CERTIFICATION EQUALS QUALITY

IATF Stakeholder Conference
16th October 2019
Enghien-Les-Bains
(Paris, France)
Groupe PSA’s position on Certification equals Quality

Certifications are part of the quality scoring for Groupe PSA’s suppliers:

Increasing weight applied on IATF certification

- Not certified = No new business
- All suppliers to Peugeot Citroën DS Opel Vauxhall must be identified in the IATF database
  ⇒ See “Quick reference guide”

To have a robust QMS in place ensures:
- Quality “basics” applied
- Final product Quality
- Reactivity in case of 0 Km / In field incidents (incl. immediate containment)
Groupe PSA’s position on Certification equals Quality

What does groupe PSA to help raising the bar?

• Launch of special status notification

• Observation of IATF audits

• 2nd part audit connected to IATF
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PSA launched several special status:

- Control Plan not well applied (frequency not respected, use of a different measurement mean, ...)
- PSA not informed immediately after shipment of non compliant safety parts
- Not authorized rework of safety parts
- Product preservation and traceability not ensured,
- ...

![Image of products and materials]
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Groupe PSA observes around 30 audits per year

- Auditors see the non conformities
- Issues mostly due to quality basics not respected
- Suppliers negotiate
- Few major nonconformities raised
- Focus on non relevant IATF or CSR requirements (e.g: auditor training for LPA)
- Suppliers discover requirements that are NOT new
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NEW SUPPLIER ASSESSMENTS BY PSA:

Expected result is 80% « quality basics in place »

<table>
<thead>
<tr>
<th>Requirements fully aligned with IATF (no specific req.)</th>
<th>Average</th>
<th>Min</th>
<th>Max</th>
<th>Median</th>
</tr>
</thead>
<tbody>
<tr>
<td>Control of Nonconforming Product</td>
<td>CNC</td>
<td>68%</td>
<td>33%</td>
<td>100%</td>
</tr>
<tr>
<td>Standardized Work</td>
<td>SW</td>
<td>68%</td>
<td>33%</td>
<td>100%</td>
</tr>
<tr>
<td>Maintenance</td>
<td>MAI</td>
<td>71%</td>
<td>44%</td>
<td>100%</td>
</tr>
</tbody>
</table>
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What is the Groupe PSA’s feeling on current level?

• Level of the standard has been raised
• Skilled auditors

• Soft grading
• Not relevant focus on quality basics
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What are Groupe PSA’s expectations?

- Same level of requirements for all organizations/all regions
- Be more demanding based on risks for the final customer
  - When basics are not in place => raise major non conformity
    - 8D report not complete (e.g no FMEA review)
    - Parts without identification, or risk of damaged part
    - Control plan not strictly applied
    - Operators not trained
    - ...

✨ Groupe PSA’s CSR focus on reverse FMEA, LPA, systematic quality wall in project phase,

✨ 2nd part audit still necessary

- Please, help us understanding why we have such recurrent situations of different perception on the suppliers quality system