



2019 Supplier Report Card March 2019

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Fleet

Overview

The Bosch Automotive Service Solutions Supplier Management Process is designed for selecting, managing, developing, and maintaining inventory suppliers providing products who have been determined to be integral factors in contributing to the overall success of Bosch Automotive Service Solutions, Inc.

Bosch wants to partner with our suppliers in order to provide quality product, with on-time delivery, utilizing appropriate technology, at a competitive cost to exceed our customers' expectations.

The supplier scorecard has four (4) performance categories:

- Quality (PPM, **Incident/million**)
- On Time Delivery
- Productivity
- Relationship/Collaboration

Each category is further divided into **Growth**, **Provisional** or **Under Performing** indicator status ratings based on the specific category parameters.

Overview

After the performance category indicator status ratings are determined, a composite score will determine the total supplier status rating.

| Performance Categories Indicator Status Rating | Supplier Status Rating |
|--|------------------------|
| 3 out of 4 categories <i>Green</i> | Growth |
| 2 out of 4 categories <i>Green</i> | Provisional |
| 1/0 out of 4 categories <i>Green</i> | Under Performing |

Growth Supplier: Supplier performance meets or exceeds Bosch expectations. These suppliers are given preference on any new business.

Provisional Supplier: Supplier performance is below expectations but still within an acceptable range. A performance improvement plan needs to be discussed to bring performance levels up to a Growth category.

Under Performing Supplier: Supplier performance is below expectations and adversely impacting Bosch's business. A performance improvement plan is required with a detailed action items on how the supplier will improve to acceptable levels. If no improvement is displayed, there will be a potential phase out discussion.

Quality - Parts Per Million (PPM)

Calculation: The sum of products subject to complaints divided by the sum of delivered product within the specified time period x 1,000,000.

For the calculation, only products subject to complaints where the SUPPLIER caused the defects are included. Shipments with written concessions prior to shipping (e.g. waiver) are excluded.

PPM Target for 2019 < 1,494

Discrepancy Reports used in the PPM calculation are also on the supplier website portal for viewing.

Quality – Incidents Per Million is noted on the score card as a reference point, not in the overall calculation.

| PPM | Indicator Status Rating |
|------------------------------|-------------------------|
| <1,494 | Growth |
| $\geq 1,494$ $\leq 4,484$ | Provisional |
| > 4,484 | Under Performing |

On Time Delivery (OTD)

Calculation: An individual Purchase Order (P.O.) line receipt, for On Time Delivery, is calculated against the acknowledged/planned delivery date. It is then determined to be On Time if the line is received within a window of 10 days early and 0 days late. If a P.O. line is not shipped complete, subsequent receipts will reduce the On Time Delivery percentage accordingly.

On Time Delivery Target for 2019 \geq 95.0%

| OTD | Indicator Status Rating |
|--------------------------------|-------------------------|
| $> 95.0\%$ | Growth |
| $\leq 95.0\%$ $\geq 91.0\%$ | Provisional |
| $< 91.0\%$ | Under Performing |

Productivity

Binary report will be generated with Baan data rating suppliers within the below productivity categories:

- ▶ Year over year cost savings and/or a progressive rebate agreement 0 if none, 2 if one or both
- ▶ E2Open participate 0 if not participating, 1 if participating
- ▶ Kanban and/or KB2 participate 0 if not participating, 1 if participating
- ▶ Signed Terms and Conditions, Quality Assurance Agreement on file 0 not on file, 1 if on file
- ▶ Active in Value Analysis & Engineering Projects (VA/VE) 0 if not participating, 1 if participating
- ▶ Count of Supplier 8D's Requested 0 if have an 8D, 1 if no 8D requested

Compiled scores will be reviewed by Supply Chain Manager. The Supply Chain Manager will be able to alter final productivity score based upon each individual supplier situation.

If the score is changed, a comment is added in the final productivity score cell as a reference.

Default all suppliers in this category to 0.

Productivity Target for 2019 ≥ 5

| Productivity | Letter Rating |
|----------------------|------------------|
| ≥ 5 | Growth |
| ≤ 4 ≥ 3 | Provisional |
| < 3 | Under Performing |

Supplier Relations/Collaboration

Supply Chain Manager, with collaboration from the buyer and Value Stream Teams (VST), use a binary rating to score the supplier in the below categories:

- ▶ Spirit of Partnership/Shared Risk - Fully engaged in positive collaboration. Examples: Not having too many components on a risk P.O, the ability to quickly change production to meet Bosch's demand, active in New Product launches, and fully engaged supply chain improvements.
- ▶ Responsiveness and Trust - Responsive and trustworthy in carrying out the necessary activities within an allotted time. Examples: NPI, RFQ's, Barcoding, Country of Origin, N2580.
- ▶ Flexibility - Flexible and reactive to Bosch's needs.

Report generated by PUR Controller. Using the same report as Productivity, additional columns allow the Supply Chain Manager (SCM) to rate supplier subjectively.

Relationship/Collaboration Target for 2019 ≥ 3

| Relations/ Collaboration | Letter Rating |
|-----------------------------|---------------------|
| ≥ 3 | Growth |
| ≤ 2 >1 | Provisional |
| ≤ 1 | Under Performing |

Thank you for your past and future efforts in making Bosch Automotive Service Solutions, Inc. successful.

Bosch Automotive Service Solutions, Inc. - relies heavily on the performance of its suppliers in contributing to the success of its organization. Every organization makes commitments to their customers with the expectation that their supply chain will execute flawlessly. Bosch Automotive Service Solutions, Inc. is no different in its expectation. It is important that we understand our roles, expectations, and consequences of poor performance. The following SUPPLIER REPORT CARD document is provided to enable you to monitor your business performance with Bosch and make immediate improvements in the areas which do not meet Bosch's expectations.

If you have questions regarding this report, please contact your Supply Chain Manager, Supplier Quality Engineer or Buyer.

