



**LEONI**



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# 360° Supplier Evaluation Proceeding, Responsibilities and Evaluation Criteria

# How we execute the 360° supplier evaluation for our key supplier and especially focused supplier?

Trigger

Supplier list subject of 360° evaluation is issued and released by Head of Category once per year



## Initiate supplier evaluation S-1

- Supplier Mgt. contact the respective function's coordinator and share the supplier list to be evaluated.
- The execution is managed by respective function's coordinator and provide results to Supplier Mgt.



## Consolidation

- Supplier Mgt. consolidates the evaluations results into an overarching supplier evaluation result per supplier.



## Communication

- Supplier Mgt. ensure the internal communication of overarching supplier evaluation results to the function's
- Supplier Mgt. ensure the distribution of the supplier evaluation results to the relevant suppliers (letter)



## Analysis

- Suppliers with "B" or "C" rated pillars, must send an action / mitigation plan within the defined deadline
- The respective function's representative analyzes the supplier feedback, their measures and report to the Pillar's Head of and Head of Supplier Mgt.



## Optimize (PDCA)

- Continuous development and improvement of the 360° supplier evaluation process.



## Implementation

- The respect. function's representative from LEONI defines the tracking frequency with the relevant\*\* supplier in order to ensure the implementation of the corrective actions with the target to reach an "A" result

## Development

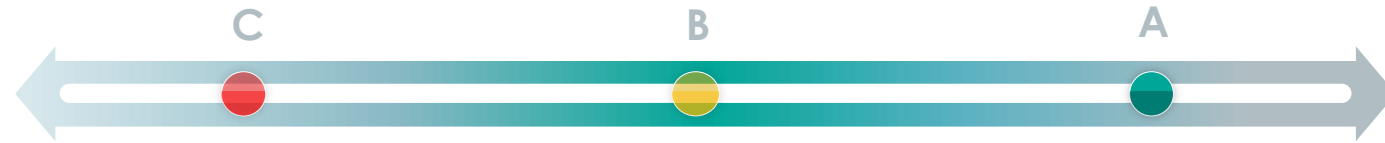
- Supplier Mgt. coordinates the invitation of the relevant\*\* suppliers to a commitment meeting\* to conclude the development action plan and inform about possible consequences, if the supplier will not accomplish it

\* ) Participants: Representative(s) from each affected pillar from LEONI and affected supplier

\*\* ) If the evaluation is "C" for one pillar or the evaluation is "B" for one pillar and the action plan is insufficient, even if the overall evaluation is "A".

# 360°-Supplier evaluation Commercial

## Evaluation criteria on Category level



on Category level

Saving performance vs. LEONI SP p2p target	Achievement between 0% and 40%	Achievement between >40% and 80%	Achievement between >80% and 100%
Saving performance vs. average all suppliers WSD	Achievement <70%	Achievement between >70% and 100%	Achievement >100%
Weighted average payment terms of supplier group, globally	between <14 days and 50 days	between >50 days and 90 days	between >90 days and >110 days
Average content supplied locally	Achievement between 0% and 30%	Achievement between >30% and 70%	Achievement between >70% and 100%
Major Incoterm in place (average over supplier group)	All "Exx" Incoterms	between "Fxx" and "Cxx"	All "Dxx" Incoterms
signed Non-Disclosure Agreement / Confidentiality Agreement (new version) for all entities	No contract signed or only with strong limitation of entities &/or contract content	Signed on a group-wide level but with major changes of contract content	Signed on a group-wide level and with minor or without any change / addendum
signed Master Supply Agreement / General Supply Agreement including all enclosures for all entities	No contract signed or only with strong limitation of entities &/or contract content	Signed on a group-wide level but with major changes of contract content	Signed on a group-wide level and with minor or without any change / addendum
signed General Terms & Conditions of Purchase including all enclosures for all entities	No contract signed or only with strong limitation of entities &/or contract content	Signed on a group-wide level but with major changes of contract content	Signed on a group-wide level and with minor or without any change / addendum



CASH & EBIT  
Performance

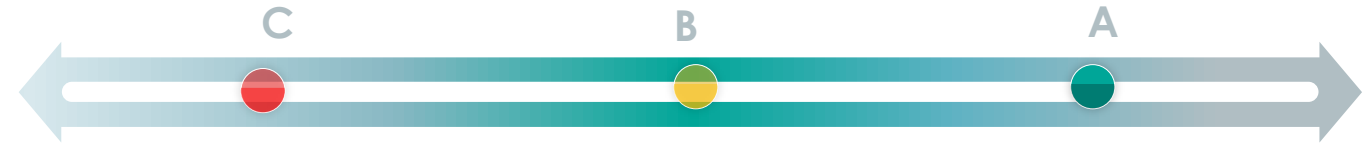
€



Legal &  
Compliance  
requirements

# 360°-Supplier evaluation Quality

## Evaluation criteria

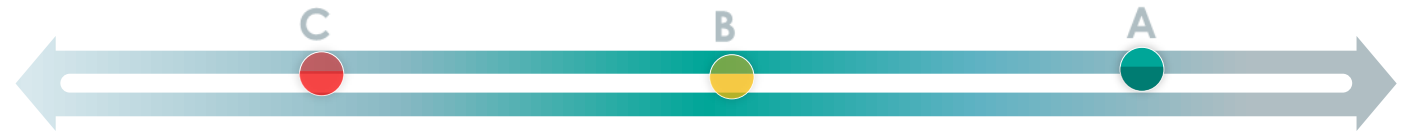








Assessment of Performance	IPB Parts per Million (ppm) Number of complaints	>target value > Target value QF1>17 --> 0	-No applicable- -No applicable- QF1:15-17 --> 4 QF1 :12-15 --> 6	Target value or better Target value or better QF1:6 -12 --> 8 QF1: 0 -6 --> 10
Quality documentation	PPAP (Quality)  QMS System	(PPAP Received/PPAP Req)<=30 %  ISO9001 and no Dvpt <sup>o</sup> plan (4)	80%<(PPAP Received/PPAP Req)<30 %  ISO9001 and Dvpt <sup>o</sup> plan (8)	(PPAP Received/PPAP Req)>= 80% The supplier is certificated IATF 16949 (other certificated is bonus)(10)
Quality agreement & System	Signed mandatory quality contracts  Supplier Audit Score	QAT not signed  Audit score =0	There are deviations in essential requirements for LEONI.  Audit score =6	QAT signed  Audit score =10
Fulfill strategic Requirements	8D-Process_Complaint score	Average of 8D-evaluations below 8 points	Average of 8D-evaluations 8 points or better	All 8D-evaluations with 8 points or better
Cooperation & Stability	Collaboration production sites  Escalation Management	More than 2 EL0  More than 2 EL1 or/and EL2	Max 2 EL0  Max 2 EL1 or/and EL2	No escalation  No escalations

In case of customer disturbances (line stoppages, yard holds, stop ships, field actions, customer escalation), the quality performance is downgraded

# 360°-Supplier evaluation Logistic

## Evaluation criteria

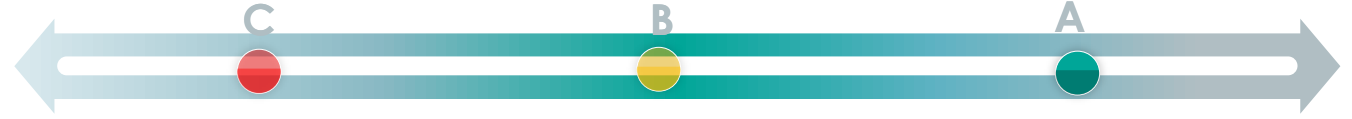


 <p>Delivery Performance: 60%</p>	<p>On time / in full (OTIF) : 70% Bottleneck (BN) caused by supplier : 30%</p>	<p>Delivery performance &lt; 70%</p>	<p>70% ≤ Delivery performance &lt; 90%</p>	<p>Delivery performance ≥ 90%</p>
 <p>Supplier Cost impact: 10%</p>	<p>Supplier non-performance cost</p>	<p>Cost occurred ≥ 100K€ → 0%</p>	<p>25K€ ≤ Cost occurred &lt; 100K€ → 70%</p>	<p>No costs occurred → 100% Cost occurred &lt; 25K€ → 90%</p>
 <p>Customer impact: 10%</p>	<p>-BN Recurrence : 30% -Logistic alerts or Customer notification related to customer delivery risk caused by supplier: 70%</p>	<p>Logistic alerts or Customer notification related to customer delivery risk caused by supplier → 30% Logistic alerts or Customer notification related to customer delivery risk caused by supplier And Bottleneck recurrence → 0%</p>	<p>Bottleneck recurrence And no Logistic alerts or Customer notification related to customer delivery risk caused by supplier → 70%</p>	<p>No Bottleneck recurrence And no Logistic alerts or Customer notification related to customer delivery risk caused by supplier → 100%</p>
 <p>Logistics Agreements &amp; Systems: 10%</p>	<p>Signed mandatory logistic Contracts &amp; Appendices</p>	<p>Supplier Logistic Terms or equivalent Logistic contract not in place → 0%</p>	<p>Supplier Logistic Terms old version in place and latest version communicated to supplier → 70% Old version: missing optimizations included in latest version</p>	<p>Supplier Logistic Terms latest version in place → 100% Supplier Logistic Terms old version in place and latest version not yet communicated to supplier → 90%</p>
 <p>Fulfill strategic Requirements: 10%</p>	<p>EDI Connection: 25% ASN capability: 25% Incident due to logistics: 25% Usage of VDA standard label: 25%</p>	<p>Supplier fulfills less than 2 requirements result ≤ 25%</p>	<p>Supplier fulfills 2 requirements → 50%</p>	<p>Supplier fulfills at least 3 requirements Result ≥ 75%</p>
 <p>Cooperation Service &amp; Support* * Not evaluated yet</p>	<p>Quality of analysis and actions</p>	<p>Missing Action plan from Supplier rated C</p>	<p>Missing Action plan from Supplier rated B</p>	<p>No Action plan required from suppliers rated A or effective Action plan received on time</p>

# 360°-Supplier evaluation Sustainability “ReWire”

## Evaluation criteria

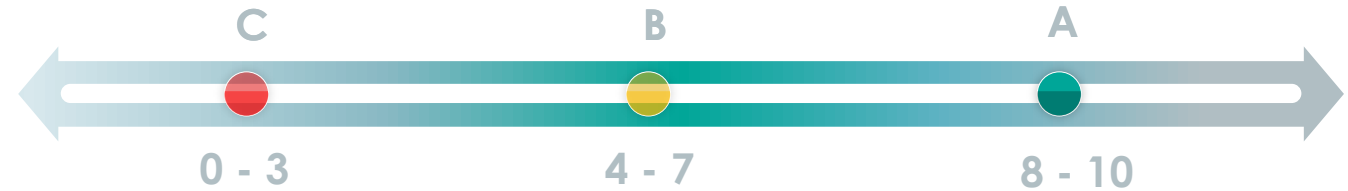
### Leoni Sustainability Evaluation Pillars



<b>Assessment of Performance</b>	Sustainability Assessment Questionnaire (External evaluation - NQC)	0 point : no NQC rating provided	4 points : <=40% 5 points : <=50% 6 points : <=60% 7 points : <=70%	8 points : <=80% 9 points : <=90% 10 points : <=100%
	Compliance with LEONI CoC for business partners	The supplier does not adhere to the LEONI COC / does not have its own COC.	The supplier does not adhere to LEONI COC but the supplier is committed to social standards	The supplier adhere to LEONI Code of Conduct (LEONI Social Charter, General terms and conditions of purchase )
<b>Compliance with Policies</b>	Commitment to UN Global Compact	The supplier doesn't commit to UN Global Compact.	The supplier commit to UN Global Compact	The supplier commit to UN Global Compact
	IMDS report: Transparency, quality of DATA	The supplier failed to provide requested information	The supplier generally answer LEONI's demand, additional details are often requested.	The supplier always answer LEONI's request in a timely and comprehensive manner.
CMRT & CRT report: Transparency, quality of DATA,				
<b>Data Transparency / Quality</b>	Product Carbon Footprint (PCF)	The supplier failed to provide requested information	The supplier answer LEONI's demand. Transparency can be improved .	The supplier always answer LEONI's request in a timely and comprehensive manner.
	Pro-active actions, CO2 reduction initiatives, share of green energy, recycled material, energy consumption, product innovations, transport optimization, updated process.	The supplier is not willing to contribute of the topic of sustainability. No active support.	The supplier treats LEONI like a normal customer. Occasionally, implementations are supported, and improvements are discussed.	The supplier sees LEONI as a partner and supports proactively all project around sustainability.

# 360°-Supplier evaluation Technology

## Evaluation criteria



	C (0 - 3)	B (4 - 7)	A (8 - 10)	
 <b>Innovation &amp; Technology Roadmap</b>	Pre-Active information about upcoming products/technologies and innovations	No Information about upcoming products/technologies and innovations available	Is open to share informations about trends and innovations with LEONI	Minimum one Inhouse Roadshow per year
	Innovation Ideas and projects for further products and technologies	No innovation ideas and projects for further products and technologies	Only innovation ideas after trigger from LEONI	Own Ideas and projects for innovations
 <b>Active Product Improvements</b>	Support during development phase	No support on his own initiative, payment for each point	No additional cost for design optimization or improvements	No additional cost for design optimization or improvements and additional samples
	Active knowledge share Product Competence	No product competence and no active knowledge share	Has product competence and takes the design from LEONI without own ideas and knowledge share	Has product competence and takes the design from LEONI with own ideas and knowledge share
 <b>Cooperation Service &amp; Support</b>	Reaktion time on changes and claims	Change solution in place not according to agreed timeline with negative influence on LEONI and customer timelines	Change solution in place not according to agreed timeline but without customer and LEONI influence	Change solution in place according to agreed timeline
	Data and sample quality	Deviations with influence on LEONI and customer timelines	Deviations but handable in the project timeline, without customer influence	Data submission without deviation and samples quality like requested
	Keep timeline (samples, tool, update)	Deviations with influence on LEONI and customer timelines	Deviations but handable in the project timeline, without customer influence	No time deviations on the content

\*Agreement to evaluate supplier High voltage and components



**Thank you for your attention.**

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