



**SUPPLIERS PARTNERSHIP FOR THE ENVIRONMENT
RECOGNITION EVENT
AT THE
2006 NORTH AMERICAN INTERNATIONAL AUTO SHOW IN DETROIT
JANUARY 12, 2006**

Remarks by SP's Chair: Randy Leslie, SP's Chair and Vice President and General Manager, Johnson Controls, Inc:



Good afternoon ladies and gentlemen, and thank you for being with us today to celebrate the success of the Suppliers Partnership for the Environment and to recognize the U.S. Environmental Protection Agency for its 35 years of service to our nation's environment.

I am Randy Leslie; I am Vice President and General Manager of the ASG Office for Johnson Controls, Inc., and Chair of the Suppliers Partnership for the Environment. A few short years ago, General Motors and the U.S. EPA had a vision that grew from a pilot project at Saturn, to create a partnership that would address ways that large, medium and small companies in the automobile supply chain could work together to improve the environment and do so in a way that would also create economic opportunities.

Today, the Suppliers Partnership, which is comprised of members including GM, DaimlerChrysler and 30 other leading companies in the automobile supply chain, represents approximately 40% of the U.S. automotive market share and approximately 40% of the total automotive supply chain in economic value.

The Suppliers Partnership today is a place where:

- ❑ OEMs and Suppliers Partnership members work together toward the common goal of eliminating chemicals of concern from automotive parts
- ❑ Large suppliers mentor smaller suppliers in ISO 14001 Implementation
- ❑ OEMs are increasing the recycled content in parts, by millions of pounds
- ❑ SP members are reducing packaging and containerization impacts through container sharing and reuse initiatives
- ❑ EPA and the National Institute for Standards & Technology (NIST) continue to provide the opportunity for Lean and Green workshops, which have already been conducted at 20% of SP member facilities.
- ❑ And the list goes on.....

We are glad to have you with us this afternoon as we celebrate the progress that has been made by the members of the Suppliers Partnership. We would welcome those of you who are not members of the Suppliers Partnership to become members, and work with us as we continue our commitment to our environmental and economic future.

Now, it is my pleasure to introduce to you Beth Lowery, the Vice President of Environment and Energy, General Motors, who led a team that in creating the Suppliers Partnership, Beth.....



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Remarks by Elizabeth A. Lowery, Vice President, Environment and Energy, GM:



Good afternoon. I am pleased to be here today to recognize the Suppliers Partnership for the Environment program.

When GM helped launch this initiative a few years ago we wanted to reach deeper into the supply chain to continue improving the environmental performance of the industry as a whole. And, we have been extremely pleased with the progress that has been made on all levels.

GM is committed to being an environmental leader in the industry and we have an intense focus on working to improve the environmental impact of both our products and our operations. But it's not enough to simply improve only GM. As a leader in the industry, it is our responsibility to help improve the industry's environmental performance as a whole. And one way we're doing this is through the Suppliers Partnership program.

GM sees great value in this program because it focuses on partnership and collaboration. And these are qualities that GM believes should be a part of any major initiative – because to make a change, no one company or organization can do it alone. At GM, we rely upon the cooperation and partnership of key stakeholders to help us achieve our goals.

For GM, the Suppliers Partnership program has achieved notable results. For example, through this initiative, we've greatly increased the recycled content used in our vehicles by millions of pounds just by working with our suppliers to identify opportunities to reuse old materials. This is an important achievement and one that was made possible by the relationships forged through this partnership.

We've also worked with our suppliers to identify ways in which to reduce the amount of waste we produce. In several instances, we've been able to work with our suppliers and determine ways in which waste from one process can be used as a material in a new process.

It is accomplishments like this that make this program so important and so effective.

So, on behalf of GM, I would like to thank all of the Suppliers Partnership members for demonstrating commitment to the industry and for helping to improve our collective impact on the environment. Your efforts as part of this program go above and beyond what is required and your contributions and innovative thinking do not go unnoticed.

I would also like to extend a special thank you to the U.S. EPA for serving as a co-founder of the program and offering the members your help, guidance and expertise as the program has taken shape over the last three years. Your collaboration has been integral to our success and we thank you for that.

Finally, I would also like to recognize DaimlerChrysler, our OEM partner in this initiative. I would like to invite Deborah Morrisett, Vice President of Regulatory Affairs & Product Development to join me at the podium.



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**Remarks by Deborah Morrisett, Vice President, Regulatory Affairs,
Product Development, DaimlerChrysler:**



Thank you very much Beth and thanks to GM for allowing DaimlerChrysler a few moments to talk about our relationship with fellow members of the Suppliers Partnership for the Environment.

We all know that a great idea can change the world. But it is not the idea alone. It takes real people to believe in the idea, nurture it into being, care for it during the rough times and eventually enjoy the fruits of the labor.

It is the same with the Suppliers Partnership for the Environment. We started with a good idea, which was to think about what how we could shrink the "Environmental Footprint" of the automobile industry. We, the members of SP, quickly learned that the fastest, most efficient way to make a difference is to focus not on the end result, for example pounds of V.O.C. or incremental increases in recycling rates. The best way improve the environmental performance of our industry is to focus on the process of eliminating waste. Waste, in almost any form has an associated environmental impact.

With the help of SP members, we have identified wastes associated with transportation, packaging, materials, and energy. Eliminating waste associated with transportation saves fuel and reduces tail pipe emissions. Eliminating packaging saves on the amount of resources required, reduces the weight associated with shipping the item, and reduces landfill volumes when the packaging realizes it's end of life. Lastly, energy reductions in almost any form available to us here in the United States can be directly linked to a reduction in Green House Gas emissions.

The participation of the U.S. EPA is also critically important to the success of the Suppliers Partnership for the Environment. Where can small and medium size companies go to get the kind of access to experts in Solid Waste Management, Design for The Environment, Pollution Prevention and Product Stewardship? Well, I guess that if you wanted to start at the top you would go right to the EPA in Washington, DC. But, honestly in these tough times, what small business can afford to do that? Here is an idea, what if the EPA came to you? This is exactly the value that SP provides.

The EPA has sponsored workshops on the factory floors of several SP members to help them eliminate waste and make their operations more efficient. This isn't the EPA coming in to tell us how to run our operations, these are experts from the National Institute of Science and Technology and the Manufacturing Extension Partnership, physically demonstrating efficiency improvements designed to generate environmental improvements. Along with supplying the experts, the EPA has supplied the seed money to offset the cost of these workshops to small manufacturers. The best part is that the financial savings realized as a result of eliminating waste stays with the entrepreneur who has enough guts to call and ask for help. Everybody wins.



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The key is that without entering into the politics of things like the international agreements, beyond the scientific debate of global warming the Members of the Suppliers Partnership for the Environment are standing up to eliminate real wastes, save real money and make a real difference in the effort to reduce the footprint of our industry on the environment.

So here we are today on the floor of the North American International Auto Show not only to recognize the great work of the Suppliers Partnership for the Environment but also to honor the USEPA on their thirty-fifth anniversary. Thirty five years ago not many people could envision a day when we would be standing shoulder to shoulder with the EPA talking about what we can do together to IMPROVE the environmental performance, not just of a company but the entire industry.

A good idea can change the world, but only if there are people courageous enough to make it happen.

Thank you and now I would like invite Randy Leslie of JCI back to the podium for a Special Presentation to the EPA on behalf of the Suppliers Partnership for the Environment.

~Presentation on behalf of SP members to the U.S. Environmental Protection Agency on 35th Anniversary~

Remarks by Beth Lowery, Randy Leslie and Deborah Morrissett:



This year marks the 35th Anniversary of the creation of the U.S. Environmental Protection Agency and the members of the Suppliers Partnership for the Environment wanted to recognize the Agency for its leadership in partnering with organizations such as SP that are committed to improving environmental performance while providing value throughout the automobile supply chain. We are very pleased and honored that Administrator Johnson has joined us as we celebrate the very positive ways that EPA and industry can work together as partners to find creative solutions and flexible approaches to improving the environment and the economy.




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Remarks by Administrator Stephen L. Johnson, U.S. Environmental Protection Agency:



Thank you. It is a great opportunity to be with you at the Detroit Auto Show. I want to thank General Motors Corporation, DaimlerChrysler, Johnson Controls and all those associated with the Suppliers' Partnership for the Environment Organization for inviting me here today.

As you may know, this year EPA is celebrating its 35th anniversary. Our nation's environmental well-being has dramatically improved over the last 35 years ... and there is more work to be done over the next 35.

Since our creation, our approach to environmental protection has evolved. During the 1970s and 80s, EPA focused on solid, but incremental gains by mandating rules and regulations.

Today, in order to address the environmental challenges of the 21st century, our focus is shifting to pollution prevention, innovation and collaboration.

And since 1970, we have learned that when acting alone, EPA can only accomplish so much. However, by working with our partners like you, EPA is meeting President Bush's call to accelerate the pace of environmental progress, while maintaining our nation's economic competitiveness.

The old way of thinking would have us believe that you must choose between protecting the environment and promoting economic growth. Our partners here have shown this is just not true. Not only can the environment and the economy progress together, we can leverage our environmental actions to create economic growth opportunities.

Our collaboration with you through the Suppliers' Partnership for the Environment is a testament to that fact. The Suppliers' Partnership for the Environment is a collaboration between EPA, the automobile industry and its suppliers to improve environmental performance while providing value throughout the automobile supply chain.

It is a very unique forum where small, mid-sized and large automotive and vehicle suppliers can work together, learn from each other, and share environmental best practices.

This program started with a pilot program to "green" the supply chain of the Saturn Corporation. When I saw the early results – improved efficiency, enhanced environmental performance, cost savings – I remember saying: "Why would a company not want to participate in this program?"

I am very pleased to see that the auto industry thought the same way.

The work that Suppliers' Partnership organization has done in just a few short years, with leaders like General Motors, DaimlerChrysler, Johnson Controls, and the hard work of several suppliers large and small, is impressive.



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EPA is happy to be a part of this effort. The technical assistance that we, working with our colleagues in the Department of Commerce and its Manufacturing Extension Partnership, and state organizations like the Michigan Department of Environmental Quality, is having a positive effect in enhancing the environmental performance of your suppliers.

To date, this technical assistance has been provided to 13 suppliers to the automotive industry resulting in a potential cost savings of over \$6 million. These small suppliers are generating huge savings.

Through this effort, auto suppliers are increasing energy efficiency, conserving water, reducing the use of toxic materials, reducing emissions to the air and discharges to the water, reducing solid and hazardous waste, all while identifying significant cost-saving opportunities.

The result: companies with more effective processes and products, higher profits and fewer environmental impacts...companies who are leveraging environmental actions to create economic growth opportunities.

What many of you may not know is that your pioneering spirit has spread to other industrial sectors. The aerospace, healthcare and office furniture industries are following your lead under an umbrella network that we call the Green Suppliers Network.

Partners involved in these programs are answering the call to be good stewards not only in their business practices but also in their communities, whether it is in their backyard, across the country, or around the world.

There are many other opportunities to work together to meet environmental challenges through stewardship. Products emerging from green chemistry, green engineering, and Design for the Environment are available and integral to our efforts.

Let me leave you with this thought: What is next for our efforts together to accelerate environmental performance, while maintaining economic competitiveness?

I want to thank you again for inviting me here today and look forward to our continued work together to expand the ethic of environmental stewardship.

Thank you.