

# SCHAEFFLER



*Zusammenarbeit*

*Verantwortung*

*Integrität*

*Respekt*

*Fairness*

*Vertrauen*

*Transparenz*

**SUPPLIER EVALUATION FOR TOOL AND MEASUREMENT EQUIPMENT SUPPLIER  
TOOL TECHNOLOGY**

**BASIC PRINCIPLES**

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## 1 SCOPE

The supplier evaluation is a normative requirement of IATF 16949 and takes into account the requirements of this standard. Internal company regulations and calculations, which correspond to the current level of technical expertise (e.g. VDA), also serve as a base.

A supplier evaluation applies, following internal definition, to all natural or legal persons who sell or provide goods or other services (products, processes or services) to the Schaeffler Group (Schaeffler AG and all companies in which Schaeffler AG directly or indirectly has a majority interest), either directly or via third parties, e.g. affiliated companies, distribution partners, subcontractors and agents (hereinafter referred to as "suppliers").

The so-called "evaluation relevance" occurs when a provided service can have an influence on **a tool and/or measurement equipment and the minimum number of orders and turnover are exceeded.**

## 2 PURPOSE

In the interests of continuous improvement, as well as of identifying potential risks at the supplier at an early stage and counteracting these with suitable corrective measures, Schaeffler assesses the quality and delivery performance of its suppliers on a regular basis.

As part of the business cooperation and in the interests of continuous improvement, it is expected that the supplier will (usually upon request) introduce improvement measures and report these to Schaeffler.

The Schaeffler supplier evaluation is conducted using standardized evaluation criteria. The results of the evaluation are communicated to the suppliers at regular intervals and are also used by Schaeffler's Purchasing function as a decision-making aid prior to place new orders.

## 3 STRUCTURE OF KEY FIGURES

The Schaeffler supplier evaluation consists of **two** separate main key figures and detailed subkey figures for:

- quality and
- logistics.

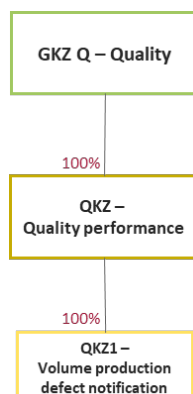


Figure 1: Graphical representation of "Quality"

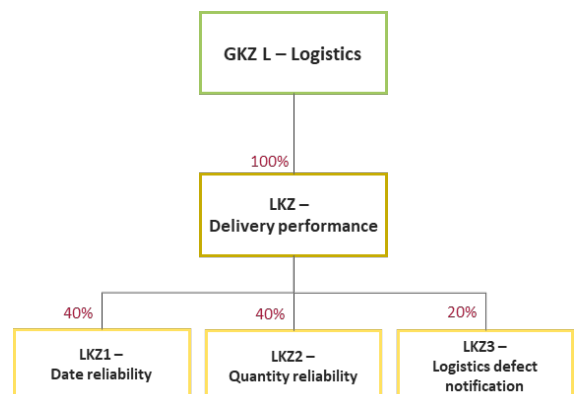


Figure 2: Graphical representation of "Logistics"

The calculation, in particular the quality rating, is focused initially on the dynamic individual criterion “number of complaints”. Due to Schaeffler “zero defects” strategy, the criterion “number of complaints” is considered to have 100% influence.

The status “New Business on Hold” (NBH) is not relevant for tool and measurement equipment suppliers and is not taken into account in the supplier evaluation.

The supplier evaluation gives a transparent picture of strengths and weaknesses of one supplier in comparison with other relevant suppliers.

The calculation criteria are described in detail in the appendix “A1 – Supplier evaluation Tool Technology”.

## 4 CLASSIFICATION OF SUPPLIERS

The ABC classification of suppliers is generated from the overall score which is calculated for the evaluation period. In the case of the Performance Monitor, the classification of a supplier is represented using the colours in the following table.

Note: The individual classes/classifications and limit values are defined according to the internal Schaeffler rules.

Points (%) / classification	Meaning
100 ≥ A ≥ 90	<b>The requirements are met in full</b>
90 > B ≥ 80	<b>The requirements are largely met</b> The evaluation result shows that there is potential for improvement from the supplier.
80 > C ≥ 1	<b>The requirements are not met</b> The supplier must introduce suitable measures for improvement and, if requested to do so by the supplied Schaeffler location, report on the progress of their implementation. Depending on the circumstances, Schaeffler reserves the right to verify implementation of the measures on site.

## 5 PROCEDURE

### 5.1 SUPPLIER EVALUATION PROCESS

The supplier receives its evaluation in writing from the supplied locations at regular intervals, but at least once a year.

### 5.2 MEASURES FOR IMPROVEMENT

The supplier evaluation enables suppliers to respond to reductions in performance at short notice and to introduce suitable measures for improvement in consultation with Schaeffler.

If Schaeffler’s requirements governing quality or delivery performance are not adequately met, the suppliers of the respective Schaeffler locations are requested, in writing, to introduce and submit suitable measures for improvement.

Depending on the classification, certain procedures apply regarding the improvement measures:

Points (%) / classification	Meaning
$100 \geq A \geq 90$	The supplier is responsible for analysing the root cause and taking corrective actions.
$90 > B \geq 80$	The result of the root cause analysis and the planned corrective actions must be communicated with Schaeffler.
$80 > C \geq 1$	The result of the root cause analysis, the planned corrective actions as well as the progress of implementation must be communicated with Schaeffler. Schaeffler also reserves the right to review the progress of the planned corrective actions on site.