 2007. Over that time, Rockwell Collins' renewable energy goal has prevented the emission of 13,800,000 pounds of carbon dioxide, a key greenhouse gas, annually. This purchase has had the climate impact equivalent of taking 1,205 cars off the road for one year or planting 1,863 acres of trees.

Going forward, renewable energy certificates will continue to be purchased but due to a 4.65 fold increase in cost (from \$1.4/MWh to \$6.51/MWh) the number of MWhs purchased will be less. The cost increase is due primarily to increased demand in the market and tightened supply from utilities that are holding on to RECs in speculation of a national GHG regulation. For 2008, 2611 MWhs were purchased and for 2009 the offset is projected to be 2266 MWhs. This will be 5%

national wind, 95% national renewable and will be the climate equivalent of removing 349 cars from the road annually, converting 239 average U.S. households to renewable energy for one year or the amount of CO2 absorbed annually by protecting 1,345 acres of forest.

Rockwell Collins has enlisted the assistance of a utility management services provider that will enable us to establish a more centralized and streamlined data collection process that will lead to more robust planning for actual energy reductions. Energy surveys are being conducted with the data produced contributing to the reduction strategy and goal setting process. Because of this effort, a new goal in this category will be set in 2008 to be implemented in 2009. An update to this report will be made once the new goal is set.

Second goal

1	Category: Material use Indicator: Hazardous materials used Baseline quantity (2004): 1,862,036 lbs, 3.41 lbs/dollar of output 2005 quantity: 2,223,481 lbs (19.4% increase), 3.46 lbs/dollar of output (1.5% increase) 2006 quantity: 2,500,502 lbs (12.5% increase), 3.3 lbs/dollar of output (4.6% decrease) 2007 quantity (actual & normalized): 2,458,600 lbs, (2% decrease), 3.2 lbs/dollar of output (3% decrease) Goal (2009) quantity: 1,213,312 lbs, 2.22 lbs/dollar of output
---	---

2 Summarize how you achieved improvements for this indicator through 2007 or, if relevant, any circumstances that delayed progress.

This reduction in chemical use per dollar of output is an outcome of the successful implementation of a chemical management services provider and associated processes in 2005 in our Iowa and Melbourne, Florida locations. Through this implementation, efficiencies have been gained from improved shelf life management reducing the chemicals issued. This process has also been implemented at additional locations but is not reflected in these numbers since there is no accurate baseline for them and they did not come online until various times in 2006.

In light of a 10% increase in dollars of output from 2006 to 2007, reductions in both actual usage and normalized usage have been realized. We are encouraged and believe this is indicative of the continued success of our chemical management processes.

In addition, we are seeing some other positive chemical use changes as a result of working with a chemical services provider. One example involves the switch to a reclaimed solvent that meets all the same specifications and not only is reused but saves the company approximately \$4,000 per drum annually.

Part 2

List your facilities that newly joined Performance Track or similar state performance-based programs in 2007.

In 2007, Rockwell Collins Environment, Safety & Health focused on the first round of implementation of a new integrated ES&H management system based on ISO 14001 and OHSAS 18001. All current ISO 14001 certified facilities are going through the process of surveillance for ISO 14001 and certification to OHSAS 18001 over the course of 2007 - 2009. Sites who have not yet implemented the new system are scheduled for validation in 2010 and beyond. In light of this endeavor, no new facilities have joined Performance Track in 2007 or 2008. Additional participation in Performance Track will be addressed in the strategic planning for 2009 and 2010.

Section B

Your value chain environmental performance goals.

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

First goal

1	Category:	Supplier's environmental performance
	Indicator:	Depends on improvement areas and projects identified; Join Green Suppliers Network
	Baseline quantity (2004):	0 suppliers participating in Green Suppliers Network
	2005 quantity:	0 suppliers participating in Green Suppliers Network; Joined Green Suppliers Network
	2006 quantity:	1 supplier piloted Green Suppliers Network. No improvement projects identified.
	2007 quantity:	0 suppliers participating in Green Suppliers Network, 10 suppliers participated in Supplier Excellence Alliance (SEA)
	Goal (2009) quantity:	15 suppliers participating in Green Suppliers Network

- 2 Summarize how you achieved improvements for this indicator through 2007 or, if relevant, any circumstances that delayed progress.

Rockwell Collins Supply Chain Quality Assurance and Lean Supply groups have decided not to participate in Green Suppliers Network and to pursue other avenues of improving supplier performance. After piloting the program, it was determined that it did not meet our performance expectations or have enough states involved to meet our scope needs.

Aside from Rockwell Collins lean outreach to six suppliers per year, one strategy has been our participation in the Supplier Excellence Alliance (SEA). We have been a member of the SEA since its inception which is comprised of aerospace, defense, and space primes/OEMs, major subcontractors, and suppliers working together to accelerate supply chain performance. SEA members partner with a third party to take Lean to a common supply base to administer and execute lean processes and behaviors called the Lean Conversion Process. Ten suppliers participated in this process in 2007.

In addition to SEA, Rockwell Collins is piloting the Wisconsin Manufacturing Extension Partnership's (MEP) Accelerate program with 13 suppliers in 2009. MEP Accelerate is a supplier improvement model that focuses on speed and helps the supplier harness the Lean Transformation approach to improve performance. The MEP provides technical expertise and business assistance to determine problem areas and address specific business issue(s) by developing the infrastructure to sustain improvements over time with employee involvement.

One of the objectives in working with both SEA and WI MEP Accelerate is to be a catalyst for performance improvements by our suppliers. Rockwell Collins will work with both programs to include environmental measures along with their other key performance indicators.

We will be re-evaluating our goal in this area and redefining it in the context of our strategic goals in Lean Supply for 2009 and beyond.

Second goal

1	<p>Category: Suppliers environmental performance</p> <p>Indicator: Completion of initial supplier survey</p> <p>Baseline quantity (2004): ESH expectations are in 2004 supplier brochure but not used actively in evaluating suppliers; No award exists</p> <p>2005 quantity: ESH expectations updated in 2005 supplier brochure; Created draft of initial survey to obtain baseline information from top 100 suppliers</p> <p>2006 quantity: Initial survey distributed to 100 suppliers via the Supplier Web Portal with a 7% return. Performance evaluation criteria were established and were used to determine a top supplier to receive the first annual Supplier of the Year Green Award. The award was given at the 2007 Annual Supplier Conference.</p> <p>2007 quantity: A decision was made to award the Supplier of the Year Green Award for 2007 outside the survey process. Two key suppliers were given the award for their contributions and efforts over two years in the green design and green materials management of two new LEED certified green buildings in Cedar Rapids, Iowa.</p> <p>Goal (2009) 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</p>
---	--

2 Summarize how you achieved improvements for this indicator through 2007 or, if relevant, any circumstances that delayed progress.

In 2006, we implemented a sustainable and life cycle approach in the design stages of new construction. With an expanding need for new space, we collaborated with our regional energy provider and two suppliers, a local architectural firm and construction company, to look at energy modeling and green purchasing as a tool for an integrated life cycle approach at the beginning of the design process for new construction. These suppliers assisted Rockwell Collins in achieving our goal of designing and constructing new buildings using LEED criteria through the establishment of criteria and the selection and management of tier two suppliers that fit the specifications identified.

In April 2006, new construction for the first of two Rockwell Collins engineering buildings began in Cedar Rapids, Iowa with a time frame of 7.5 months. The pre-engineered buildings from

Butler Building were designed to be certified under Leadership Energy and Environmental Design version 2.2, a checklist of design criteria. The first building construction was complete in December 2006 and has received LEED certification at the Gold level. In June 2007, a second new building on the same site was started. The commitment to the green LEED criteria was continued with the same design features and green purchasing incorporated in the first building. The buildings were designed with the following sustainable features with material specifications determined by the tier one suppliers and green materials from the tier two suppliers:

- Pre-engineered steel building with recycled content of 68%
- Daylight harvesting and occupancy scheduling
- Heat harvesting using heated lab air for exterior window conditioning
- 32% water use reduction with dual flush toilets and waterless urinals
- Outdoor air delivery monitoring and CO2 indoor air quality sensors
- Low VOC adhesives, sealants, paint, coatings and carpet used
- 99.1% of waste recycled during construction
- At least 35% of green space left for placement of 100 trees and shrubs (many native)

Looking forward Rockwell Collins is working to establish a more robust goal related to Supplier Performance but will continue to award a Supplier of the Year Green Award at the annual Supplier Conference. This new goal is being established as part of the 2009 strategic ES&H plan.

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	Jeff Moore, Sr. Vice President Operations _____
Phone Number / E-mail	319-295-6669/jamoore2@rockwellcollins.com _____
Company Name	Rockwell Collins _____
Company Street Address	400 Collins Rd. _____
City / State / Zip Code	Cedar Rapids, Iowa 52498 _____

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
Director, Performance Track Program
U.S. Environmental Protection Agency
Office of Policy, Economics, and Innovation (1807T)
1200 Pennsylvania Avenue, NW
Washington, DC 20460