

# Veoneer Supplier Pre-Qualification Process



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# Veoneer Supplier Pre Qualification Process

## What is the purpose?

- To define the process for the evaluation and release of potential new suppliers
- To identify suppliers, which can be considered for becoming part of Veoneer's Supply Base
- To reduce quality and financial risks to partnership with the “wrong” suppliers
- To focus the supplier development resources on the “right” suppliers
- To involve Veoneer stakeholders to support solid decision taking process
- To provide a process guideline for flexible application and use

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## How should it be conducted?

- In a positive atmosphere with focus on opportunities.
- Consideration should be given to the fact that all suppliers have not done business with Veoneer and some not even in automotive business.
- The supplier should view this event as an opportunity to improve their current business position.
- Evaluating the supplier's current Management System and its management capabilities to in the future adapt all VSM requirements.
- The Lead-Auditor should be a certified auditor as defined in Appendix B of Veoneer Standard (VS) 002. A Commodity Supplier Quality engineer is typically the preferred lead auditor.

# Veoneer Supplier Pre Qualification Process

## How should it be conducted? (continue)

- The audit result in % of “no” answers to the total questions reviewed may be linked to a commodity and/or product specific release level. Additionally, the following should be used as a guideline on how to proceed based upon the number of audit questions answered as ‘no’ and ‘partly’.

Audit Result		Explanations	Time frame for sending corrective action report	Follow-up audit
0 No AND ≤ 9 Partly	GREEN	Zero “no” and less than 9 partly audit findings . Proceed and implement action plan as needed.	Date of audit report + 2 weeks	-
1-2 No OR 10-14 Partly OR 0 No AND 15 Partly	YELLOW	Corrective actions shall be implemented within 90 days from end date of site assessment. Proceed with caution (understand root cause of no & partly answers).	Date of audit report + 2 weeks	Within 3 months*
≥ 3 No > 15 Partly OR 1-2 No AND 15 Partly	RED High risk Supplier	<b>Probation status:</b> Supplier will be on probation until corrective actions are completed. Corrective actions shall be implemented within 90 days from end date of site assessment. Supplier will be on new business hold and not sourced until corrective actions are completed.	Date of audit report + 2 weeks	Within 3 months*
* For new suppliers (or new location), follow-up audits shall be done prior to serial order.				

# **Veoneer Supplier Pre Qualification Process**

## **How should it be conducted? (continue)**

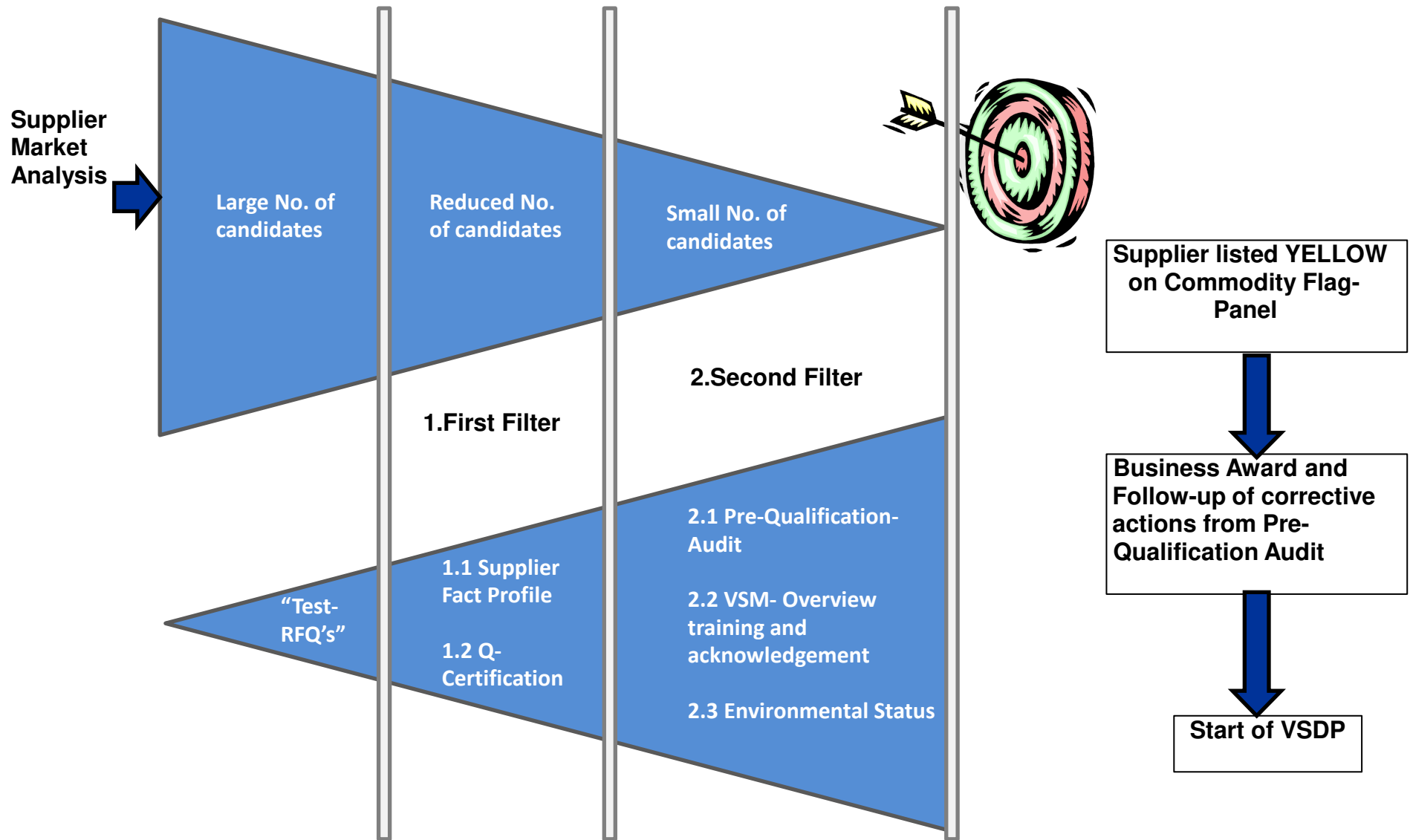
- The process will be stopped if the supplier does not have a Quality Certification (minimum ISO 9001) or does not show a plan to obtain one or has not signed the VSM acknowledgement letter.
- Non-Conformities with Veoneer-requirements are to be expected and require action plans to be completed within an agreed time-frame.

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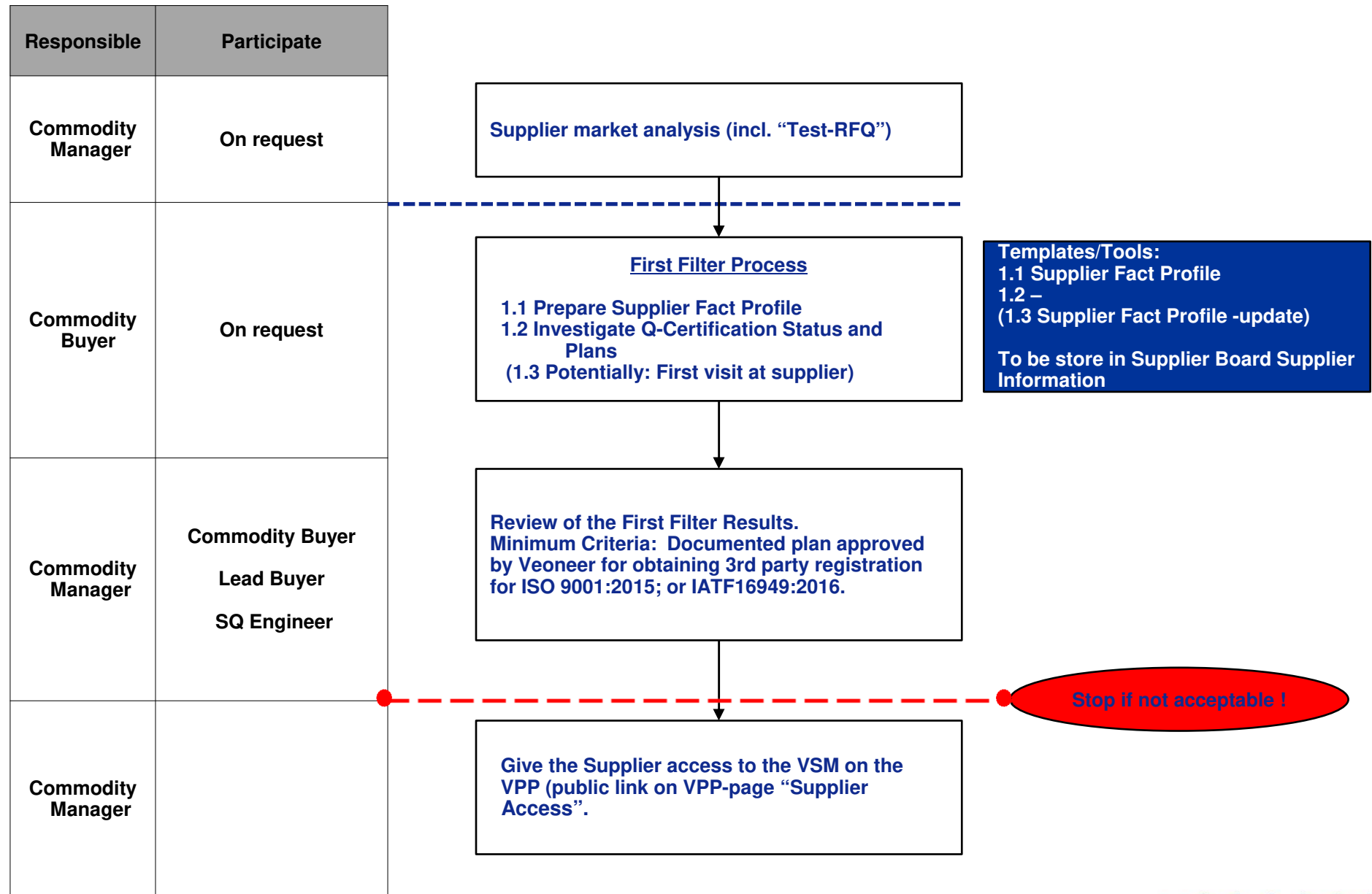
## When can a supplier be released?

- The decision to release a supplier as “Potential New Supplier” is a decision under the responsibility of the Commodity Manager involving the Supplier Quality function. Other stakeholders (Plant Manager, Engineering etc.) are involved as required.
- The decision should be based on
  - all findings and any other observations (e.g. management attitude, technical expertise etc.) during the pre-qualification audit
  - the supplier's certification status and plans
  - the VSM Acknowledgement
  - the specific situation of the supplier market of this commodity segment. (comparison to supplier competitors etc.)
- VSDP (Veoneer Supplier Development Program) elements as appropriate have to be started as required by the sourcing function.

# Veoneer Supplier PreQualification Process Overview Picture

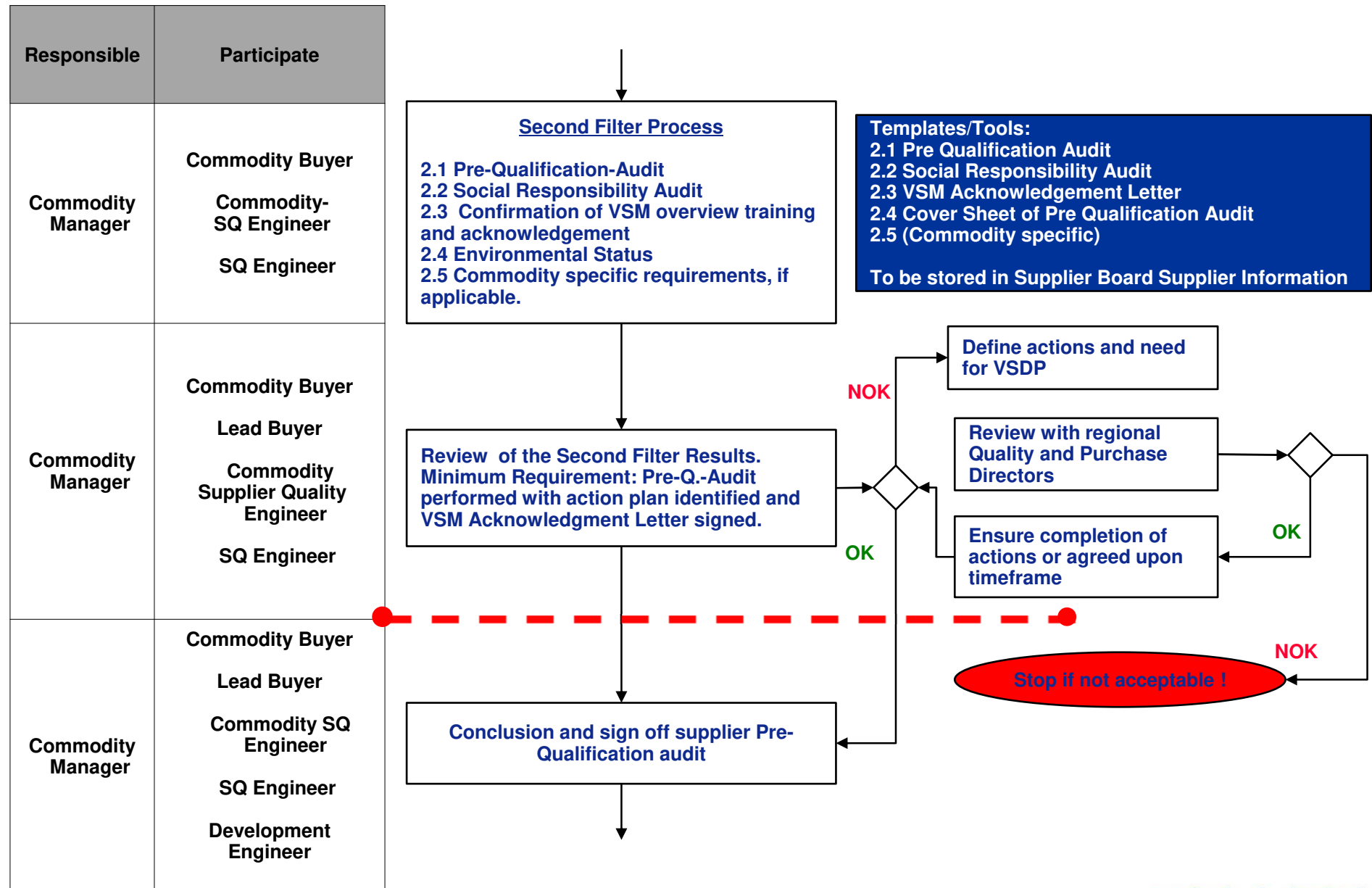


# Supplier Pre-Qualification Process (1/3)





# Supplier Pre-Qualification Process (2/3)



# Supplier Pre-Qualification Process (3/3)

Responsible	Participate
Commodity Manager	
Commodity Manager	Commodity Buyer Commodity Supplier Quality Engineer SQ Engineer

Supplier listed YELLOW on the Flag panel and Lead Buyer is assigned

YELLOW = RFQ's allowed, but before any order, approval from CM is required.

- Business Award
- Purchasing and Quality Director approval of open corrective actions from pre-Qualification-Audit
- Start of VSDP as required by the sourcing function

# Thank You!

The Veoneer logo, consisting of the word "veoneer" in a white, lowercase, sans-serif font, is positioned in the bottom right corner of the slide. It is overlaid on a large, light teal curved shape that sweeps from the bottom right towards the top right of the frame. The background of the entire slide is a dark navy blue.

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