

Lockheed Martin's

Supplier Scorecard

UPDATE



Revision Date: April 2021



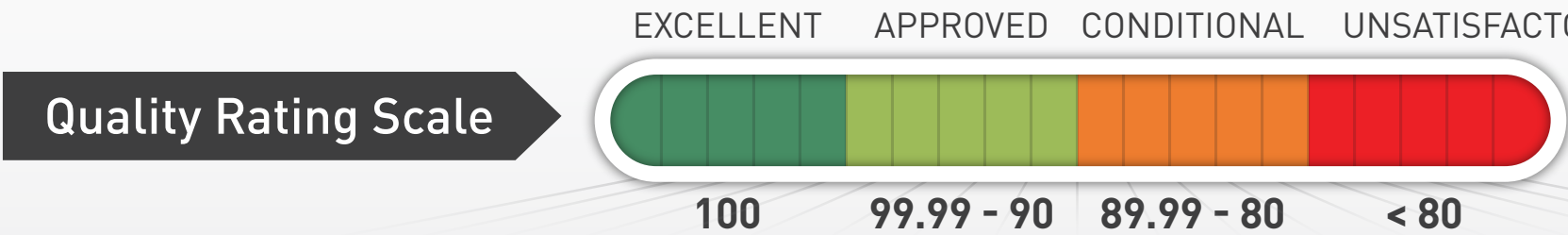
Quality Rating

=100- (Supplier Nonconformance + Overdue Corrective Action + Critical Production Impact)

This calculation considers the current month of Supplier Responsible defects and utilizes a location weight factor to determine severity

This calculation considers overdue supplier responsible corrective action requests (SCARs) over the past 12 months and applies a 20 point per record penalty

This calculation considers SCARs which maintain either an Escalating Concern or Severe Impact classification and applies either an 11 or 21 point per record penalty



Prior Scorecard Approach	Updated Scorecard Approach
► Quality rating 6 and 12-month averages compiled from monthly raw scores	► Quality rating 6 and 12 month averages compiled though use of a new average calculation – refer to the Quick Reference Guide for details

Delivery Rating

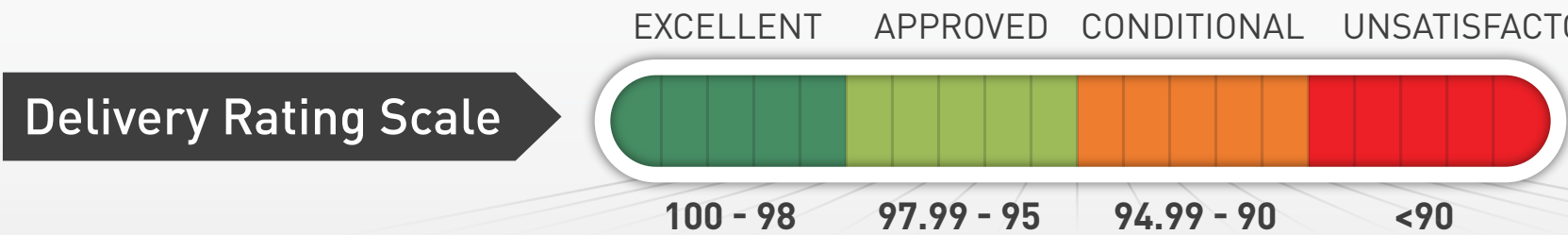
On Time Lot Count	Total Lot Count	Overdue Quantities
Total credit given for goods receipt quantities determined to be On Time	Total “possible” count of goods receipt quantities determined to be On Time, Late, and overdue	On Time Lot Count credit will NOT be given when the unaccounted balance of PO line item schedule quantities is Late

Example

PO line item contains 1 schedule for 100 pieces with 1 receipt posted On Time:

Receipt #1 posted for 25 pieces (On Time) – On Time Count: .25 / Total Lot Count .25

Sum Total for PO line item – On Time Count: .25 / Total Lot Count .25 / Delivery rating: 100%



Prior Scorecard Approach	Updated Scorecard Approach
► Delivery rating based on a 12-month rolling assessment	► Delivery rating based on a monthly assessment

Supplier Scorecard

Supplier Scorecard incorporates supplier Quality and Delivery rating and displays them through a simplified and centralized Scorecard view

Other Key Highlights

- 3-Factor Measurement - Supplier Nonconformance, Overdue Corrective Action, Critical Production Impact
- Nonconformances Will Only Impact a Vendor’s Rating in the Month They were Closed
- Suppliers will Receive Credit for Receipt Quantities Against Schedules
- Suppliers will be Penalized for Full or Partial Overdue Schedule Quantities
- Quality & Delivery rating measured to the 6-month average scores

*Please Note: Supplier Scorecard is very similar to the supplier evaluation methodology previously used by Lockheed Martin Aeronautics.