

## Explanation to –EagleBurgmann Supplier Assessment

### 1. Assigned Process

Supplier Development

### 2. Description

1. Supplier assessment for all strategic suppliers
2. Supplier assessment: 1x per year.
3. The evaluation criteria are:

Main Criteria	Weight	Sub Criteria	Weight
Quality	25%		
		Complaints rate	25%
Time	40%		
		Quantity reliability	10 %
		Delivery reliability	30 %
Soft Facts	35%	Price	20 %
		Service, Innovation, Certificates	15 %

3.1. Quality (Weighting 25%) is evaluated on the basis of the complaints rate:

*The complaints rate* is the percent share of all complaints (Q-Messages to supplier) to the number of all incoming goods.

All complaints (all Q-Messages with "ZB" - message type, except they arose due to an internal cause) are taken into account for this purpose. If the material is okay, i.e., no quality messages have been recorded for the entire period of validity, the supplier receives the best grade (100 points) in terms of the assessment for this material. If quality defects have been determined for the material, a quality message is entered, which can reduce the total number of points.

Complaints rate in %	Points
≤ 2%	100
> 2 ≤ 6%	85
> 6 ≤ 15%	60
> 15%	1

3.2. Time (Weighting 40%) is evaluated on the basis of the following sub criteria:

Quantity reliability (10%)

*In case of a goods receipt for an order, the system is checking whether the order quantity is observed. It examines the difference between the goods receipt quantity and the order quantity and converts the difference in a percentage deviation.*

*The evaluation of the goods receipt quantity is based on a score-table, which matches the % - deviations.*

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Deviation in %	Points
>-41%	1
-40%	20
-30%	40
-20%	60
-10%	80
-5%	85
-2%	90
-1%	95
+/- 0%	100
0-2%	95
3-5%	90
6-10%	80
11-20%	60
21-30%	40
31-40%	20
>40%	1

### Delivery reliability (30%)

The evaluation occurs as comparison between the agreed or confirmed date and the date of the actual incoming goods. (In case of arranging a date, which deviates from the original date, the new date is entered into the order, as soon as the order confirmation occurs.)

	Deviation <i>Working days</i>	Points
too early	-11	100*
too early	-10	100*
too early	-9	100*
too early	-8	100*
too early	-7	100*
too early	-6	100*
<i>punctualy</i>	-5	100
<i>punctualy</i>	-4	100
<i>punctualy</i>	-3	100
<i>punctualy</i>	-2	100
<i>punctualy</i>	-1	100
<i>punctualy</i>	0	100
too late	1	75
too late	2	75
too late	3	30
too late	4	30
too late	5	30
too late	6+	1

\*In the future, we reserve the right to devalue products delivered too early. Should a changeover take place, you will be informed in advance.

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3.3. Soft Facts (Weighting 35%) are evaluated based on the following sub criteria:

KPI	Category	Percentage	Answers possibilities			
Price Level	Price	6,67%	MPV Price Decrease	MPV Price stable (+/- 0,5%)	MPV Price Increase	
Price Validity	Price	6,67%	over 1 year	1year -2 months	below 2 months	not relevant
Contract Rate	Price	6,67%	Over 30 %	30-10 %	below 10 %	not relevant
Communication	Service	1,88%	within 1 working day	1-3 working days	more than 3 days	
Quotation	Service	1,88%	Reactiontime 1-2 working days	2-5 working days	Reactiontime more than 5 working days	
Complaint Processing	Service	1,88%	7 or less working days	8-13 working days	more than 13 days	not relevant
Supply Chain Act Scoring	Service	1,88%	green	yellow	red	not relevant
EDI/WEB EDI	Service	1,88%	Yes		No	not relevant
ISO 9001	Service	1,88%	Yes		No	
ISO 14001	Service	1,88%	Yes		No	
ISO 45001	Service	1,88%	Yes		No	
			<b>100 points</b>	<b>50 Points</b>	<b>0 Points</b>	

### 4. Classification of suppliers

A-Supplier	100 – 85 points	preferred supplier	Based on the results of the supplier assessment, the supplier is to be preferred when it comes to awarding orders.
B-Supplier	84 – 65 points	suitable supplier	Supplier is to be considered as suitable and should be selected, when there is no alternative A or AB supplier available. <i>The Category Managers monitor the overall performance half a year - if there is no improvement, measures are defined to prevent the supplier of becoming a C-supplier.</i>
C-Supplier	≤ 64 points	unsuitable supplier	The supplier does not comply with our required quality level. Orders from this supplier are to be avoided. <i>The following procedure is arranged together with the Quality-Management, Quality-Assurance and Procurement.</i> <b>New projects may not be awarded to this supplier!</b>

The goal of EagleBurgmann is to develop as many suppliers to A suppliers as possible and to stop procuring goods from C suppliers!

### 3. Further Relevant Documents

Only to be listed, so far as it does not concern documents, named in terms of the process. These can be norms and standards.