

EUROVILDE PROCEEDS TO EVALUATE THE FOLLOWING SUPPLIERS:

- ✓ Raw materials – Leathers and Soles;
- ✓ Suppliers of subcontracted operations (cutting and sewing, complete footwear or assembly and finishing);
- ✓ Suppliers of shoe trees and cutters.

1. SUPPLIER EVALUATION OF LEATHERS AND SOLES

Whenever there is a supply, the reception registration **Mod.CMP.01 Stamp of Receipt of Raw Materials** is carried out, which allows that upon receipt of raw materials, Eurovilde evaluates and registers non-conformities concerning:

- ✓ **Delivery Date** (delay in delivery that affects compliance with the delivery deadline of the order),
- ✓ **Quantity** (amounts different from those expected and outside acceptable costs),
- ✓ **Quality** (characteristics of the material out of specification).

In addition to these, Complaints from customers directly attributable to the supplier of the raw material are evaluated (this calculation is registered in the **Complaint/Return Records**).

1.3 It is obtained periodically, in the spreadsheet **Mod.CMP.03 Supplier Evaluation** where the following is indicated for each supplier:

- ✓ No. of deliveries (obtained from the SI);
- ✓ No. of defaults, by type of default defined;
- ✓ The classification obtained based on the defined intervals.

The spreadsheet is filled in for suppliers with non-compliance situations.

For the remaining supplies, the supplier is considered to be “Qualified” (100% classification).

2. CLASSIFICATION OF SUPPLIERS OF LEATHERS, SOLES

Suppliers are classified, based on the average of the classifications obtained in all deliveries, compliant or non-compliant, in the period under analysis, according to the following table.

Requisição Nº _____	
Data de Entrega	<input type="checkbox"/> C <input type="checkbox"/> NC
Quantidade	<input type="checkbox"/> C <input type="checkbox"/> NC
Qualidade	<input type="checkbox"/> C <input type="checkbox"/> NC
MP: <input type="checkbox"/> Aceite <input type="checkbox"/> Devolvida	
Data: ____/____/____	
Rúbrica: _____	
Mod.CMP.01/01	

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Classification	Description
≥85	QUALIFIED SUPPLIER (consistent quality)
≥65 e <85	SUITABLE SUPPLIER, BUT WITH SMALL FAULTS
<65	RISK SUPPLIER

Table I – Classification of suppliers of Leathers and Soles

Information on the performance of suppliers of leather and soles is entered at periodic and review meetings by the management, and the need to take measures is evaluated and recorded in the minutes in case the supplier obtains a “Risk Supplier” classification, namely the exclusion of suppliers.

The management determines, on a case-by-case basis, the need to communicate to suppliers their rating and/or other information regarding their performance during the year.

3. EVALUATION OF SUPPLIERS OF SUBCONTRACTED OPERATIONS

The evaluation of the suppliers of subcontracted operations is carried out on an annual basis by performing an evaluation by the elements that monitor the performance of the subcontractors:

- One member of the management
- The person responsible for supplying and monitoring the subcontractors

The evaluation is carried out in ***Mod.CMP.04 Evaluation and Classification Suppliers Subcontracted Operations*** based on the perception that each element has of the performance of suppliers, with the possibility that there may be parameters that are not evaluated by all evaluators.

Parameters	Scale (%)
1.Time response/availability	30
2.Technical capacity to execute the models	30
3.Regularity in the quality of deliveries	30
4. Complaints	10

Table II – Parameters of evaluation of suppliers of Subcontracted products

RATING CRITERIA

Each of the evaluation parameters is scored on a scale from 1 to 3, considering the various aspects indicated below:

<i>Score</i>	
	a) Time response/availability
1	Systematic delay in responding to requests; lack of availability for urgent orders.
3	Excellent responsiveness; full availability for urgent orders.
	b) Technical capacity to execute the models
1	Only simple models can be executed.
3	Complex models are executed. When the sample is seen, the form of construction is correctly visualized.
	c) Regularity in the quality of deliveries
1	A product with quality problems is received at Eurovilde with some regularity. The quality controller finds serious problems at the supplier's premises.
3	The product received by Eurovilde has no problems. The quality controller does not detect serious quality problems at the supplier's premises.
	d) Complaints
1	Customer complaints attributable to the subcontractor.
3	No customer complaints attributable to the subcontractor.

The supplier rating is calculated as a weighted average of the ratings obtained. According to the number obtained, the supplier is classified into 3 classes, defined in the following table.

Classification	Description
≥85	QUALIFIED SUPPLIER (consistent quality)
≥65 e <85	SUITABLE SUPPLIER, BUT WITH SMALL FAULTS
<65	RISK SUPPLIER

Table III – Final Classification of subcontracted suppliers

Information on the performance of suppliers of subcontracted operations is entered at the annual review meeting by management, and the need to take measures is evaluated and recorded in the minutes in case the supplier obtains a “Risk Supplier” classification, namely the elimination of suppliers. Management determines on a case-by-case basis the need to communicate to suppliers their rating and/or other information regarding their performance during the year.

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4. EVALUATION OF SUPPLIERS OF SHOE TREES AND CUTTERS

The evaluation of suppliers of shoe trees and cutters is carried out on an annual basis by performing an evaluation by the elements that monitor the performance of these suppliers:

- ✓ CQ Responsible for receiving cutters (Development/Cutting manager)
- ✓ CQ Responsible for receiving shoe trees (Development)

The evaluation is carried out in **Mod.CMP.05 Supplier Evaluation Shoe trees and Cutters** based on the perception that each element has of the supplier's performance, with the possibility that there may be parameters that are not evaluated by all evaluators.

Parameters	Scale (%)
1.Time response/availability	40
2.Technical capacity to execute the models	30
3.Regularity in the quality of deliveries	30

Table IV – Parameters of evaluation of suppliers of shoe trees and cutters

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Parameters

Each parameter of evaluation is scored on a scale of 1 to 3, considering the various aspects indicated below:

<i>Score</i>	
	a) Time response/availability
1	Systematic delay in responding to requests; lack of availability for urgent orders.
3	Excellent responsiveness; full availability for urgent orders.
	b) Technical capacity to execute shoe trees and cutters
1	Only simple collections of shoe trees and cutters can be executed.
3	Collections with complex specifications are executed.
	c) Regularity in the quality of deliveries
1	Cutters and Shoe trees with quality problems reach Eurovilde with some regularity.
3	The cutters and shoe trees received by Eurovilde do not have any problems.

The supplier rating is calculated as a weighted average of the ratings obtained. According to the number obtained, the supplier is classified into 3 classes, defined in the following table.

Classification	Description
≥85	QUALIFIED SUPPLIER (consistent quality)
≥65 e <85	SUITABLE SUPPLIER, BUT WITH SMALL FAULTS
<65	RISK SUPPLIER

Table V – Final Classification of suppliers of shoe trees and cutters

Information of the performance of suppliers of shoe trees and cutters is entered at the management review meeting, and the need to take measures is evaluated and recorded in the minutes in case the supplier obtains a “Risk Supplier” classification, namely the exclusion of suppliers.

Management determines on a case-by-case basis the need to communicate to suppliers their rating and/or other information regarding their performance during the year.

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5. EVALUATION OF THE SUPPLIERS REGARDING SOCIAL, ENVIRONMENTAL AND QUALITY RESPONSIBILITY

Continuous improvement is one of the pillars of our Management system, and one of the fundamental points for this improvement is the partnership with our suppliers. Thus, raw material suppliers and subcontractors are evaluated within the scope of social, environmental and quality responsibility by signing the social and environmental responsibility commitment term (code of conduct for suppliers) provided by Eurovilde, as soon as they start their collaboration with the company or whenever there is an update in the respective document.

When a supplier does not sign the code of conduct, it is up to the administration of the company to decide on their exclusion as a Eurovilde supplier.

The Code of Conduct for Suppliers is used as a means of communicating the evaluation of suppliers, as well as the criteria defined on the company's website <http://www.eurovilde.pt/suppliers>