



VOLVO CARS QUALITY EXCELLENCE (VQE) AWARD

The VQE Award is based on a set of fundamental quality disciplines, evaluating the supplier's delivery performance and long-term capability. Volvo Cars' introduced the award in 2011 as a recognition to suppliers delivering high quality goods and services and being supportive in the business partnership.

The VQE Award for Indirect Purchasing builds up from eight award performance elements and a ninth complementary element for the final award step, customer endorsements. The award elements are:

1. Certificates
2. Volvo Cars' Supplier Evaluation Model (SEM)
3. Service Level
4. Customer Impact
5. Escalation
6. Quality Action
7. Claim
8. Trust
9. Customer Endorsements

To qualify for the award, a supplier needs to maintain an approved rating for all elements for at least 12 consecutive months. The evaluation is done jointly by Purchasing and the internal users of the product/service within Volvo Cars.

The second award element, the Supplier Evaluation Model, is an assessment tool built up of 17 parameters to assess the supplier's long-term capability and sustainability.

When the supplier fulfils the criteria in all elements for the first time, the supplier receives the VQE Award at a ceremony at Volvo Cars.

Until now, approximately 100 suppliers for Indirect Purchasing have received the award.