

Supplier Quality Oversight

Gary A. Brassart
Vice President, Global Quality
and Chief Quality Officer
Westinghouse Electric Company
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Growing Demand, Growing Supply Base

- Westinghouse is engaged in various-sized projects, product delivery, and service initiatives world wide.
 - Vogtle, V.C. Summer, Haiyang, and Sanmen AP1000 New Plant Construction
 - Mechanical Components and I&C for new plant construction at UAE and Shin Kori
 - Replacement Steam Generator and major plant modifications
 - Worldwide outage services and plant upgrades
 - Major engineering services contracts
 - Operating Plant I&C upgrades
 - PWR and BWR Fuel delivery to fleet



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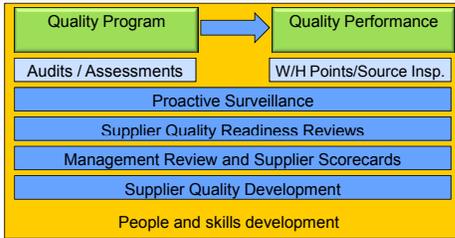
Supplier Oversight Summary

- Oversight and control of suppliers is critical to industry success.
- Westinghouse is proactively and systematically evaluating our process and driving continuous improvement
- Driving proactive oversight and early action to predict and prevent supplier quality issues
 - Multiple processes
 - Formality, rigor, and discipline
 - Frequent Review
 - Early action



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Holistic Approach to Supplier Oversight



Implementing a layered system that provides for proactive intrusion to get leading indicators and predict and prevent issues.



Operating Experience and Lessons Learned

- **Suppliers** – First of a Kind for large proportion of supply base presents a new level of challenge.
- **People and Leadership**
 - **Standards/Expectations** – Mgt observation & reinforcement
 - **Training , Qualification & Proficiency** – Continuous attention
- **Process and Tools**
 - **Proactive intrusion** to establish risks and leading indicators
 - **Procedure Implementation** – Detailed guidance drives consistency
 - **Frequency, Intrusiveness & Observation** – Tailored
 - **Systematic Monitoring & Trending** – Fact-based and predictive
 - **Proactive Supplier Readiness & Development** – Issue prevention
 - **Executive Engagement and Intervention** – Visibility and involvement in critical supplier performance issues



Summary

- Oversight and control of suppliers is critical to industry success
- Proactive and Aggressive approach to predict and prevent issues
- Sustained vigilance is required



