

PARTNER 2 WIN

Achieving Operational Excellence



WE PROTECT THOSE WHO PROTECT US® • WE INNOVATE FOR THOSE WHO MOVE THE WORLD



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In today's competitive market, manufacturing high-quality, reliable products on time and at an affordable price is a prerequisite. The ability to successfully achieve this performance year after year continues to differentiate BAE Systems as a leading Aerospace and Defense manufacturer.

The dedication and determination to strive for excellence has resulted in BAE Systems' focus on "**Achieving Operational Excellence.**"

BAE Systems is committed to continuous improvement and has created a "**Quality First Mindset.**"

Our Supplier Partners' contributions are key, and, thus, we launched the next phase of this journey: "**Partner 2 Win.**"

Together We'll Drive Excellent Performance

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BAE Systems Partner 2 Win Program Elements

- Global Scorecards
- Supplier Advisory Council
- Annual Supplier Awards
- Annual Supplier Survey

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- Launched in 2017, the program rewards supplier excellence:
 - Eligibility: All Global Scorecard recipients with **receipts over \$50K** with receipt activity within the six-month review period
 - Performance Awards based on Global Scorecard metrics
 - Overall will be determined by the lowest score of Quality and Delivery
 - Category awards (i.e. Distributor, **Subcontractor** and Small Business of the Year)
 - Annual Supplier Awards (mix of online, in-person, hybrid)

2024 Supplier Performance Scoring		
Tier	Quality Score	Delivery Score
Gold	≤233	100%
Silver	234-6210	98%
Bronze	6211-66807	96%
Yellow	66808-308538	90%
Red	>308538	<90%

Quality Penalty Events	Penalty
SCAR issued	One Tier
Overdue SCAR	Two Tiers
Quality Factory Disruption	Three Tiers
Customer Escape	Three Tiers
Customer MRB	Three Tiers
Cyber Security CUI impact	Four Tiers
Counterfeit Part impact	Four Tiers



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BAE Systems Electronic Systems will:

- Redouble our efforts to partner with our suppliers, right-sizing our supply base to generate competition, growth, and a high performing supply base
- Partner with high performing suppliers who demonstrates near zero defects, on-time delivery, and willingness to self-invest
- Increase communication and collaboration through Supplier Advisory Council, Supplier Newsletters, and Supplier Development Program
- Measure performance overall and by supplier and BAE Systems site location
- Optimize our own processes to ensure supplier belief in a continuous improvement culture contributing to process improvements, cost reductions and supplier performance



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Overview of Global Scorecard:

- Based on six-month rolling window (Quality and Delivery Performance):
 - Quality/Delivery measured individually
 - Quality – DPPM (Defects per Parts Million) w/ Penalty Events
- Data is compiled monthly – receipts, quality, suppliers, orders, SCARs, Disruptions, Escapes, etc.
 - Automatically emailed out to suppliers based on entered contact information (can be multiple contacts)
 - Email contains performance and exception report (penalty events/late deliveries)
- Categorizes by commodity group, performance against best in group displayed

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Thank You

We look forward to the journey
and learning from each other!