



Supplier Evaluation and Development

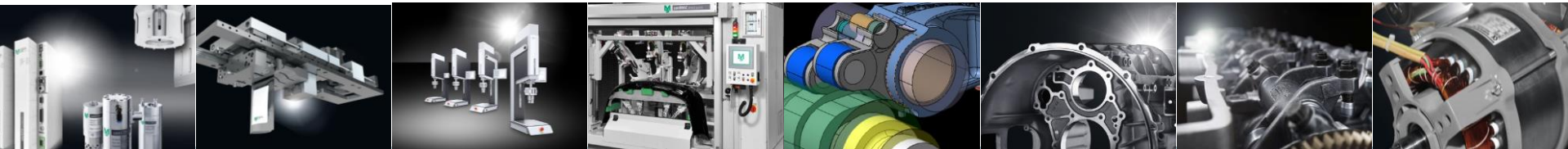
Schura, 19.04.2022

Content

Main criteria and subcriteria

Evaluation of main- and subcriteria

Comments



Main– and Sub Criteria

The supplier evaluation includes main- and sub criteria.

The main criteria are quality, logistic and purchasing which compose of the following subcriteria with different weights.

Quality 40 %		Logistic 40 %		Purchase 20 %
Number of quality reports	30 %	Quantity reliability	50 %	Support Purchase 100 %
Acceptance of Quality Assurance Contract	20 %	Punctuality of delivery	50 %	
Certification	20 %			
Result of the last VDA Supplier Audit	15 %			
Cooperation	15 %			

Overall evaluation = (Quality x 0,4) + (Logistic x 0,4) + (Purchasing x 0,2)

Evaluation of Sub Criterion Quality

- Number of quality reports
Reflection how many quality issues have occurred within the evaluation period.

Incident conversion	
Incidence-Value	Points
≤ 2	100
3	80
4-5	60
6-7	40
8	20
> 8	0

- Acceptance of Quality Assurance Contract (QAA)
100 points are awarded at the conclusion of the QAA. At the stage of negotiations, 50 points are awarded. In case of rejection, no points can be awarded.
- Certification
It depends on the existing of valid certificates.

Certification	
IATF 16949 + ISO 14001 + ISO 50001	100
IATF 16949 + ISO 14001	95
Only IATF 16949	90
Only ISO 9001	85
No Certification	0

Evaluation of Sub Criterion Quality

- Audit result
The result of the last supplier audit. If no audit has been carried out, a flat rate score of 92 will be applied.
- Cooperation Quality

Cooperation Quality	
Very good cooperation, punctual response on 8D, PPAP complete and punctual	100
Average cooperation, 8D report and PPAP punctual and complete on demand	85
Bad cooperation, 8D reports and PPAP partly late and incomplete	75
Insufficient cooperation, missing of 8D reports and missing PPAP	0

Evaluation of Sub Criteria Logistic und Purchasing

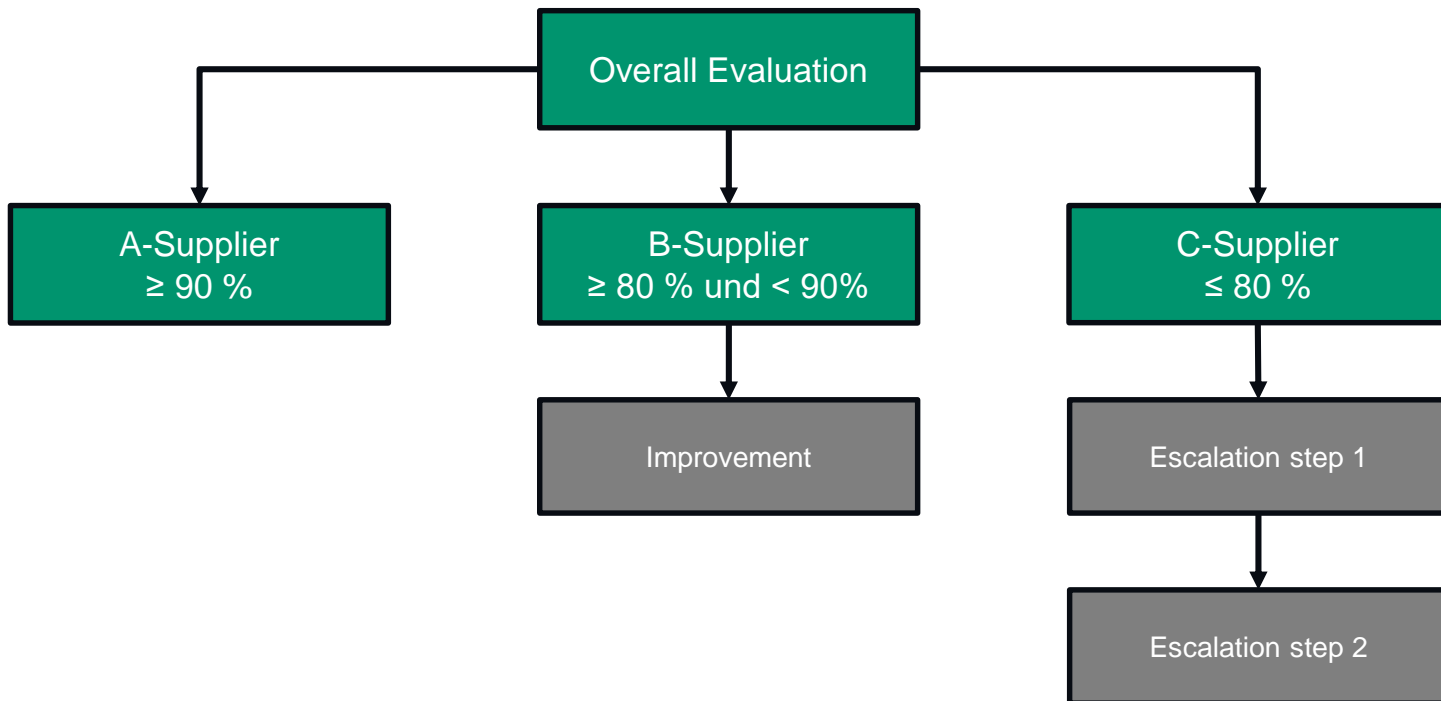
- Quantity reliability and punctuality of delivery
This criterion consists of quantity and delivery reliability.

Logistik	
Compliance with delivery dates and complete delivery quantities without demand, no self-inflicted extra tours.	100
Compliance with delivery dates and complete delivery quantities on demand, extra tours in agreement caused by the supplier	85
Partial compliance with delivery dates, partly missing delivery quantities (no production shutdown), no production shutdown due to extra tours.	75
Frequent failure of delivery dates, frequent missing delivery quantities, production shutdown despite of extra tours.	0

- Support purchasing

Support Einkauf	
Cooperation and flexibility is excellent, making own proposals	100
Average cooperation and flexibility, sometimes own initiative	85
Bad cooperation and little flexibility and initiative	75
Cooperation and flexibility is not available, no initiative	0

Evaluation of main criteria



- The goal of the supplier evaluation and development is to achieve a sustainable improvement in the relationship between MS Powertrain and its partners.
- The partners have the ability to reflect their own delivery performance while they have the chance to identify and improve weaknesses.
- Achieving a higher quality standard.

Comments

- The evaluation takes place twice a year in October and March of the respective year.
- A-Supplier ($\geq 90\%$):
No documented evidence of MS-Powertrain Technology is required, however, the goal must be to achieve an overall score of 100 points.
- B-Supplier ($< 90\%$ und $\geq 80\%$):
Improvement activities to achieve A-Level.
The partner takes measures to achieve a sustainable improvement for the delivery performance.
The action plan will be communicated to MS Powertrain on time and implemented effectively.
- C-Supplier ($< 80\%$):
Escalation step 1 with the goal to achieve A-Level.
The partner will be invited for a meeting and has the opportunity to explain the background and causes.
Comprehensive measures for sustainable improvement of delivery performance will be presented and implemented effectively.
Escalation step 2, MS Powertrain reserves the right to look for an alternative supplier.

Thanks for attention!



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