Supplier Rating System
Supplier Rating System Metrics

**Quality Performance**
To provide Sites, Business Segments and the Global Teams with a centralized data report related to Suppliers' Performance in terms of Quality: DPPM Level, SCARs Incidents and Response time.

**On Time Delivery**
- Supplier Promise
- Flex Request
Monitoring On-Time Delivery metrics to drive collaboration to improve supplier performance and increase manufacturing efficiency. Supplier Promise 10% & Flex Request 5%.

**Payment Terms**
Promote collaboration from our new and current supply base to align with Flex terms.

**Supplier Chain Optimization**
Encouraging vendors to look for optimization opportunities that could benefit both businesses: transportation, operations, packaging, etc.

**Sustainability**
To measure the maturity level of the supplier environmental programs base of GHG and Environmental.

**SMI & CRP**
- To increase SMI/JIT Logistics optimization

**Communication Performance**
Promoting effective direct communication with our supply base: Quotation Response Time & PO Automation.

SMI - Supplier Managed Inventory
CRP - Continuous Replenishment Program
GHG - Green House Gas
Supplier Rating System (SRS) – Process Flow Steps

01  Data Management & SRS Reporting

02  Communication and Collaboration

03  Supplier Performance Assessment
Supplier Scorecard

Every Quarter the SRS is created, and the selected suppliers receive an automatic Scorecard report with the detail of metric results, example below.
Final Score Criteria (Suggested Actions to be Taken)

The overall score is achieved through a weighted average, the highest score for these measurements combined is 4.00. If one (1) measurement is "N/A" (Not Applicable), means that metric data is not available in Site database, in this case the weight of the metric is divided proportionally to the active metrics.

<table>
<thead>
<tr>
<th>Score Range</th>
<th>Criteria</th>
<th>Actions</th>
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</thead>
<tbody>
<tr>
<td>0.0 - 0.99</td>
<td>Poor</td>
<td>Supplier Must Provide Improvement Plan within 2 weeks if receipt this score in one of the sites or metric</td>
</tr>
<tr>
<td>1.00 - 1.99</td>
<td>Needs Improvements</td>
<td>Supplier Must Provide Improvement Plan within 2 weeks if receipt this score in one of the sites or metric</td>
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<tr>
<td>2.0 - 2.99</td>
<td>Acceptable</td>
<td>Supplier is Performing on an average level with room from improvement</td>
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<tr>
<td>3.0 - 4.0</td>
<td>World Class</td>
<td>Supplier has potential to become a Preferred Supplier and to receive additional quote opportunities and/or business</td>
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