



## Appendix 2: CEBI Common Supplier Performance Monitoring

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## Change history

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07/08/2023	1.0	Smain BOUCETTA	Document Creation
11/12/2023	2.0	Omaima NAIME	Additional requirement for the delivery service criteria (Chapter 2.2)
04/03/2024	3.0	Omaima NAIME	Modified actions in case of B-class Supplier (Chapter 3)

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## 1. PURPOSE AND SCOPE

In the context of our ISO 9001 : 2015 and IATF 16949 : 2016 procedures, CEBI has created supplier performance indicators to monitor supplier performance by evaluating the suppliers' deliveries monthly and within the last 12 month.

The evaluation is based on the following criteria:

- The quality level;
- The delivery service level;
- The soft criteria.

To each of the 3 areas (Quality, Delivery service and Soft criteria) is given a score, according to the sub-criteria presented in the following sections.

## 2. Supplier Global performance

CEBI measures supplier performance throughout the year and considers these results during strategy development and sourcing approval. CEBI periodically updates and communicates performance results using a Supplier Scorecard. The Scorecard provides both CEBI and the supplier an overall rating based on standardized performance indicators including quality, delivery, and communication, Efficiency in problem solving , Financial stability, and Pricing.

Specific details regarding key performance indicators and scoring criteria can be in the next paragraphs.

### 2.1. QUALITY CRITERIA

#### 2.1.1. QUALITY COMPLIANCE PPM

CEBI expects its suppliers to achieve and demonstrate a Zero PPM in their day-to-day business, which means that the supplier is expected to produce 1 million parts with no defects. The following table present the rating used in CEBI for the quality performance using PPM indicator:

PPM	Points
ppm =1-20	40 pts
21 < ppm ≤ 50	35pts
51 < ppm ≤ 100	30 pts
101 < ppm ≤ 200	25 pts

201 < ppm ≤ 300	20 pts
301 < ppm ≤ 400	15 pts
401 < ppm ≤ 500	10 pts
501 < ppm ≤ 600	5 pts
ppm > 600	0 pts

### 2.1.2. CERTIFICATIONS

Supplier's certification to ISO 9001: 2015, IATF 16949: 2016 or ISO 14001: 2015 must be assessed periodically based on Supplier category:

	Category 1 : Manufacturer(Automotive)	Category 2 : Distributor	Category 3 : Non-Automotive Supplier
ISO 9001 : 2015	3 points	10 points	10 points
IATF 16949 : 2016	7 points	-	-
ISO 14001 : 2015	5 points	5 points	5 points

## 2.2. DELIVERY SERVICE CRITERIA

### 2.2.1. QUANTITY COMPLIANCE

Each delivery will be evaluated between 15 points and 0 point in terms of quantity received.

The System will decrease the number of points based on the quantity received of the delivery according to the table below:

QD: Quantity Delivered

Quantity delivered	Score	Quantity delivered	Score
$QD \leq -1\%$	15 pts	$QD \leq +1\%$	15 pts
$-1\% < QD \leq -5\%$	12 pts	$+1\% < QD \leq +5\%$	12 pts
$-5\% < QD \leq -10\%$	9 pts	$+5\% < QD \leq +10\%$	9 pts
$-10\% < QD \leq -15\%$	6 pts	$+10\% < QD \leq +15\%$	6 pts
$-15\% < QD \leq -20\%$	3 pts	$+15\% < QD \leq +20\%$	3 pts
$QD > -20\%$	0 pts	$QD > +20\%$	0 pts

### 2.2.2. ON TIME DELIVERY COMPLIANCE

Each delivery will be evaluated between 15 points and 0 point in terms of reception date.

The System will decrease the number of points based on the reception date of the delivery according to the table below:

RD: Reception Date

Reception date (in delay)	Score	Reception date (in advance)	Score
$RD \leq +1$ day	15 pts	$RD \leq -2$ days	15 pts
$+1$ day $< RD \leq +2$ days	12 pts	$-2$ days $< RD \leq -4$ days	12 pts
$+2$ days $< RD \leq +4$ days	9 pts	$-4$ days $< RD \leq -5$ days	9 pts
$+4$ days $< RD \leq +5$ days	6 pts	$-5$ days $< RD \leq -6$ days	6 pts
$RD > +5$ days	0 pts	$RD > -6$ days	0 pts

### 2.3. SOFT CRITERIA

The following table present the soft factors and their quotations. The evaluation of the soft factors are based on the service provided by the supplier and it contains:

Soft criteria	Performance (points)		
	Good	Satisfactory	Insufficient
Communication	1 ≤1 day	1 2-3days	0 >3days
Efficiency in problem solving	5 ≤1 day	3 2-3days	0 >3days
Emergency Support and Reaction time	5 ≤1 day	3 2-3days	0 >3days

Financial stability	2 The annual revenue fluctuation within ±5 - ±10%	1 The annual revenue fluctuation within ±10 - ±15%	0 The annual revenue fluctuation bigger than ±15%
Pricing	2 Quotation fluctuates every year less than ±3%	1 Quotation fluctuates every year within ±3% - ±5%	0 Quotation fluctuates every year bigger than ±5%

### 3. SUPPLIER CLASSIFICATIONS

All CEBI Suppliers are ranked in 4 categories after the evaluation as follows:

Supplier Classifications	Performance (points)	Action
Class A Reliable supplier	>=90 and 100	Efficient supplier in line with CEBI requirements.
Class B Valid Supplier	>=80 and <90	<p>Supplier not fully achieving objectives, improvements are necessary to meet the class A.</p> <p>CEBI will explain to suppliers the reasons for their classification as Class B and provide specific guidance on necessary improvement actions.</p> <p>If a supplier's rating falls into the B category due to operational performance issues, the supplier is obligated to promptly initiate corrective action plans targeting the systemic root causes of the performance challenges. CEBI may reach out to the supplier to request presentation of these action plans, emphasizing the importance of addressing underlying issues promptly and effectively.</p> <p>In terms of scoring metrics, evaluations should be conducted on a monthly basis to enable more real-time performance assessment, allowing prompt issue identification and appropriate measures to be taken within the shortest possible time.</p> <p>Ultimately, through active communication with suppliers, clear objectives, and evaluation criteria, the goal is to ensure successful implementation of improvement plans, enhance performance, and attain Class A standards.</p>
Class C Critical Supplier	<80	<p>Supplier not in compliance with CEBI requirements, a quality improvement plan is necessary to achieve the class B.</p> <p>Class C suppliers who actively cooperate with CEBI's guidance and make significant improvements within 1 to 2 months, but still do not meet the requirements for a B-level rating; will be temporarily suspended from engaging in new/future business with the CEBI Group.</p>

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Periodically, an email will be sent to the suppliers with the evaluation results. The performance points are obtained from the evaluation of each sub-criteria. Maximum points for each sub-criteria:

1. Quality criteria:
  - Quality compliance PPM (40 points)
  - Certifications (15 points)
2. Delivery criteria:
  - Quantity compliance (15 points)
  - On Time Delivery compliance (15 points)
3. Soft criteria:
  - Communication (1 points).
  - Efficiency in problem solving (5 points).
  - Financial stability (2 points).
  - Pricing (2 points).
  - Emergency Support and Reaction time (5 points).