

## **BorgWarner Expectations**

Our stated mission is to “to increase shareholder value by procuring goods, services and materials from a supply base which endows BW with a measurable competitive edge.” To support this mission, we intend to deal only with suppliers whose:

- 1) **Total cost** structure provides BorgWarner with a competitive advantage;
- 2) Organizations drive continuous **waste reduction** using a variety of statistical tools and problem solving approaches;
- 3) People remain current with **best practices** through educational and experiential development;
- 4) **Leaders** are fully engaged in their businesses and lead improvement efforts by example;
- 5) **Quality Systems** are exceptional and intended to drive defective parts per million (PPM) toward zero;
- 6) **Processes** are always under control -- including sub-suppliers' processes;
- 7) **Operators** are fully trained, not only to operate their machinery, but recognize process shifts and react to them appropriately;
- 8) **Processes** are well documented and any changes follow an equally disciplined practice for communicating changes to us;
- 9) **Relationship** with us is based on the requirements detailed in our Supplier Manual as well as the contract or purchase order terms and conditions.
- 10) **Environmental Policies** support commercially reasonable efforts to minimize waste generation and energy consumption; reduce emission of greenhouse gasses; and maximize the use of recyclable, biodegradable, and non-toxic materials.