

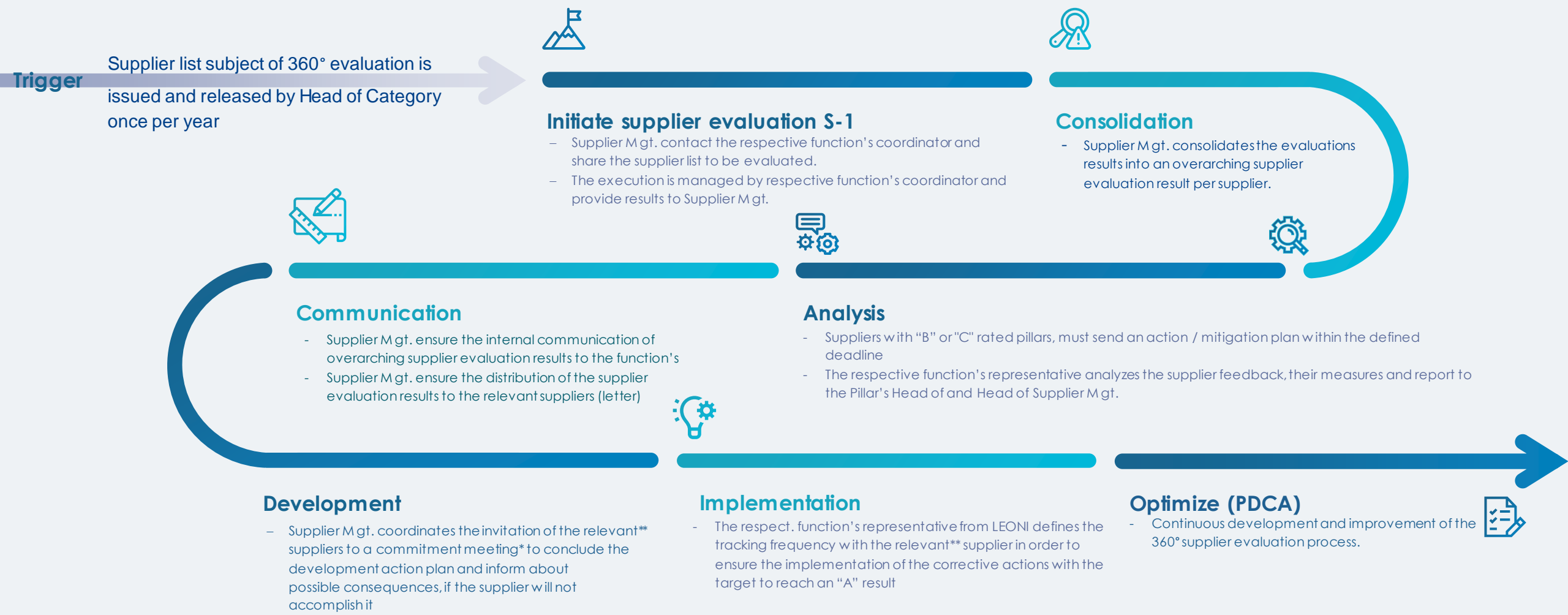


360° Supplier Evaluation

Proceeding, Responsibilities

and Evaluation Criteria

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



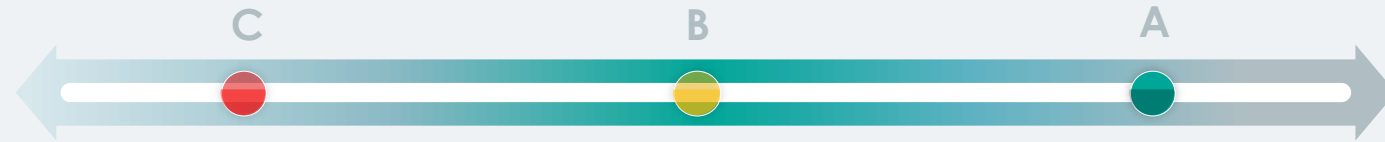
*) Participants: Representative(s) from each affected pillar from LEONI and affected supplier

**) 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".

LEONI

360°-Supplier evaluation Commercial

Evaluation criteria on Category level



on Category level

Saving performance v.s. LEONI SP p2p target	Achievement between 0% and 40%	Achievement between >40% and 80%	Achievement between >80% and 100%
Saving performance v.s. 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

LEONI

360°-Supplier evaluation Quality

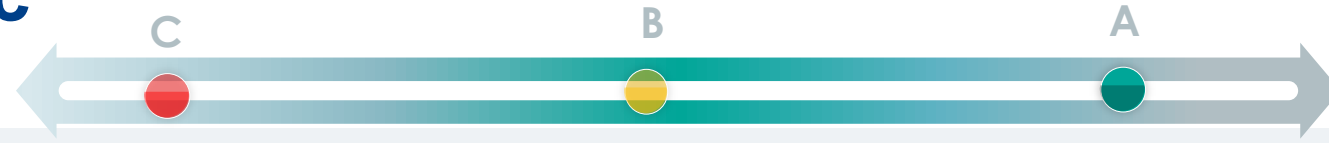
Evaluation criteria







on Category level				
Assessment of Performance	IPB Parts per Million (ppm) Non-conformity-costs vs. purchasing volume Number of complaints (QF1)	>1,35 target value >1,35 target value worst than 0,002% QF1>34 -> 0	>1 to 1,35 target value >1 to 1,35 target value 0,002% or better QF1>30-34 -> 4 QF1>24-30 -> 6	Target value or better Target value or better 0,001% or better QF1>15-24-> 8 QF1: 0-15 -> 10
Quality documentation	PPAP (Quality) QMS System	PPI > 1 Supplier to be invited and submit action plan. ISO9001 and no Dvpt° plan	0,5 < PPI < 1 Supplier submitted PDCA for improvement ISO9001 and Dvpt° plan	0 < PPI < 0,5 The supplier is certificated IATF 16949 (other certificated is bonus)
Quality agreement & System	Signed mandatory quality contracts Supplier Audit Score (=Sum of rating/Number of audit)	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	0..3 unacceptable One customer escalation or two Escalations on LEONI CF management or 4 escalations on plant level	4-7 need to be improved One escalations on LEONI CF management or two a plant level	8..10 minor potentials.. no potentials identified no escalations

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

360°-Supplier evaluation Logistic

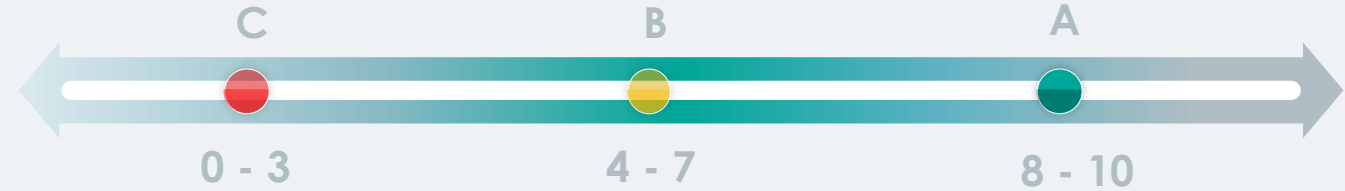
Evaluation criteria





on Category level				
 Logistic Performance	On time / in full (OTIF) Bottleneck (BN) caused by supplier	Q41 < 70%	Q41 ≥ 70% and Q41 < 90%	Q41 ≥ 90%
 Supplier Cost impact	Supplier non-performance cost	Costs occurred are not Closed within defined timeline : 0% ; Monitoring of cost recovery; Alignment with purchasing: *NBOH/*Phase out	Costs occurred are closed: 70% Monitoring of cost recovery	No costs occurred: 100%)
 Customer impact	BN Recurrence; Logistic alerts related to customer delivery issue due to supplier; Customer notification of delivery issue due to supplier	CI < 70% -Initiate Supplier monitoring program -Alignment with purchasing: NBOH Phase out	CI ≥ 70% and CI < 90% -Initiate Supplier monitoring program	CI ≥ 90%
 Logistics Agreements & Systems	Signed mandatory logistic Contracts & Appendices	SLT not in place: 0% Alignment with purchasing on NBOH in sourcing committee Phase out if applicable	SLT old/modified version in place: 70%; Alignment with Purs.in SC: Old version: missing optimizations included in latest version/ Modified version: potential extra cost on LEONI	SLT latest and original version (or with minor changes) in place 100%
 Fulfill strategic Requirements	EDI Connection based on ASASN capability/issues Use and comply with the process of Leoni Platform AX4 Usage of VDA standard label	SD < 50% Initiate Supplier development program Alignment with purchasing on NBOH in sourcing committee	SD ≥ 50% and SD < 75% Initiate Supplier development program	SD ≥ 75%
 Cooperation Service & Support	Quality of analysis and actions: (Reminder to keep for next semester or year => No solution yet)	n/a	n/a	n/a

360°-Supplier evaluation Technology

Evaluation criteria

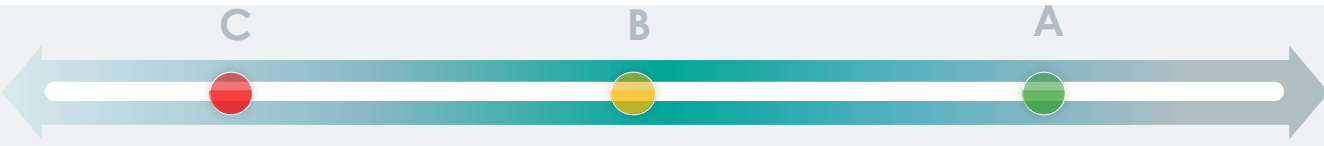






on Category level

 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	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
 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	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
 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	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

360°-Supplier Evaluation Criteria for Sustainability

				
on Category level		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 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)
 Compliance with Policies	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
	IM DS 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.
 Data Transparency / Quality	CM RT & 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.

In case of reported serious justified HR & Environment violation during the last 6 months (C rated supplier)

Thank you ...