

Supplier Performance Rating criteria set: Freight forwarding services



For the services provided by our suppliers the following main-criteria are differentiated in the supplier performance rating. All or selected main-criteria are assessed individually every six months. All main- and sub-criteria are explained in detail on the next pages.

- **Range of services / Possible uses** (Quality)
- **Quality of services** (Quality)
- **Professional competence** (Quality)
- **Adherence to delivery deadlines** (Logistic)
- **Commercial Performance** (Procurement)
- **Technological and Innovation Capability** (Technology & Innovation)
- **Sustainability** (Sustainability)

If applied, 1-100 points are awarded for the individual main-criteria. No overall average is calculated. We expect our suppliers to strive for the maximum number of points in all areas. The classification of the score achieved and our derived expectations, consequences and measures can be seen below:

<p>Excellent Performance 100 - 81 points</p>	<ul style="list-style-type: none"> ▪ There is no need for an explanatory statement from the supplier. ▪ The supplier will be given preference when placing orders.
<p>Average Performance 80 - 61 points</p>	<ul style="list-style-type: none"> ▪ An explanatory statement from the supplier is expected. ▪ Improvements are expected from the supplier.
<p>Just Adequate Performance 60 - 41 points</p>	<ul style="list-style-type: none"> ▪ A written statement from the supplier is mandatory (within two weeks after receiving the rating results) ▪ Improvement measures with deadlines for supplier development are to be agreed (within four weeks after receiving the rating results) ▪ Limited order placement or status "new business on hold" ▪ The takeover of additional effort in our company (inspection costs, sorting costs, etc.) has to be agreed with the supplier for future deliveries, possibly.
<p>Inadequate Performance 40 - 1 points</p>	<ul style="list-style-type: none"> ▪ A written statement from the supplier and a personal explanation are mandatory (within two weeks after receiving the rating results) ▪ Improvement measures with deadlines for supplier development are to be agreed (within four weeks after receiving the rating results) ▪ Status „new business on hold“ or „supplier blocked“ will be evaluated ▪ A new PSM Audit of the supplier has to be carried out within six weeks ▪ A new QAM System- and/or Process-Audit have to be carried out, possibly. ▪ The takeover of additional effort in our company (inspection costs, sorting costs, etc.) has to be agreed with the supplier for future deliveries.



The maximum achievable score is 100points in each sub-criterion. The sub-criteria are weighted in % to a main-criterion score.

Equipment
40%

for shipment by truck/road:

100-85 points = Inloaders and/or sheet loaders and/or slant loaders available (the more special equipment the higher the score) and standard vehicles

85-81 points = large number of suitable standard vehicles

80-61 points = limited number of suitable standard vehicles

60- 1 points = performance of the services not possible with existing vehicle fleet

for shipment by courier, express and parcel services:

100-81 points = vehicles can be used without restrictions

80-61 points = vehicles are restricted in terms of use (e.g. loading of pallets not possible, vehicle fleet limited in number or type)

60- 1 points = performance of the services not possible with existing vehicle fleet

for shipment by ship/sea:

100-91 points = regular provision of special equipment (e.g. flat racks) possible, even with short lead time

90-81 points = regular provision of special equipment (e.g. flat racks) possible, but only with long lead time

80-61 points = in some cases difficulties in the provision of special equipment, even with long lead times

60- 1 points = special equipment cannot as a rule be provided

The provision of special equipment, such as flat racks, is essential for the shipment of thyssenkrupp rothe erde products, for which reason it is positive in terms of rating if this equipment can be provided.

for shipment by aircraft/air:

100-81 points = no discernible restrictions in terms of equipment

80- 1 points = necessary equipment could not or only partially be made available

Flexibility
40%

100-91 points = very flexible response to thyssenkrupp rothe erde requirements, even on weekends and outside normal business hours

90-81 points = good flexibility in terms of response to thyssenkrupp rothe erde requirements during normal business hours

80-61 points = the normal degree of flexibility necessary for business dealings

60-41 points = in some cases sluggish response to thyssenkrupp rothe erde requirements

40- 1 points = unacceptable flexibility, inflexible, bureaucratic behavior

Here, it has a positive effect in terms of rating if the contact persons can also be reached outside normal business hours and transport requirements can also be organized and/or executed during this time.

Connections/
Partners
20%

100-91 points = coverage of all destinations in the relevant territory, short communication channels with rapid feedback

90-81 points = coverage of the conurbations in the relevant territory, adequate coverage in the rest of the country

80-61 points = average coverage in the relevant territory

60-41 points = average coverage in conurbations, poor coverage of the rest of the country

40- 1 points = poor, inadequate coverage

Here, it also has a positive effect in terms of rating if the forwarder expands its operational possibilities with regard to the served regions.

Supplier Performance Rating criterion: Quality of service



The maximum achievable score is 100points in each sub-criterion. The sub-criteria are weighted in % to a main-criterion score.

Quality of Transport 80%

- 100-81 points** = damage/deficiency rate 0-1.9%
- 80-61 points** = damage/deficiency rate 2.0-3.9%
- 60-41 points** = damage/deficiency rate 4.0-5.9 %
- 40- 1 points** = damage/deficiency rate 6.0-100 %

The number of damage is recorded and set in relation to the transports carried out in the assessment period. Particularly serious violations can lead to different assessments.

Quality of Documentation 20%

- 100-91 points** = documentation is consistently factually correct, complete and error-free
- 90-81 points** = with just a few exceptions, documentation is factually correct, complete and error-free
- 80-61 points** = documentation regularly contains errors (e.g. missing data, incorrect values)
- 60-41 points** = documentation is mostly factually incorrect, incomplete and/or error-prone
- 40- 1 points** = documentation is always inadequate

Supplier Performance Rating criterion: Professional competence



The maximum achievable score is 100points in each sub-criterion. The sub-criteria are weighted in % to a main-criterion score.

Product Knowledge 50%

- 100-91 points** = product-related transport development and consulting
- 90-81 points** = extensive product know-how, so that transport optimization can be pressed ahead with
- 80-61 points** = understanding/ knowledge of thyssenkrupp rothe erde products
- 60-41 points** = sketchy know-how, supported product knowledge
- 40- 1 points** = too little competence available

Here, it has a positive effect in terms of rating, if the forwarder can make transport-optimizing suggestions based on their sound knowledge of the thyssenkrupp rothe erde products. It is assessed as particularly positive if the freight forwarder provides advice on their own initiative.

Connections/ Market Knowledge 50%

- 100-91 points** = know-how for consulting in the sphere of mode-of transport-selection and routing/route selection
- 90-81 points** = extensive know-how, adequate dialog partners
- 80-61 points** = expected expertise average
- 60-41 points** = sketchy know-how, supported specialist knowledge
- 40- 1 points** = too little know-how

Here, it has a positive effect in terms of rating, if the freight forwarder is able to make transport-optimizing proposals on the basis of their good knowledge of connections and the market. It is assessed as particularly positive if the freight forwarder provides advice on their own initiative.



The maximum achievable score is 100points in each sub-criterion. The sub-criteria are weighted in % to a main-criterion score.

Deadline
compliance/
Reliability
100%

- 100-81 points** = rate non-compliance with delivery deadlines 0 - 2.9%
- 80-61 points** = rate non-compliance with delivery deadlines 3.0 - 5.9%
- 60-41 points** = rate non-compliance with delivery deadlines 6,0 - 9.9 %
- 40- 1 points** = rate non-compliance with delivery deadlines 10.0 - 100%

Determination by random check:
3% of the transport assignments,
at least 1 x, max. 20 x per half-year and freight forwarder,
always 1st transport assignment of the period under assessment



The maximum achievable score is 100points in each sub-criterion. The sub-criteria are weighted in % to a main-criterion score.

Price & Cost Performance 60%

This sub-criterion is formed from the following three weighted aspects in the evaluation period:

- **Price level (50%)**
How high is the supplier's price level in relation to the market price level?
(market price = average price of all released suppliers for the materials in scope)
100 points = the price level is -12% or more below market price
50 points = the price level is in the range of the market price
1 point = the price level is +12% or more higher than the market price
- **Price development (30%)**
How does the supplier's price develop in relation to the average market price development compared to the last rating period?
100 points = the price development is -6% or more favorable than the market price development
(price is decreasing while market price is stable or increasing)
50 points = the price development is according to the market price development
(price is stable while market price is increasing)
1 point = the price development is +6% or more unfavorable than the market price development
(price is increasing while market price is stable or decreasing)
- **Cost reduction initiatives (20%)**
How active does the supplier initiate (joint) cost reduction measures/programs by himself?
100 points = the supplier initiates and drives (joint) cost reduction measures on his own
50 points = the supplier presents ideas for (joint) cost reduction
1 point = no activity

Cooperation 20%

This sub-criterion is formed from the following two weighted aspects in the evaluation period:

- **Contract Management (30%)**
In how far does the supplier accept and close tkr standard contracts?
100 points = all tkr standard clauses of the related contract type are accepted
50 points = important tkr standard clauses of the related contract type are accepted
1 point = the contract is mainly oriented on the supplier's standards
- **Participation on Digital Process Systems (70%)**
How is the willingness of the supplier to collaborate in processes via tkr digital systems?
100 points = supplier is registered and supports all processes via tkr Supplier Platform
(or/and for service orders on the factory premises of tkr: mde Platform)
50 points = supplier is registered and works occasionally as requested via tkr Supplier Platform
1 point = supplier is not willing to participate on tkr Supplier Platform

Communication 20%

This sub-criterion is formed from the following three weighted aspects in the evaluation period:

- **Reaction Time (40%)**
How promptly does the supplier react on inquiries, checking of specifications, order confirmations, etc. within a given, typical timeframe?
(order confirmation = 2 days, inquiries = 2-5 days, specification checks = 5-15 days)
100 points = supplier gives feedback within time frame
50 points = supplier gives feedback with small delays
1 point = supplier feedback exceeds time frame significantly
- **Reliability and Explicitness (40%)**
How reliable and explicit is the feedback or statement?
100 points = supplier feedback is always reliable and explicit, supplier stands by his word
50 points = supplier feedback is reliable, but sometimes unclear/unspecific
1 point = it is unpredictable whether the supplier will stand by his statements
- **Usage of tkr forms in communication processes (20%)**
Does the supplier use tkr forms for e.g. tenders, specification alignments, order confirmations?
100 points = yes, always if requested
50 points = yes, with exception of order confirmations (supplier individual)
1 point = no, the supplier refuses to use tkr forms

Supplier Performance Rating criterion: Technology & Innovation Capability



The maximum achievable score is 100points in each sub-criterion. The sub-criteria are weighted in % to a main-criterion score.

Technology Road Map 20%

The extent to which the technology / innovation development process is planned, described and budgeted for relevant for tkre products is assessed.

- 100 points** = planned, described and budgeted
- 50 points** = planned and described
- 1 point** = inadequately described / not known

Development & Trial Department 20%

It is assessed to what extent development capacities are available and relevant for us.

- 100 points** = separate development / testing department exists
- 50 points** = integrated order and test / development department available
- 1 point** = inadequate resources / not known

Cooperation Behavior 20%

The extent to which the supplier is interested in open cooperation is assessed.

- 100 points** = cooperation agreement concluded
- 50 points** = willingness to cooperate exists / open communication / quick responsiveness / supplier does preparatory work
- 1 point** = inadequate behavior / not known

Innovation Footprint 20%

The subjects of rating are the results of the supplier's innovative capability and technological development over the past ten years, also with regard to non tkre-relevant products.

- 100 points** = technology leader: publications, innovative products and processes, unique characteristics exist
- 50 points** = fast follower: technology / products / processes comparable to technology leader
- 1 point** = inadequate footprint / not known

Implementation of Innovations 20%

The extent to which the supplier is in a position to integrate innovations promptly into the production process for products that are of relevance to us.

- 100 points** = prompt implementation/ supplier does preparatory work (bears risk)
- 50 points** = adequately prompt implementation
- 1 point** = inadequate implementation / not known

Supplier Performance Rating criterion: Sustainability



The maximum achievable score is 100points in each sub-criterion. The sub-criteria are weighted in % to a main-criterion score.

Occupational Safety/ Load Securing 50%

- 100–91 points** = there is a management system for occupational safety, there is an own load securing manual, work clothing and behavior in the field of occupational safety are excellent, executed load securing is without any deficiencies
- 90–81 points** = work clothing and behavior in the field of occupational safety are excellent, executed load securing is without any deficiencies
- 80–61 points** = work clothing and behavior in the field of occupational safety are without deficiencies, load securing carried out must be partially objected and needs to be improved
- 60–41 points** = deficiencies have occurred during the evaluation period, which have led to a necessary, increased inspection effort
- 40 – 1 points** = serious deficiencies have occurred in the field of occupational safety and/or load securing

Environmental Protection 30%

- 100-91 points** = there is a management system for environmental protection; all vehicles used with combustion engine Euro 6 standard or better; In addition alternative engines such as natural gas and/or electric are used; or combined transports via rail transports are used
- 90-81 points** = all vehicles used with combustion engine Euro 6 standard or better
In addition alternative engines such as natural gas and/or electric are used; or combined transports via rail transports are used
- 80-61 points** = all vehicles used with combustion engine Euro 6 standard or better
- 60-41 points** = majority of the vehicles used are to Euro 5 and 6 standards
- 40- 1 points** = majority of the vehicles or Euro standard <=4

Energy 20%

- 100-91 points** = there is a management system for energy; all vehicles used with combustion engine Euro 5/6 standard or better; In addition alternative engines such as natural gas and/or electric are used; the consumption of the vehicles is monitored and there are actions to reduce the consumption
- 90-81 points** = all vehicles used with combustion engine Euro 5/6 standard or better; In addition alternative engines such as natural gas and/or electric are used; the consumption of the vehicles is monitored and there are actions to reduce the consumption
- 80-61 points** = all vehicles used with combustion engine Euro 5/6 standard or better
- 60-41 points** = majority of the vehicles used are to Euro 5 and 6 standards
- 40- 1 points** = majority of the vehicles or Euro standard <=4

Social

Covered by acceptance of the Code of Conduct.