

# ← On The Cover

One of our great sustainability stories, Andersen 100 Series single-hung windows are made from our Fibrex<sup>®</sup> material—a composite made of up to 40 percent reclaimed wood fiber by weight from our manufacturing operations.

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# A WORD FROM OUR CEO

This is our second annual Corporate Sustainability Report. In our 2012 inaugural report, we described Andersen Corporation's legacy of environmental stewardship and provided a report card on our sustainability record. In this report, we will focus on the progress we have made during the past year and update our overall performance.

While this is just our second sustainability report, we have been committed to sustainability for more than a century. Durability and energy performance are core elements of our customer value proposition. With our headquarters situated along the St. Croix River, a National Scenic Riverway, we have long understood how important it is to live in harmony with the environment. We also believe that a good company must also be a good neighbor. We recognize that it is our responsibility to make a positive difference in the communities where we live and work. We continue to accomplish this through both our volunteer outreach and by providing financial resources to community needs.

When it comes to sustainability, we subscribe to the philosophy of the triple bottom line of people, planet and profit. We believe that an enduring commitment to sustainability must properly balance the interests of business with the welfare of our people, the environment and our communities. We take a collaborative approach to continually improving our environment and our environmental footprint. Engaging our employees, suppliers, customers and experts in the community to understand best practices, benchmark our operations and drive our initiatives is an important part of our "All Together" culture.

While our business has changed dramatically over the years, the one constant that has guided our company are the values that we keep. These are the values that were first set forth by our company founders more than a century ago. While the words have changed, the values themselves have not. Today, we describe our values as Integrity, Excellence, Innovation, Partnership and Corporate Citizenship. This is a report on our commitment to all five of those values.

Enjoy this year's report. It will provide you with a deeper insight into what we are all about at Andersen. Sustainability is in our nature.



**JAY LUND** Chairman, President & CEO

# A WORD FROM OUR DIRECTOR OF CORPORATE QUALITY & SUSTAINABILITY

Andersen is now in its 110th year of serving our customers, our people and our communities. As a privately held, principle-driven company with deep roots and a history of leadership, planning for the long term comes naturally. In my role, this long-range thinking affords me the opportunity to focus on driving the real work, rather than convincing others of why we need to do it.

# WE LIKE TO SAY AT ANDERSEN THAT SUSTAINABILITY IS IN OUR NATURE. THIS DOESN'T MEAN THAT IT IS SIMPLE OR EASY, HOWEVER.

Deciding which opportunities deliver the greatest impact is becoming increasingly complex these days. Global industries and academic communities rapidly evolve our knowledge, and new ideas and strategies seem to emerge daily. The more formative of these gain momentum through blogs, social media and talk shows. As these new approaches gain acceptance, they eventually coalesce into formal standards and certifications. Each emerging branch of sustainability presents exciting possibilities. While many offer beneficial outcomes, we take care to select those which target the deepest issues and return the broadest range of positive impacts. Sifting the true signal from the noise is the primary challenge, and we have established processes to continuously re-evaluate and refine our strategies.

Our chosen sustainability strategies are crafted from a blend of perspectives, owing strongly to Life Cycle Assessment thinking and the triple bottom line perspective of people, planet and profit. We name these strategies Material Transparency, Sustainable Operations, Product Stewardship and Engaged Employees. These ideas exemplify our values and guide our behaviors and daily decisions.

Simply put, sustainability is not an initiative at Andersen. It is engrained within our core values and expressed through the strides of leadership we have demonstrated throughout our history. In the pages that follow, this heritage and the fresh energy of our progressive sustainability strategies comes proudly to life.



Jim Wesh!

JIM WEGLEWSKI Director of Corporate Quality & Sustainability

# Sustainability



# OUR MISSION IS TO MEET THE NEEDS OF THE PRESENT WITHOUT COMPROMISING THE NEEDS OF FUTURE GENERATIONS.

← St. Croix River Valley Our backyard in Bayport, MN

# RESPONSIBLE LEADERSHIP THROUGH THE YEARS

- 1922 Andersen becomes the first in the industry to offer employees two weeks' paid vacation
  1924 Andersen begins actively seeking employee input with a suggestion system
- 1938 Andersen develops its first health care plan for employees



- 1941 The Andersen Corporate Foundation is established, marking a long tradition of charitable giving > 1960 Andersen begins offering employee sick pay 1983 Andersen becomes the first window company to employ low emissivity (Low-E) as a standard glass technology, greatly improving energy efficiency () 1993 Andesen develops Fibrex<sup>®</sup> material, a revolutionary composite made of reclaimed wood fiber from Andersen manufacturing and vinyl () 1997 Andersen begins offering Green Seal-certified products, an industry first, meeting Green Seal energy efficiency requirements () 1999 Andersen is the first window manufacturer to be named ENERGY STAR® National Window Partner of the Year by the Department of Energy  $\bigcirc$  2000 Andersen joins the Certified Forest Products Council (CFPC)
- Andersen celebrates a century of business > 2003 by building and donating 100 homes to Habitat for Humanity > 2007 Award winning Andersen steam plant supplies entire heating and cooling demand, as well as some of its manufacturing power, for the 2.5-million-square-foot facility  $\bigcirc$  2008 Andersen receives Scientific Certification Systems (SCS) Indoor Advantage<sup>™</sup> GOLD, a certification meeting CA section 01350 specifications  $\bigcirc$  2008 Andersen receives Forest Stewardship Council (FSC) Chain-of-Custody certification for traceability in our wood supply chain (SCS-COC-001337) 2009 Andersen's Corporate Administrative Offices located in Oak Park Heights, MN earns the ENERGY STAR Award from the U. S. Environmental Protection Agency for its superior energy performance 2013 Andersen receives the ENERGY STAR Partner

of the Year-Sustained Excellence award for the

second consecutive year

# OUR REFINED APPROACH

# MATERIAL TRANSPARENCY

Responsible manufacturers understand the value of responsible materials. Approximately 60 percent of a manufacturer's carbon footprint occurs within its supply chain. Lessening the overall footprint of a product largely becomes a matter of choosing the right materials. More importantly, we can leverage this knowledge in the development of next-generation materials.

Designing products that utilize responsible materials may not be enough in itself. The manner in which those materials are extracted and harvested, their future availability, and their ability to promote healthy built environments must all be considered. Confidence in product transparency, by means of Environmental Product Declarations (EPDs) or similar labeling, embodies the spirit of this strategy.

# SUSTAINABLE OPERATIONS

Manufacturing and distribution of products can take its toll on the planet, its resources and the health and well-being of all its inhabitants. Reducing landfill waste, lowering airborne emissions, and using less energy are core to this approach. It also turns out these ideas are simply good business, as these efficiencies often produce attractive financial rewards. People play an equally important role within sustainable operations. This strategy demands we continue to drive exemplary safety performance and yearover-year improvements in all areas of worker safety and ergonomics.

# **PRODUCT STEWARDSHIP**

Product manufacturers must take a comprehensive, long-term view of environmental impacts. The Life Cycle Assessment (LCA) takes an all-inclusive look and evaluates the use phase and end-of-life impacts of a product. Also known as Extended Producer Responsibility, Product Stewardship reminds us that our responsibilities don't end as our products leave the shipping docks.

Durable, energy-efficient products have been our legacy for the past 110 years. During the next 110 years, we will continue to demonstrate leadership in these areas, while utilizing materials that give special consideration to indoor air quality and end-of-life reclamation and reuse.

## **ENGAGED EMPLOYEES**

Our people are the driving force behind our success. Engaged employees incorporate our sustainability strategies in all they do. Our people exhibit a true passion for doing the right thing for the right reasons.

Engaging and educating employees in sustainable behaviors pays dividends beyond the workplace environment. These behaviors are carried into the homes and families of our employees.



# Andersen. Build. Replace. Remodel.

# Our Company

# THE MOST RECOGNIZED AND MOST USED BRAND IN THE WINDOW INDUSTRY TODAY.

- O Andersen Corporation manufactures and distributes products through 22 major operations sites in North America. The map on the right illustrates these locations and denotes proximity to protected natural areas.
- > The only major operation site that is adjacent to protected land is our factory location in Bayport, MN. It is located on the St. Croix River, which is a designated National Scenic Riverway. Our factory has been located here for 100 years, and we have a long history of being a good neighbor and steward of the river.
  - Operations sites adjacent Operations sites not to protected lands
    - adjacent to protected lands



# MATERIAL TRANSPARENCY 🔌

# FOREST STEWARDSHIP COUNCIL



Andersen has proudly been certified since 2008. There are two options available for companies choosing certification: Transfer System and Credit System.

Under the Transfer System, certified wood purchases are limited to exactly the amount required to produce certified windows and doors. Wood purchased for this purpose is segregated from non-certified wood and transferred directly through each manufacturing process.

The Credit System, by comparison, allows a manufacturer to purchase certified wood in larger quantities to establish credits. Certified products are then sold against these credits. The Credit System has been utilized by Andersen to generate a large demand for certified wood, even while the demand for certified products is still emerging. Over the five years of our certification, we have purchased more than 100 times more certified wood than required to meet our demand for certified products. We are proud of this voluntary action to create more demand for certified wood.

The first five years Andersen was certified to the Credit System; today we're certified to the Transfer System. In the spirit of transparency the story behind this change is noteworthy.

Certification is audited annually; and every fifth year carries additional rigor. In preparation for our five-year audit, our internal processes were elevated to levels well above years past. Notable improvements include:

 Increased share of overall wood purchases going to certified vendors

 Heightened rigor in auditing wood purchase invoices from our vendors

Increased education for our vendors

Despite these efforts, our systems were not found to meet all requirements in a few limited areas.



↑ Andersen 400 Series gliding window

Some of these issues emerged as increasing requirements for certification outpaced the ongoing improvements we have made to our systems. In other cases, differing opinions among auditors yielded different results from systems which had been largely unchanged over course of our certification.

While limited in number, the improvements we needed to make to our Credit System were not quick fixes. Some investment will be required to properly address the outstanding needs. We have decided to move to a Transfer System certification while we are making the investments necessary to support our Credit System, and look forward to implementing Credit System certification again in the near future.

### PRODUCT CATEGORY RULES

In collaboration with industry peers, Andersen Corporation proudly helps lead the development of window industry Product Category Rules (PCR). Creating PCRs is a prerequisite to future Environmental Product Declarations (EPD). Andersen Corporation supports the advancement of EPDs to increase product transparency with consumers and to help advance environmental improvements and sustainable development.

Consumers are confused by the many eco-labels on store shelves. Often, these certify a product for a single area of superiority. An EPD approaches labeling differently by reporting a variety of data-driven facts on a label similar to that of packaged food. Rather than listing calories, carbohydrates and fat content, an EPD may list water consumption, energy use and greenhouse gas potential.

## ANDERSEN SUPPLIER BECOMES A GREEN PROFESSIONAL

Cardinal IG, a major glass supplier, recently earned Green Professional status



with the Wisconsin Sustainable Business Council's Green Masters Program. Successful performance in nine "sustainability areas" earned them this achievement. Cardinal IG provides energy efficient insulating glass (IG) for Andersen<sup>®</sup> windows and doors.

SINCE THE HOUSING SECTOR IS THE LARGEST SINGLE CONSUMER OF ENERGY IN THE UNITED STATES, CARDINAL IG'S FOCUS ON SUSTAINABILITY IS ESSENTIAL.

 Tom Eggert Executive Director, Wisconsin Sustainable Business Council Executive Director of the Wisconsin Sustainable Business Council, Tom Eggert, said, "Cardinal IG minimizes the environmental footprint of their products during production, and their products serve to improve the energy efficiency of the buildings that in which they are installed."

Andersen's ability to reduce environmental impact hinges on the actions of our suppliers. Cardinal's effort is taking the necessary steps to earn Green Professional status illustrates the value of our business relationship and a shared commitment to the environment and sustainability.



# COLLABORATION WITH XCEL ENERGY

An excellent example of collaborative efforts at work involves Andersen's longstanding relationship with a Minnesota public utility, Xcel Energy. Together, we approached an energy reduction opportunity at our Renewal by Andersen facility in Cottage Grove, MN. The project involved adding an air-recirculation system to minimize the energy required to heat and



cool the plant. "It's just the right thing to do," said Jerry Barr, Total Productive Maintenance coordinator at Renewal by Andersen.

XCEL'S ENTHUSIASM FOR THE PROJECT GARNERED A \$35,000 REBATE AS WELL AS YIELDED A 2.7-YEAR RETURN-ON-INVESTMENT.

### CARBON IMPACT & EFFICIENCY

We approach our fleet management and logistics with two key initiatives. First, as an Environmental Protection Agency (EPA) Smartway Shipper we are among other participating companies that save money, reduce fuel consumption and are recognized for social responsibility and leadership.

The program is a unique collaboration between the EPA and the freight sector designed to improve energy efficiency, reduce greenhouse gas and air pollutant emissions, and improve energy security.

# The Andersen Fleet

> 750 cars & light-duty trucks

♦ 350 commercial trucks

♦ 700 trailers

The Andersen fleet logged nearly 40 million miles in 2012. Since 2008, our



commercial truck fleet has participated in the EPA Smartway program to boost supply chain fuel efficiency, and PeopleNet Onboard computers were also installed in our commercial trucks to help drive down operation costs while increasing efficiency.

AT ANDERSEN, WE BELIEVE FINDING NEW WAYS TO USE ALTERNATIVE ENERGY IS ONE WAY TO HELP RESTORE ECONOMIC GROWTH FOR EVERYONE.

Lance Whitacre

VP, Order Management & Logistics

In addition, Andersen commercial trailers from 2010 model years and later have automatic air gauges to help maintain optimal tire pressure and improve mileage. We are currently testing trailer skirts in our Andersen Logistics' Sacramento commercial truck fleet to reduce drag and improve mileage rates.



Andersen Logistics leadership team (Pictured L-R: Doug Rose, Lance Whitacre, Vahan Badalow and Rita Knoll) celebrate the announcement of the beginning of Andersen's fleet conversion from diesel to compressed natural gas on March 1, 2012. Also, Andersen has begun converting its transportation fleet from diesel fuel-powered trucks to trucks running on compressed natural gas (CNG) in two locations. Through a carrier and fueling partnership in Menomonie, WI and with Andersen trucks in Fontana, CA. Both projects have been a success with future expansion plans. The Menomonie project was the result of a unique partnership between Andersen, Dart Transit Company, U.S. Oil (a division of U.S. Venture, Inc.), Breakthrough<sup>®</sup> Fuel, and Xcel Energy, and highlights a new type of market collaboration implementing this new technology.

IN SAVINGS TOTALED BETWEEN THE TWO LOCATIONS IN 2012.

Natural gas vehicles show an average reduction in ozone-forming emissions of 80 percent compared to diesel-powered vehicles. More than 99 percent of the natural gas used in the United States comes from domestic or other North American sources. Compared to liquefied natural gas and diesel fuel, CNG has the lowest price and lowest emissions. Of the 1,000 CNG stations in North America, though, less than half of those are truck-friendly.

THIS PROJECT SHOWS HOW THE RUBBER LITERALLY MEETS THE ROAD. LEVERAGING THIS UNIQUE PARTNERSHIP TODAY YIELDS FAR-REACHING BENEFITS FOR US THAT IMPROVE THE TRIPLE BOTTOM LINE—GOOD FOR THE PEOPLE, PROFITABLE FOR THE COMPANIES AND BENEFICIAL FOR THE ENVIRONMENT.

<sup>—</sup> Lance Whitacre

VP, Order Management & Logistics

# **Enterprise Energy Totals**

# ANDERSEN CORPORATION DESIGNED OUR ENVIRONMENTAL MANAGEMENT SYSTEM (EMS) IN 1994 FOLLOWING ELEMENTS OF THE ISO 14001 STANDARD.

- The system provides environmental oversight for all enterprise locations
- As part of the EMS, we look at aspects of our business that interact with the environment and set goals to continually minimize our environmental impact
- Each year, the top pollution prevention projects are evaluated for Enterprise awards

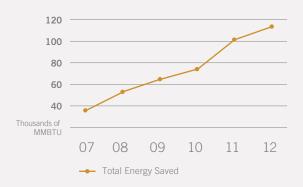
#### Direct Energy Consumption



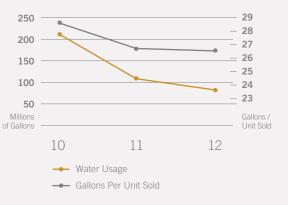
#### Indirect Energy Consumption







Water Usage



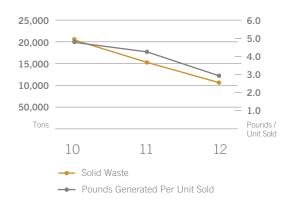
#### ADDITIONAL REDUCED EMISSIONS

At Andersen Corporation's logistics distribution center in Fall River, MA, employees reduced annual greenhouse gas emissions by more than 200,000 pounds by replacing 468 warehouse lighting fixtures. The local utility company supported the project to install energy efficient T8 fluorescent fixtures.

With careful collection and recycling of old fixtures, employees helped keep scrap out of the waste stream and received \$3,500 for segregating and recycling various metal components.

Ballasts in the old fixtures made a constant buzzing sound, so the most immediate and noticeable impact was a brighter and quieter workspace for Andersen Corporation employees.

Solid Waste Generation



# **FIBREX® MATERIAL**

Fibrex<sup>®</sup> material is a patented composite of reclaimed wood fiber from our manufacturing operations and a special thermoplastic polymer, some of which is also reclaimed. The process for making Fibrex material and its environmental benefits helped Andersen Corporation become a manufacturer of Green Seal<sup>®</sup> certified window manufacturer.



Since Andersen developed the highly sustainable Fibrex material in 1993, reuse of waste wood fiber

has prevented the harvesting of nearly 90 million board-feet of timber. The innovative spirit behind the creation of Fibrex material continues to drive operational waste reductions 20 years later.

BUILDERS AND HOMEOWNERS LOOK FOR FIBREX MATERIAL BECAUSE OF ITS BETTER INSULATION AND INCREASED DURABILITY. FIBREX MATERIAL ALSO WON'T CONDUCT HEAT AND IT RESISTS MOISTURE.\*

Andersen's award-winning 100 Series products, made with Fibrex material, continue to be top sellers. Andersen leverages Fibrex technology across its entire product portfolio.



# ENVIRONMENTAL SUMMIT

Each year, Andersen honors the best sustainability projects undertaken by teams within the organization at the Energy & Environmental Summit in Bayport, MN.

THIS YEAR'S SEVENTH ANNUAL SUMMIT HONORED 19 PROJECTS, ALL DESIGNED TO PREVENT POLLUTION AND/OR REDUCE ENERGY COSTS.



Seven volunteer judges from throughout the company selected the top projects in three categories—Innovation, Enterprise Utilization and Energy Conservation. An additional award was given to the project offering the greatest environmental impact.

#### WINNER: INNOVATION ANDERSEN—GARLAND, TX

Decreased annual electrical consumption by six percent

Reduced the number of hours used by the shrink-wrap packaging machine for 100 Series products by coordinating the hours that each production line/shift used the equipment—usage fell by two-thirds per day

## WINNER: ENTERPRISE UTILIZATION SILVER LINE—NORTH BRUNSWICK, NJ

> Expanded recycling efforts

- Segan recycling the metal glass spacers in every panel that previously had been sent to landfill
- Increased annual glass recycling value by \$100,000
- Helped improve glass recycling programs across all Silver Line locations



↑ Andersen 100 Series single-hung window, shown with reduced packaging

#### WINNER: ENERGY CONSERVATION ANDERSEN—COTTAGE GROVE, MN

- Installed ductwork to return air-conditioned and heated air to the facility, and consolidated two Woodwright<sup>®</sup> -hung window assembly lines into one line
- Reduced electricity usage by 7 percent and natural gas usage by 56 percent
- Eliminated high-energy equipment with facility improvements—energy rebates totalled \$81,000 and annual energy savings amounted to \$87,000

### WINNER: GREATEST ENVIRONMENTAL IMPACT ANDERSEN—DUBUQUE, IA

- Achieved higher paint transfer efficiency, shortened the cycle time, increased output and reduced labor costs for the E-Series/Eagle product line
- Neconfigured paint line hangers to use less paint

Senerated \$197,000 in estimated annual savings

# PRODUCT STEWARDSHIP 🗳

Product stewardship takes into consideration a product's design, materials, lean manufacturing, energy efficiency, product durability and a product's end of life options. Andersen's durable, energy-efficient products begin with the end in mind.

WE REALIZE THE DECISIONS MADE ON THE FRONT END AFFECT THE PRODUCT'S ENTIRE LIFE AND END OF LIFE. THAT'S WHY WE LOOK BEYOND ENERGY EFFICIENCY TO INCLUDE PRODUCT LONGEVITY, DURABILITY AND DISASSEMBLY OPTIONS.

We conducted a successful glass recycling pilot in 2012 leveraging previous years of research and existing external relationships. We continue to work towards solutions that offer new platforms for expansive recycling within our operations and beyond. The pilot addressed one portion of many overall recycling objectives.

# **''A-h**a'

THE GLOBAL COMMUNITY IS REALIZING THAT OUR WASTE IS DUR FUTURE—AN A-HA MOMENT

The exciting aspect of projects like these is twofold. While initial efforts work to divert waste from landfill, the broader benefits redefine waste. Just as diversion from landfill is gaining momentum, the global community is recognizing and understanding the reality of limited resources. The emerging realization—the global "aha" moment—is that our waste is our future.



# **RECOGNITION & AWARDS**

ANDERSEN CORPORATION IS PROUD TO HAVE EARNED NUMEROUS PRODUCT AND ENVIRONMENTAL CERTIFICATIONS AND SUSTAINABILITY AWARDS.

S Green Homebuilder

2012 Building Products Brand Survey Winner

This Old House Top 100 Products of the Year (Verilock)

Professional Remodeler Design Awards Andersen used in winning designs

Signature Green Builder Magazine

Editor's Choice of Top 50 Products of the Year (Verilock)

# New Jersey Department of Labor & Workforce Development

Governor's Recognition Award presented to Silver Line for achievement in the prevention of occupational injuries

S Xcel Energy Partner of the Year

#### Professional Builder 101 Best New Products for 2012 (Papid)

101 Best New Products for 2012 (Rapid Install Door)

# O Builder Magazine

Andersen ranked #1 in *Builder* magazine's survey of builders for brand familiarity, use and quality

#### 2013 ENERGY STAR PARTNER OF THE YEAR AWARD

For the second consecutive year, The U.S. Environmental Protection Agency (EPA) recognized Andersen Corporation with a 2013 ENERGY STAR® Partner of the Year—Sustained Excellence Award for continued leadership in protecting the environment through superior energy efficiency. Additionally, we've won the ENERGY STAR Partner of the Year for four consecutive years. Andersen is recognized for outstanding contribution to reducing greenhouse gas emissions and its ongoing commitment to energy-efficient product performance and reduced environmental impact through state-of-the-art manufacturing processes.



FOUR-TIME-CONSECUTIVE WINNER OF INERGY STAR'S PARTNER OF THE YEAR WARD AND SECOND CONSECUTIVE WINNE! OF THE SUSTAINED EXCELLENCE AWARD





Andersen Corporation Chairman, President and CEO Jay Lund was invited to meet with U.S. Environmental Protection Agency Administrator Lisa P. Jackson to discuss the future of energy efficiency.

### SUSTAINABILITY PARTNERSHIPS

The complex issues facing us today have no boundaries; they transcend individuals, organizations and countries.

# IT'S CRITICAL NOW MORE THAN EVER TO FACE THESE CHALLENGES TOGETHER. THAT'S WHY WE RECOGNIZE AND APPRECIATE THE VALUE OF COLLABORATIVE PARTNERSHIPS.

We're extremely fortunate to operate in communities with strong networks of like-minded organizations. Together we are willing and eager to engage in collaborative efforts to tackle environmental, social and economic challenges facing us all. Much of the time and effort we invest in improving internal operations and product performance actually begins outside our walls. Collaborating with organizations such as The Nature Conservancy, MN Waste Wise, University of Minnesota's Northstar Initiative, Environmental Initiative and many others work to break down traditional barriers, allowing exchange of ideas and expertise that lead us to think differently and create new solutions.

# ENVIRONMENTAL COLLABORATIONS, AWARDS & CERTIFICATIONS



# Our Environment



# THE BUILT ENVIRONMENT:

BUILDINGS USE ABOUT 40% OF GLOBAL ENERGY, 25% OF GLOBAL WATER, 40% OF GLOBAL RESOURCES, AND THEY EMIT APPROXIMATELY 1/3 OF GREENHOUSE GAS EMISSIONS.<sup>\*</sup>

- The building sector is the largest contributor to global greenhouse gas (GHG) emissions
- Energy consumption in buildings can be reduced by 30 to 80 percent using proven and commercially available technologies
- Building sustainably will result in healthier and more productive environments
- Existing technology within Andersen windows and doors contributes to green buildings through retrofits, new construction, multi-dwelling and educational buildings

\*According to the United Nations Environment Programme (UNEP). April 12, 2013

# SUSTAINABLE BUILDING

# RETROFIT—YELLOWSTONE NATIONAL PARK RENOVATION

As a part of the Yellowstone Environmental Stewardship Initiative, Yellowstone National Park is working to create a model for off-grid environmental stewardship and education at their Lamar Buffalo Ranch within the park. Through the Yellowstone Park Foundation, Andersen donated windows and funds for the renovation of the 16 residential cabins at the ranch.

Renovation included window replacement with Andersen 400 Series windows. In addition, the cabins



upgraded their insulation and installed programmable thermostats. In the 12 months since the renovation, the cabins have shown an average of a 50 percent reduction in fuel usage per month from the same time last year.

# NEW CONSTRUCTION & MULTI-DWELLING— ECO-VILLAGE BUILDS A SUSTAINABLE FUTURE



Andersen Corporation has dedicated the last two decades to funding and building quality affordable housing throughout the country. One longtime partner is Habitat for Humanity. Habitat's commitment to building

energy-efficient homes for people in need fits well with the values of our company and the products that we make every day.

# ECO-VILLAGE IS A RECENT COLLABORATION THAT IS BUILDING A PROGRESSIVE RESIDENTIAL NEIGHBORHOOD MODEL FOCUSED ON SUSTAINABILITY.

Located in River Falls, WI, St. Croix Valley Habitat for Humanity is building 18 homes and a community center on five acres of land that will share renewable energy systems (solar and geothermal) walkways, community produce gardens, "edible landscapes" and shared green spaces. Andersen donated \$100,000 and windows for the homes which will assist Habitat for Humanity in reaching LEED for Homes Platinum and LEED-ND Gold.



NET-ZERO HOMES TO BE BUILT IN THREE YEARS AT ECO-VILLAGE, THANKS TO HABITAT FOR HUMANITY AND ANDERSEN VOLUNTEERS



Fifty Andersen employees volunteered to help kick off Habitat for Humanity's Eco-Village project, located in River Falls, WI.

#### **USGBC Charter Member**

New and remodeled energy efficient buildings incorporating sustainable building design and materials help reduce the building sector's environmental impact.

Andersen Corporation is a charter member of the U.S. Green Building Council (USGBC). We continue to support the council's efforts by sponsoring the national and local chapters, participating actively in council activities and offering products contributing to LEED points that assist projects to achieve one of the four LEED certification levels.



### EDUCATIONAL—ECOCENTER AT NEW HERON'S HEAD PARK

San Francisco proudly opened the EcoCenter at Heron's Head Park—the city's first 100 percent "offthe-grid" building. The ten-year effort transformed an industrial, military dry-dock shipyard into a beautiful, sustainable learning environment where the public can learn about green building and environmental justice.

# ANDERSEN® 100 SERIES WINDOWS MADE WITH FIBREX® MATERIAL WERE A PERFECT FIT FOR THE WASTEWATER RECYCLING AND TREATMENT AREA, AS WELL AS THE GREENHOUSE.

Fibrex<sup>®</sup> products use up to 40 percent reclaimed wood fiber by weight, and the thermoplastic polymer material resists rot, decay and fungal growth. Other parts of the building use 400 Series windows manufactured with FSC<sup>®</sup> certified wood.

This award-winning, LEED Platinum educational center boasts a long list of innovative and integrated green building technologies ranging from low- to high-tech, including solar panels, a wind turbine, a vegetative living roof and permeable pavement.



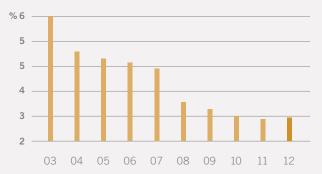
The LEED Platinum EcoCenter at Heron's Head Park in San Francisco, CA uses Andersen 100 Series windows made with Fibrex® material.

# Our Community stronger together

# ENGAGED EMPLOYEES 🗳

#### SAFETY IN THE WORKPLACE

When it comes to safety, research shows that best-inclass companies focus on three critical components: high employee participation, management support and feedback conversations. These three elements are precisely the foundation for Andersen's Peoplebased Safety program. As the name implies, this safety program is driven by employees working in our production plants.



**Employee Incident Rate** 

Ninety-eight percent of the Andersen operational workforce is represented by site safety committees engaged in collaborative efforts among management, production, maintenance and warehousing to identify, evaluate and control workplace hazards.

# SAFETY COMMITTEE MEMBERS PARTICIPATE IN ACTIVITIES TO PROMOTE AND IMPROVE WORKPLACE SAFETY.

Site safety audits identify and address unsafe acts and conditions, injury data and trends, attendance at committee meetings, and ongoing safety awareness around workplace hazards and procedures.

Andersen Logistics won the 2012 Chairman's Safety Award for their innovative efforts to inspire and engage employees around safety. Their SAFE program—Safety, through Awareness, Focus and Education—delivered impressive results. Lance Whitacre, Vice President Order Management and Logistics said, "I am very proud of the commitment our entire team has made to safety. By ensuring a safe workplace, the team continues to live the values of Andersen Corporation and protects the most important asset in our business—our employees."

← Andersen Volunteers Habitat For Humanity Eco-Village Project, River Falls, WI



Employees join the sustainability discussion during ENERGY STAR® Week at Andersen Corporation.

# **EMPLOYEE EDUCATION & TRAINING**

Andersen lives its commitment to excellence with a culture that values continuous career and professional development. This belief comes to life through the many tools, programs and processes that support employee growth and learning.

# O Career Ladder

⊘ Talent Planning

O Andersen Corporate University

Development Diner

Career Conversations
 & Individual Development Plans

O Competency Mapping & Self Assessments

> Lean Manufacturing & Lean Office

() Leadership Foundations

> Leadership Exploration

O Leadership by Andersen

S Functional Leadership Forums

In 2013, we are kicking off major initiatives to introduce business skill-building learning tracks, expand and enhance our career and professional development tools and methods for all employees, and develop our leadership capability to drive operational excellence.

# HURRICANE SANDY RELIEF

Following Hurricane Sandy's devastation on October 28-30, 2012, Andersen teams across the country worked around the clock to get our facilities operational while, at the same time, tending to their families and homes. From the beginning, our priorities were employee and customer safety and customer service.

Several of our East Coast facilities, including Andersen Logistics center in Allendale, NJ, Silver Line's North Brunswick, NJ headquarters, several Renewal by Andersen retail locations and CPI in Aurora, OH, were impacted by the storm.

While Silver Line's North Brunswick plant was without power for an entire week, it hosted the New Jersey Red Cross Command Center. We supplied 500 Red Cross coordinators with 48,000



**Red Cross** 

square feet of space in our Lakeside East facility, rent free. When the Red Cross generators ran out of fuel on November 1, we pulled diesel from our storage tanks to keep the Red Cross operational. In addition to providing the organization with office space, the Andersen Corporate Foundation approved donations of \$75,000 to the Red Cross and \$15,000 to Elijah's Promise, a food shelf in nearby New Brunswick.

\$90,000 IN DONATIONS MADE BY ANDERSEN CORPORATE FOUNDATION TO BENEFIT HURRICANE SANDY VICTIMS

### COMPOSTING FOR THE EXPANDED EMPLOYEE GARDEN

The Andersen corporate headquarters has a new addition to its employee cafeteria—a compost bin. The resulting nutrient-rich soil will help fertilize the expanded employee garden. Composting helps reduce the need for chemical fertilizers, promotes higher crop yields and offers other environmental and economic savings.



According to the Environmental Protection Agency (EPA), yard trimmings and food residuals make up 27 percent of the U.S. waste stream. Food waste disposed in landfills quickly rots, becoming a significant source of methane. Methane gas is a potent greenhouse gas (GHG), with 21 times the global warming potential of carbon dioxide, according to the EPA. The employee cafeteria already aligns with a local company to recycle its used vegetable oil.

# PHILANTHROPY

# **CHARITABLE GIVING**

Andersen Corporation is committed to supporting the community through donations of funds, employee volunteerism and in-kind donation of our products.

IN 2012, THE ANDERSEN CORPORATE FOUNDATION DONATED \$2 MILLION— OVER \$50 MILLION IN THE PAST 70 YEARS —TO NONPROFIT ORGANIZATIONS IN THE COMMUNITIES WHERE OUR EMPLOYEES LIVE AND WORK.

The foundation is committed to supporting K-12 education with a particular focus on STEM (Science, Technology, Engineering and Math). In addition, we remain committed to supporting affordable housing, assisting seniors as the age in place, and numerous other basic needs organizations.

The company also donated windows to several key affordable housing nonprofits throughout the country. Annually, our employees volunteer thousands of hours in the community building homes with Habitat for Humanity as well as serving other key nonprofit organizations in our communities.

#### Habitat for Humanity

Over our 20-year relationship, Andersen has funded, volunteered and/or provided windows to more than 900 Habitat for Humanity homes in North America.



#### **Kids Against Hunger**

Community and corporate volunteers gathered at Andersen Corporation's headquarters to pack 529,386 meals. Half the meals were sent to Haiti and half to a New Jersey food shelf all to support communities impacted by Hurricane Sandy.

#### **Junior Achievement**

Pressures of mounting global challenges face today's youth like never before. Increased awareness and education help prepare



them for the issues we grapple with daily. Andersen values the work Junior Achievement offers our youth and has supported them for more than two decades.

United Way

Andersen Corporation and its employees have supported the United Way for more than 50 years.



# GRI Performance Indicators

2.9 Significant changes during the reporting None period regarding size, structure, or ownership.

2.10 Awards received in the reporting period. See page 18

# **STRATEGY & ANALYSIS**

1.1	Statement from C	EO.
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### **ORGANIZATIONAL PROFILE**

2.1	Name of the organization.	Andersen Corporation
2.2	Primary brand and products and/or services.	Andersen Corporation manufactures windows, patio doors and storm doors under the following brands: Andersen Windows, Renewal by Andersen, American Craftsman and Silver Line windows and doors.
2.3	Operational structure of the organization.	Andersen Windows, Inc., Eagle Window & Door Manufacturing, Inc., American Craftsman Window & Door Company and Silver Line Building Products LLC
2.4	Location of organization's headquarters.	Bayport, MN
2.5	Number of countries where the organization operates.	Two: Canada and United States
2.6	Nature of ownership and legal form.	Privately owned
2.7	Markets served (including geographic breakdown, sectors served and types of customers/beneficiaries).	US, Canada and some international
2.8	Scale of reporting organization.	9,000 employees; 15 manufacturing facilities; \$2 billion in sales

See page 2

# **REPORT PARAMETERS**

3.1	Reporting year.	2012
3.2	Date of most recent previous report.	2011
3.3	Reporting cycle.	12 months, calendar year
3.4	Contact point for question regarding the report or its contents.	Jim Weglewski jweglewski@andersencorp.com
3.5	Process for defining report content.	A cross-functional team reviewed GRI guidelines and determined which impacts were material and which data was available. This process contrib- uted to determining content of this report.
3.6	Boundary of the report.	This report covers all Andersen corporate-owned and -leased facilities in North America.
3.7	State any specific limitations on the scope or boundary of the report.	No specific limitations on scope or boundaries exist unless noted alongside data provided.
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, etc.	n/a
3.10	Explanation of the effect of any re- statements of information provided in earlier reports.	n/a
3.11	Significant changes during the reporting period regarding size, structure, or ownership.	n/a
3.12	Table identifying the locations of the Standard Disclosure in the report.	This table

# **GOVERNANCE, COMMITMENTS & ENGAGEMENTS**

4.1 - 4.4

4.14 - 4.15

Andersen Corporation is a privately held company. The chief governing body is the board of directors which is chaired by the CEO and President and includes other executives. In addition, the board includes independent directors and two Andersen family descendants. Shareholders are directly represented on the board of directors and all shareholders are invited to participate in the annual meeting.
Anderson Corporation's commitment to sustain

Andersen Corporation's commitment to sustainability is demonstrated in the fabric of our diverse business relationships. We engage with communities, suppliers, shareholders, employees, customers, civic leaders, governmental and non-governmental organizations and the media regularly regarding our sustainability practices. By producing an annual corporate sustainability report, we are providing our stakeholders with a detailed report of our on-going efforts. We identify key stakeholders based on our business operations. It is an important part of our communications goal of engaging in all the communities in which Andersen employees live and work.

# ECONOMIC PERFORMANCE

EC8 Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.

## **ENVIRONMENTAL PERFORMANCE**

EN3	Direct energy consumption by primary energy source.	See page 14
EN4	Indirect energy consumption by primary source.	See page 14
EN5	Energy saved due to conservation and efficiency improvements.	See page 14
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	See page 14
EN8	Total water withdrawal by source.	See page 14
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	See page 9
EN22	Total weight of waste by type and disposal method.	See page 15

# ENVIRONMENTAL PERFORMANCE

S06	Total value of financial and in-kind con- tributions to political parties, politicians and related institutions by country.	Andersen Corporation does not have a formal Political Action Committee and the company does not contribute to political parties or politicians.
LA6	Percentage of total workforce repre- sented in formal joint management/ worker health and safety committees that help monitor and advise on occupa- tional health and safety programs.	See Safety In The Workplace, page 25
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	See Employee Education & Training, page 26

# Andersen

#### In Our Nature Blog

inournatureblog.com

**Product Websites** 

andersenwindows.com eaglewindow.com emcodoors.com renewalbyandersen.com silverlinewindow.com americancraftsmanwindows.com

#### **Corporate Headquarters**

Andersen Corporation 100 Fourth Avenue North Bayport, MN 55003-1096

#### Jim Weglewski

Director of Corporate Quality & Sustainability

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