

August 9, 2011

Arizona Environmental Strategic Alliance
PO Box 67076
Phoenix, Arizona
85082-7076
Attn: Jim Thrush

PING, Inc
2010 Member Annual Report

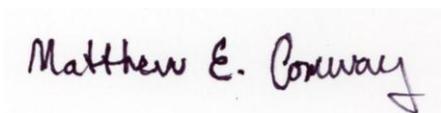
Mr. Thrush:

This letter transmits one copy of PING, Inc.'s (PING) 2010 Member Annual Report. PING is proud of its commitment to environmental excellence and is honored to be an active member in the Arizona Environmental Strategic Alliance (AESA). This Annual Report presents some of the programs that were either completed or active in the 2010 reporting year; however, the report does not include all of PING's environmental initiatives.

Please note that the organization of our 2010 annual report aligns closely with the AESA Member Annual Report format. AESA leadership characteristics are noted in italicized font. PING's responses are presented in normal font.

We look forward to your review of our annual report.

For PING, Inc.

A handwritten signature in dark ink that reads "Matthew E. Conway". The signature is written in a cursive style and is positioned above the printed name of the signatory.

Matthew Conway, CSP, CHMM
Environmental/Safety Manager



**Arizona
Environmental
Strategic
Alliance**

A Partnership to Protect and Enhance Arizona's Environment...

PO Box 67076, Phoenix, Arizona 85082-7076 Telephone and Fax: 480-422-7392 www.azalliance.org

MEMBER COMPANIES:
*Arizona Public Service**
City of Scottsdale
Intel Corporation
Kitchell
Salem Boys Auto
Salt River Project
Ping, Inc.

ADVISORY COUNCIL:
Co-Chair:
Beverly Westgaard,
AESA
Co-Chair/Representative:
Dennis Dickerson,
Maricopa County
Hal Berkowitz, ASU
Ian Bingham, Arizona
Department of
*Environmental Quality**
John Godec, Godec,
Randall & Associates
*Ray Saracino, US EPA**
Sen. Amanda Aguirre,
Arizona State Senate
Mitch Klein, Polsinelli
Shugart PC
Kim Furphy

** Alliance Founding Partner*

Annual Report for Year 2010

PRESENTING YOUR
 ENVIRONMENTAL MANAGEMENT CREDENTIALS

THE ROAD TO EXCELLENCE

PING, Inc
 (Name of Member Organization)

Directions:

The following pages list some of the leadership characteristics practiced by leading environmentally conscious organizations across the country. Progressive organizations and regulatory agencies identified these characteristics and expectations when the Alliance was formed.

For Member Organizations with >100 Employees:

Please select at least two leadership characteristics for each of the first three categories and respond to the elements of category number four. Provide examples explaining how your organization excels in that area.

For Member Organizations with < 100 Employees:

Please select at least one leadership characteristic for each of the first three categories and respond to the elements of category number four. Provide examples explaining how your organization excels in that area.

PLEASE NOTE:

- The fewer the examples reported, the more compelling they should be.
- Information provided needs to be applicable to reporting year labeled above.
- Make all attempts to **quantify** and **qualify** your information so that it can be fully appreciated by the reader.
- Define and describe any references to additional or attached information.
- Members may include information or documents prepared for other purposes as a means to accomplish the Alliance report. However, if this approach is used, please provide clear cross-references between the specific leadership characteristic reported on and the page or section of the document relied on.
- Provide examples of reported improvements or new initiatives.

OPTIONAL REPORT FORMATS

Member Organizations may submit an alternative environmental annual report if (1) the report addresses the four categories of "Leadership Characteristics" (pg. 3) and (2) if the member submits an "Alternative Annual Report Cover Letter" (pg. 2) certifying adherence to Alliance Principles (pg. 4), and (3) presents a brief report to the Annual Report Review Committee. The Review Committee reserves the right to ask for additional information if the alternative report does not sufficiently address Leadership Characteristics.



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LEADERSHIP CHARACTERISTICS

1. Conservation and Pollution Prevention

- Trip reduction program participation and innovation;
- Programs to reduce water consumption;
- Programs to reduce regulated discharges to the environment;
- Programs to minimize the production of waste; source reduction, product substitution, toxic inventory reduction, etc;
- Programs to reduce energy consumption, e.g., Energy Star, Green Lights;
- Use of renewable energy technologies;
- Implementation of a waste program or waste reuse practices;
- Instituting an environmental reclamation or improvement project, e.g., creating a wetland.

2. Education and Mentoring

- Mentoring other organizations regarding process improvements and pollution prevention approaches and techniques;
- Providing to the public an annual report documenting environmental performance;
- Distribution of literature, guides, or reference material concerning environmental issues;
- Membership and active participation in voluntary federal, state, or local environmental protection or reinvention programs, e.g., Water Wise, Environmental Leadership Program, Project XL, or Partners for Pollution Prevention;
- Creating or participating in any program that enhances the goal of improving the organization's relationship to the environment, beyond that expected by regulatory requirement;
- Innovation for environmental improvement within industry or sector.

3. Organizational Environmental Policies

- Evaluation of the environmental impacts of product(s) life cycle;
- Implementing a policy requiring vendors to meet the member's environmental requirements;
- Instituting and following a "green" purchasing policy;
- An environmental management system and audit program;
- Implementation of sustainability practices.

4. Other Topics to Report

- Include any other innovation or environmental leadership activities not covered earlier that support the Alliance Principles (See Next Page).
- Include any potentially adverse matters concerning your environmental performance.



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ALLIANCE PRINCIPLES

- **Management Commitment** - Alliance members implement these Principles and make evident their commitment to environmental responsibility. They demonstrate environmental leadership and implement management processes that ensure public accountability and are consistent with their own environmental policy.
- **Protection of the Ecosphere** - Alliance members continually strive to reduce and eliminate releases of substances that may cause environmental damage to the air, water, earth or its inhabitants.
- **Sustainable Use of Natural Resources** - Alliance members promote the responsibility for resource stewardship and sustainability through planning and wise management by prudent use of natural resources, conserving nonrenewable natural resources, and promoting the development and use of renewable resources.
- **Environmental Restoration and Community Relations** - Alliance members act promptly and responsibly to correct conditions that endanger health, safety, or the environment and to restore the environment where opportunities within their means exist. They inform the community of conditions that may affect public health and welfare. They strive to communicate effectively by providing both comprehensive and comprehensible information, and tailor their communications to ensure appropriateness for various audiences. Alliance members seek advice and counsel through dialogue with community members and respond to community concerns about facility operations.
- **Energy Conservation** - Alliance members conserve energy and improve the energy efficiency of their internal operations used in producing their goods/services. Alliance members promote travel efficiency and strive to reduce transportation impacts to the ecosystem.
- **Risk Management and Reduction** - Alliance members strive to reduce the environmental health and safety risks to employees and communities, and endorse environmentally-responsible management practices. Members also inform customers about the environmental impacts and costs of consumer choices and provide information about practices that can result in an improved environment.
- **Environmental Education and Monitoring** - Alliance members educate peers, customers, employees, and communities about the importance of maintaining regulatory compliance and integrating environmental performance into business management practices. They seek opportunities to mentor other organizations and offer information about environmentally-responsible actions, lifestyle choices, behavior practices, and decision-making.
- **Pollution Prevention and Source Reduction** - Alliance members regard pollution prevention as an important component of sustainable development. They actively employ source reduction and recycling to minimize waste, while handling and disposing waste materials in a safe and responsible manner.
- **Environmental Performance and Integrity** - Alliance members demonstrate their commitment to these Principles by maintaining compliance with all applicable environmental regulations. They support and adopt environmental audit procedures and conduct annual self-evaluations of their progress in implementing these Principles. They retain their membership status by conducting their business operations in a manner consistent with performance standards as established by these Principles.
- **Public Responsibility and Reporting** - Alliance members believe that the public and other members deserve, and hold the right, to review performance of activities conducted by the Alliance as a whole, as well as those Alliance activities conducted by individual members. Through disclosure of Alliance activity performance reports and open decision-making, the Alliance and its members are committed to promoting the highest standards of organizational integrity and public responsibility.

PING, Inc.

**Arizona Environmental Strategic Alliance
2010 Member Annual Report**

LEADERSHIP CHARACTERISTICS

1. Conservation and Pollution Prevention

Programs to minimize the production of waste; source reduction, product substitution, toxic inventory reduction, etc.

Mineral Spirits Reduction

Starting in 2008, PING implemented a 3-year program to reduce the amount of mineral spirits used in non-production related activities. The program specifically targeted parts washer solvent used in support departments. Program activities (primarily product elimination and substitution) have been reported in previous Annual Reports. Final program results are summarized below. Although these activities are non-production related, a normalization basis related to production was requested by the National Environmental Performance Track Program.

Normalization Basis	Total clubs produced				
Year	2007 - Baseline	2008	2009	2010	2010 Goal
Normalization Factor	1.00	1.13	0.83	0.81	
Total Solvent Delivered (lbs)	892	792	792	598.5	425
Normalized Quantity (lbs)	892	703	956	737	
Normalized Change (from baseline year)		21.18%	-7.20%	17.39%	



Replacement Water-Based Parts Washer

Programs to reduce energy consumption, e.g., Energy Star, Green Lights.

Campus Energy Use

In 2010, PING continued to target overall campus energy use. Program activities have been reported in previous Annual Reports. Improvements that were investigated during the 2010 year included feasibility studies of on-site solar power energy generation as well as installation of variable frequency drives on water treatment and handling motors. Three-year program results are summarized below.

Total Campus Energy Use (Electrical, Natural Gas, and Fuel)

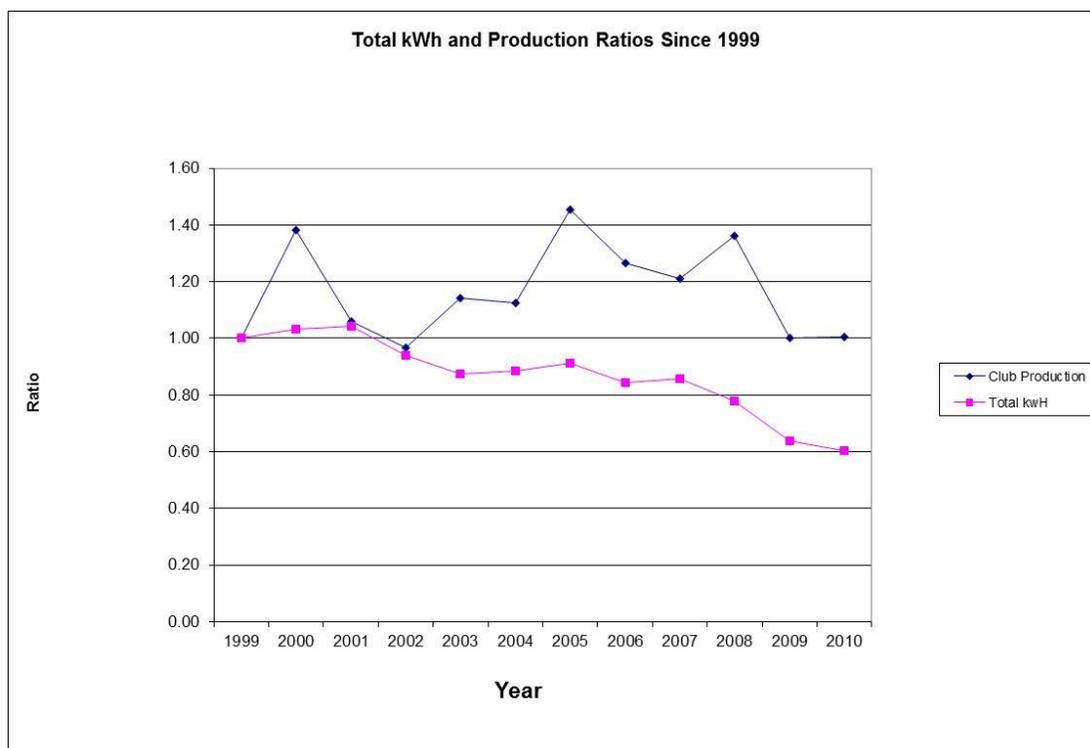
Normalization Basis	Total clubs produced				
Year	2007	2008	2009	2010	Goal
Normalization Factor	1.00	1.13	0.83	0.81	
Total Energy Use (MMBtu)	73,423.07	65,078.24	52,335.64	61,739.79	66,074.72
Normalized Quantity (MMBtu)	73,423.07	57,591.36	63,054.99	76,221.96	66,074.72
Normalized Change (from baseline year - 2007)		21.56%	14.12%	-3.81%	

Note: Total 2010 energy use value influenced by an approximate 10,000 MMBtu increase in natural gas use due to colder winter temperatures.

Over the past three years, PING reduced total energy consumption by approximately 16%.

Electrical Use

By making energy efficiency a priority, PING has realized a total electrical use reduction by almost 30% or approximately 3 million kWh. This translates into a reduction of approximately 2,069 metric tons of carbon dioxide equivalents.



2. Education and Mentoring

Mentoring other organizations regarding process improvements and pollution prevention approaches and techniques;

Education and mentoring activities conducted in 2010 are summarized below.

PING, as a member of the AESA, provided environmental management system (EMS) outreach and mentoring at the joint Environmental Professionals of Arizona (EPAZ), Alliance of Hazardous Materials Professionals (AHMP), and Arizona Emergency Response Commission (AzSERC) 2010 Gatekeeper Regulatory Roundup and the Southern Arizona Environmental Management Society's 2010 Pollution Prevention Seminar.

PING was requested and provided a copy of its 2009 Performance Track Annual Report to Al Brown's and Dr. Nick Hild's Environmental and Emergency Management Leadership class conducted at Arizona State University. Per ASU's request, the report was used as an assigned reading to students in the class.

PING presented its EMS program and accomplishments to the Arizona Recycling Coalition.

Creating or participating in any program that enhances the goal of improving the organization's relationship to the environment, beyond that expected by regulatory requirement.



PING is an active member in the Arizona Environmental Performance Track program. [ADEQ: Programs: Arizona Environmental Performance Track \(AzEPT\)](#)



PING, a charter member, continues to be an active board member in Arizona Businesses Advancing Sustainability (AZBaS). [Arizona Businesses Advancing Sustainability](#)

3. Organizational Environmental Policies

An environmental management system and audit program

PING is certified to ISO 14001. An independent assessment of PING's ISO 14001 EMS for the 2010 year was conducted by TUV SUD America, Inc. during the month of March 2011. The assessment included all EMS elements and covered the entire facility.

An internal EMS assessment for the 2010 year was conducted in February 2011. The assessment included all EMS elements and covered the entire facility.

A compliance audit to assess facility compliance with regulatory statutes, internal policies, and accepted practices was conducted by Ninyo and Moore during the fourth quarter of 2010.

All instances of potential non-compliance and EMS non-conformance identified during the audits and assessments were managed by PING's Corrective and Preventive Action Procedure.

Implementing a policy requiring vendors to meet the member's environmental requirements



Supplier Air Quality Control System

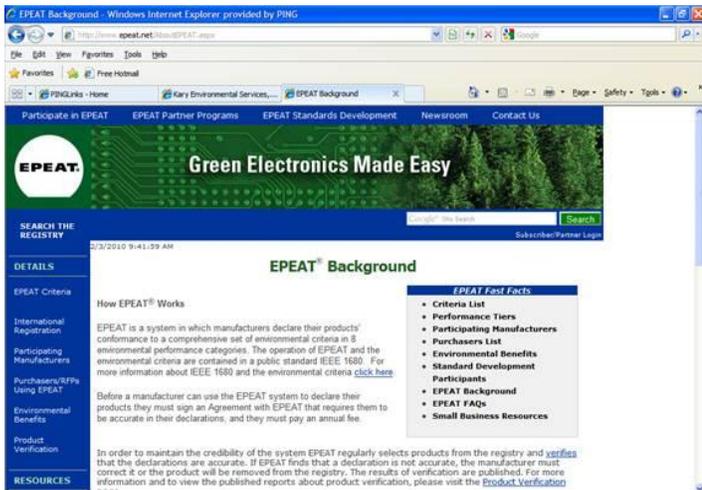
In 2010, PING initiated a global EHS and labor supply chain management program. Actions completed throughout the reporting year included researching and benchmarking supply chain EHS and labor management practices, codes of conduct, and guidance materials; benchmarking effective management of global product safety and chemical management systems; and developing implementation strategies.

PING will continue to report on this endeavor in future annual reports.

4. Other Topics to Report

Include any other innovation or environmental leadership activities not covered earlier that support the Alliance Principles.

Green Electronics



As reported in previous Annual Reports, PING has implemented a program to purchase computer assets that, at a minimum, meet Electronic Product Environmental Assessment Tool (EPEAT) silver criteria. Although this is the current normal computer purchasing policy, non-EPEAT rated computers may need to be purchased based on PING Information Systems Department requirements.

PING used the Electronic Environmental Benefits Calculator (EEBC)

<http://isse.utk.edu/ccp/projects/benefitscalculator/elecbenecalc.html> to quantify the total benefits from the purchase, operation, and end-of-life management of computers as might be purchased or managed under the EPEAT program. Our calculations are summarized below.

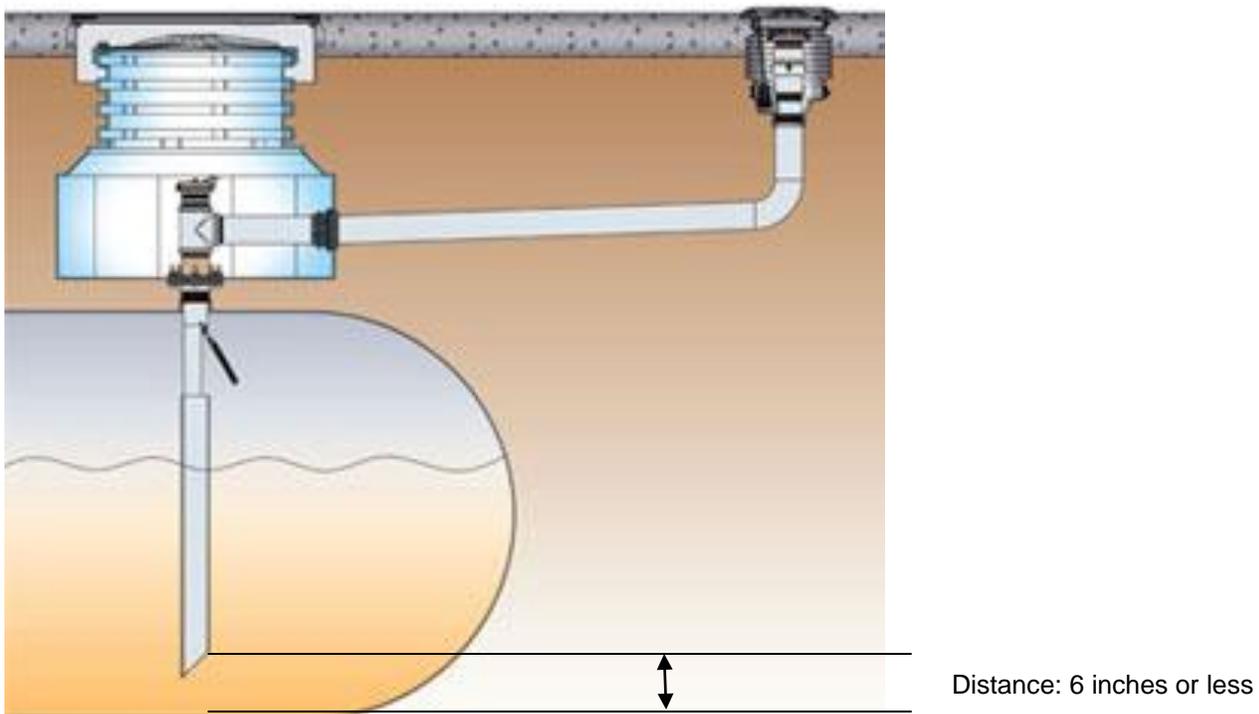
Calculated Benefits from EPEAT Purchases Using EEBC

Year	Form	Measurement	Energy Savings (kWh)	Primary Material Savings (kg)	GHG Emission Savings (kg)	Air Emission Savings (kg)	Water Emission Savings (kg)	Toxic Material Savings (kg)	Hazardous Waste Savings (kg)
2008	P-Track APR	Revised Baseline	25100	44800	1970	103000	216	10	357
2009	P-Track APR	Actual	115744	204928	21796	473025	991	11	441
2010	P2 Progress Report	Actual	192734	341280	36298	787774	1650	18	712
Difference from Revised Baseline			167634	296480	34328	684774	1434	8	355

Include any potentially adverse matters concerning your environmental performance.

In June 2010, PING received Notice of Violation #727913 pursuant to Maricopa County Air Pollution Control Regulation III Rule 353 § 302.1: *Each fill-line into a stationary dispensing tank shall be equipped with a permanent submerged fill pipe that has a discharge opening which is completely submerged when the liquid level is 6 inches above the tank bottom.* Observation of a fill pipe at PING, Inc. by Maricopa County Air Quality Department (MCAQD) inspectors alleged that the fill pipe discharge opening was greater than 6 inches. Corrective action for the issue was immediate. The fill pipe was repaired and re-inspected by MCAQD inspectors in less than 24 hours.

No other compliance-related issues occurred in 2010.



UST Fill-Line Assembly