

# SUPPLIER RATING

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voestalpine Automotive Components business unit

Supplier ratings are carried out at least once a year by the central purchasing department in cooperation with local specialist departments. We rate all suppliers of production materials (including outsourced processes) and selected suppliers of means of production and non-production materials of strategic importance as a result of their type, scope, status, turnover or development objectives. Suppliers are excluded from rating who did not deliver supplies during the rating period. Suppliers are also excluded who have not been approved and those with whom a customer relationship also exists.

The following valuation logic is limited to production material suppliers. Selected production material and non-production material suppliers are rated exclusively on a soft-fact basis, e.g. based on a final project discussion.

For each rating criterion, 1 to 100 points are awarded, 100 being the highest number possible and 1 being the lowest number of points possible. Delivery reliability is rated pursuant to VDA Recommendation 5001 (VDA 6.2). Non-rated criteria are coded as n. r. (not rated). Hard facts are omitted when rating suppliers of production equipment.

#### Soft facts

Soft facts are influencing criteria that cannot be measured mechanically or whose system input would incur unacceptable economic expense. These criteria can be either objective or subjective. Soft facts are marked by (SF).

#### Individual criteria

### Quality

Quality ppm = ppm (parts per million) value

The quantity of materials received is set in relation to the quantity claimed and provides information about the physical quality of the goods received. The ppm value is determined using the following formula:

$$\text{ppm value} = \frac{\text{Defective parts}}{\text{Delivered quantity}} \times 1,000,000$$

We always assume a zero-error target and award points for deviations as follows:

- 0 ppm = 100 points
- 1–100 ppm = 80 points
- 101–250 ppm = 60 points
- 251–500 ppm = 40 points
- > 500 ppm = 1 point

Quality claims = claim rate

The claim rate is a key figure (early indicator) that indicates the statistical number of goods or services with defects. The claim rate sets the number of claims (quality reports) as a percentage of the number of goods receipt items. This rate reflects the service quality of our suppliers. This key figure can also be used to interpret the costs incurred by us in a specific period.

Formula for calculation

$$\text{Number of complaints} = \frac{\text{Number of complaints}}{\text{Number of goods receipt items}} \times 100$$

The following rules apply:

- 0% = 100 points
- > 0–1% = 80 points
- > 1–2% = 60 points
- > 2–3% = 40 points
- > 3% = 1 point

Claims management (SF)

- Very good = 100 points
- Good = 80 points
- Satisfactory = 60 points
- Poor = 40 points
- Insufficient = 1 point
- Not rated = n. r.

Audit result of potential analysis/product process audit pursuant to VDA 6.3 or special customer status, e.g. QHelp, supplier-specific (knockout criterion) (SF)

- Overall A rating = 100 points
- Overall B rating = 60 points
- Overall C rating = 1 point

- Special supplier-specific status = 1 point
- Not rated = n. r.



Knockout criterion with respect to soft facts: If the supplier provides for a special customer status, all soft facts are rated as 1, regardless of other criteria.

## Supply performance

Adherence to delivery dates and quantities, additional freight costs (SF)

The responsible MRP controller rates the adherence to schedules and quantities by comparing the delivery quantity and delivery date with target specifications. Should delivery generally take place on the agreed date (1 day earlier max.), we award 100 points. Otherwise the following deductions apply:

### Deliveries generally too early

- Delivery 1 day early = 100 points
- Delivery 2 days early = 80 points
- Delivery 3 days early = 60 points
- Delivery 4 days early = 40 points
- Delivery > 4 days early = 1 point

### Some deliveries delayed

- Delivery 1 day late = 80 points
- Delivery 2 days late = 60 points
- Delivery 3 days late = 40 points
- Delivery > 3 days late = 1 point

### Additional freight costs (additional trips) (SF)

- No additional trips = 100 points
- 1 additional trip caused = 80 points
- 2 additional trips = 60 points
- 3 additional trips = 40 points
- > 3 additional trips = 1 point

## Purchasing

### Competitiveness (price/performance ratio) (SF)

- Very good = 100 points
- Good = 80 points
- Satisfactory = 60 points
- Poor = 40 points
- Insufficient = 1 point

### Quality certificate

- IATF 16949 = 100 points
- VDA 6.1 = 80 points
- DIN ISO 9001 = 60 points
- No certificate = 1 point

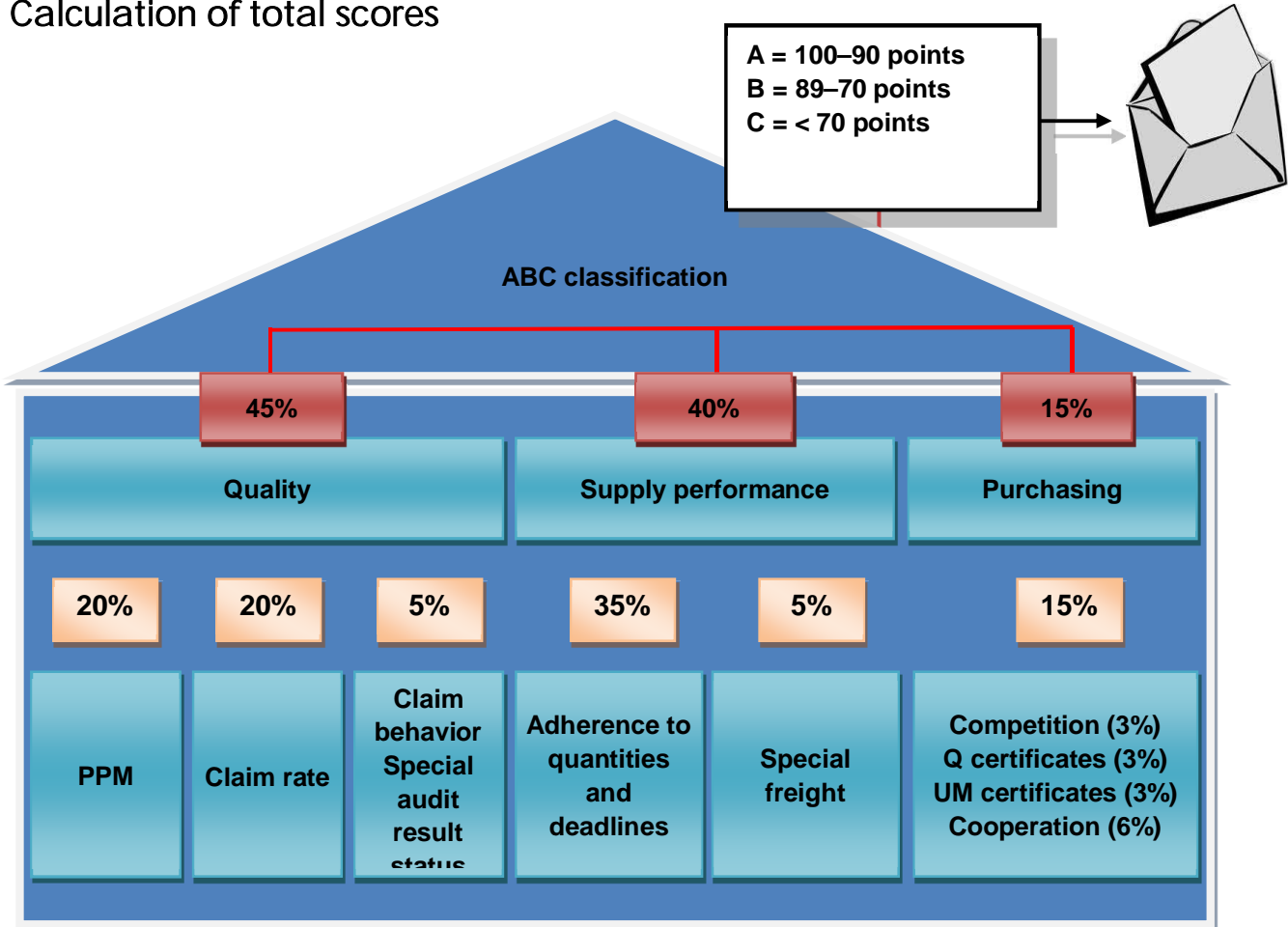
### Environment

- DIN EN ISO 14001 = 100 points
- Environmental questionnaire answered = 60 points
- Environmental questionnaire not answered = 1 point

### Cooperation (SF)

- Very good = 100 points
- Good = 80 points
- Satisfactory = 60 points
- Poor = 40 points
- Insufficient = 1 point

## Calculation of total scores



## Classification

### A suppliers

A suppliers enjoy preferred status in the event of new projects and orders, and deductions do not apply when bids are compared. A suppliers have proven themselves as reliable partners and work to maintain and improve high levels of performance.

### B suppliers

B suppliers are those who we deem to have potential for improvement. Deductions apply to B suppliers when bids are compared. In the event of price equality in offers to an A-supplier, this A-supplier shall be preferred when placing the order. To discuss possible improvements with you, you fall under escalation level E1 (see Escalation Process).

### C suppliers

C suppliers there are serious deficits between our requirements and those of our customers with regard to the services you provide. A successful cooperation is not given, therefore you are blocked immediately for inquiries and new orders. You receive the special status E2 according to our escalation process.