

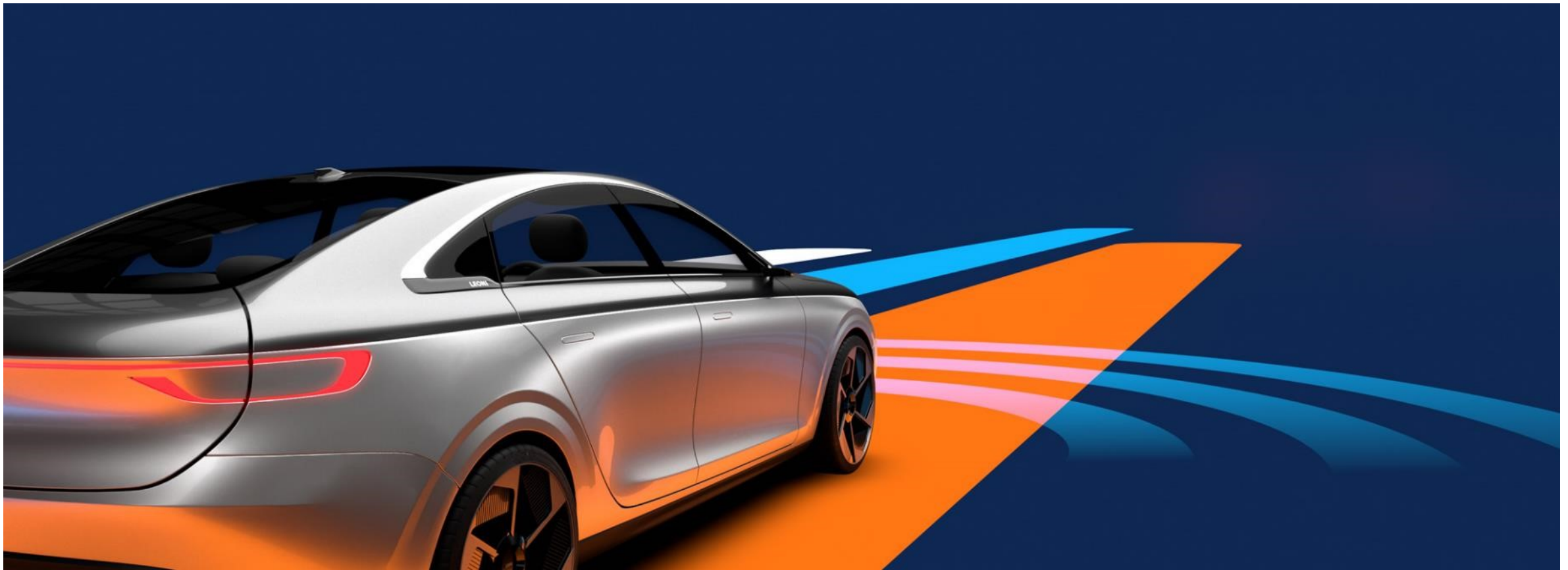


LEONI



LEONI





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.



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



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

Optimize (PDCA)

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

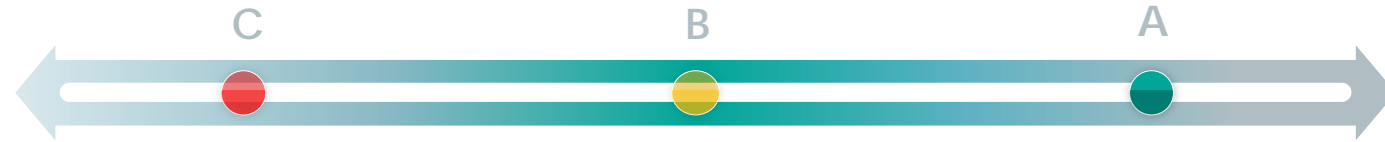


*) Participants: Representative(s) from each affected pillar from LEONI and affected supplier

**) 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

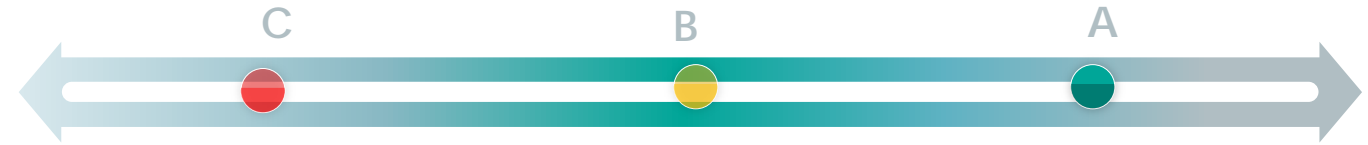
€



Legal &
Compliance
requirements

360°-Supplier evaluation Quality

Evaluation criteria

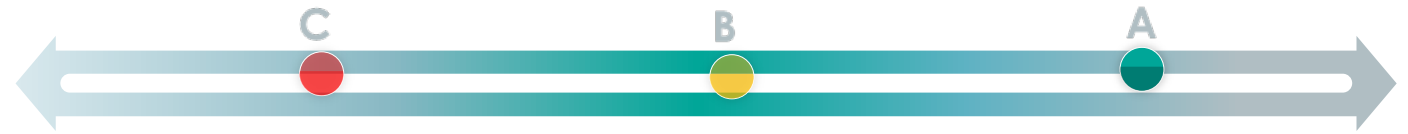


Assessment of Performance	IPB Parts per Million (ppm) Number of complaints	>target value > Target value QF1>17 --> 0	-No applicable- -No applicable- QF1>15-17 --> 4 QF1>12-15 --> 6	Target value or better Target value or better QF1>15-24--> 8 QF1: 0-15 --> 10
Quality documentation	PPAP (Quality) QMS System	(PPAP Received/PPAP Req)<30 % ISO9001 and no Dvpt* plan (4)	80%-(PPAP Received/PPAP Req)<30 % ISO9001 and Dvpt* plan (8)	(PPAP Received/PPAP Req)>20 % 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 7 points	Average of 8D-evaluations 7 points or better	All 8D-evaluations with 7 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), the quality performance is downgraded

360°-Supplier evaluation Logistic

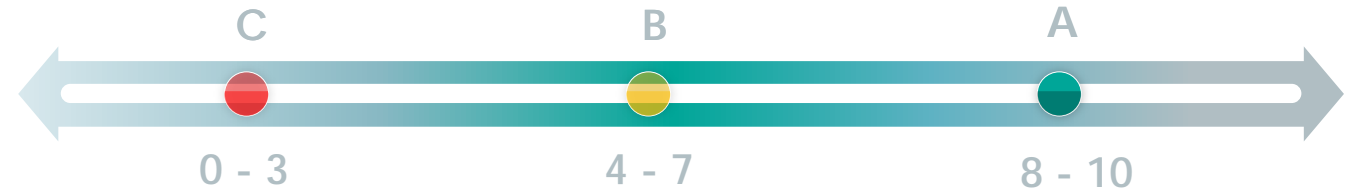
Evaluation criteria



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

360°-Supplier evaluation Technology

Evaluation criteria



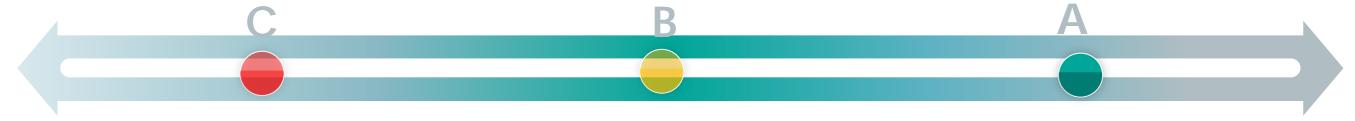
	C (0 - 3)	B (4 - 7)	A (8 - 10)
 Innovation & Technology Roadmap	Pre-Active information about upcoming products/technologies and innovations	No Information about upcoming products/technologies and innovations available	Is open to share informations about trends and innovations with LEONI
	Innovation Ideas and projects for further products and technologies	No innovation ideas and projects for further products and technologies	Only innovation ideas after trigger from LEONI
 Active Product Improvements	Support during development phase	No support on his own initiative, payment for each point	No additional cost for design optimization or improvements
	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
 Cooperation Service & Support	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
	Data and sample quality	Deviations with influence on LEONI and customer timelines	Deviations but handable in the project timeline, without customer influence
	Keep timeline (samples, tool, update)	Deviations with influence on LEONI and customer timelines	Deviations but handable in the project timeline, without customer influence
			Minimum one Inhouse Roadshow per year
			Own Ideas and projects for innovations
			No additional cost for design optimization or improvements and additional samples
			Has product competence and takes the design from LEONI with own ideas and knowledge share
			Change solution in place according to agreed timeline
			Data submission without deviation and samples quality like requested
			No time deviations on the content

*Agreement to evaluate supplier High voltage and components

360°-Supplier evaluation Sustainability “ReWire”

Evaluation criteria

Leoni Sustainability Evaluation Pillars



		C	B	A
Assessment of Performance	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 Policies	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)
Data Transparency / Quality	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,			
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.	
Cooperation Service & Support	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.

Thank you for your attention

www.leoni.com

LEONI
