# Regulations

## SUPPLIERS EXCELLENCE AWARDS

## Year 2025

### Introduction

CNH is fully committed to delivering the best solutions to those dedicated to building a better world. To honor this commitment, it is necessary to have the best partners and processes to continuously maintain and improve the quality of our products.

Therefore, a partnership relationship with the supply chain is fundamental and directly contributes to CNH's strategic planning, with more competitive and innovative products, with the best possible quality and availability to meet our customers' demands, in the necessary quantity and deadlines. Aligned with this objective, the 2025 edition of the **Suppliers Excellence Awards** will recognize suppliers in Latin America who stood out last year in the following categories:

**By segment (Agriculture and Construction):**
Parts and Services
Commercial Relationship
Deliveries
Quality
Product Development

**All segments:**
Capex and Indirect Material
Services
Logistics Transport
(Manufacturing and
Replacement)
Sustainability

**Highlight Award:**
Supplier of the Year

Suppliers eligible to participate in this award are all those who, during the year 2024, had an APV (Annual Purchase Value) of at least US$ 300,000.00, considering all their units installed in Latin America. The evaluation of the categories will be based on the performance of each supplier unit/plant in the year 2024, with specific criteria detailed below.

They will be classified as: very dissatisfied, dissatisfied, satisfied, and very satisfied.

The evaluation will be carried out by the internal CNH team and each supplier unit/plant (code) will be considered.

To determine the company's final score, the average of all the supplier's units will be calculated, when they belong to the same group. After this calculation, the top three suppliers in each category will be identified.

In addition to aligning with CNH's operating strategy, it will be an opportunity to recognize the best suppliers in each category and segment.

These selected suppliers will participate in the award ceremony, where the best in each category will receive the Excellence trophy as recognition for their outstanding performance.

## RULES AND EVALUATION WEIGHT

| Score | Details | Weight |
|---|---|---|
| 0 | Not applicable evaluation or does not supply to the Plant | 0 |
| 1 | Very dissatisfied | -15 |
| 2 | Dissatisfied | -5 |
| 3 | Satisfied | 5 |
| 4 | Very satisfied | 15 |

### TIE-BREAKING CRITERIA

1st: Supplier that serves both segments of CNH.
2nd: Company (holding) that supplies the largest number of CNH units/plants.
3rd: Supplier with the highest number of active Purchase Orders/PNs for all CNH areas/units/plants.
4th: Supplier with the highest APV value in 2024.

Below are the details of the categories for this award.

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## Parts & Service

This category evaluates parts intended for replacement. The GSS (Global Supplier Scorecard) base will be considered to form the 5 criteria that will be evaluated this year, but not in all its complexity. Thus, for the 2024 evaluation, eligible suppliers will be observed under the following criteria: customer complaints, PPM, deliveries within lead time, quantity delivered according to schedule, and evaluation of the commercial relationship, which includes the competitiveness of replacement parts, the relationship, the quotation return time, and whether they have any performance contract in which the Parts & Service business is directly involved.

These KPIs are reported in the GSS and will also be used to determine the best suppliers in this category for the year 2024, always considering the criteria below:

- Customer Complaints
- Quality PPM
- Number of delays
- Performance – *Supplier Service Level*
- Commercial for P&S in Purchasing:
    . Competitiveness
    . Relationship
    . Quotation deadlines
    . *LTA* contract with P&S

**EVALUATORS:**
Quality, Operation, Planning, and Parts & Service CNH Purchases.

## Commercial Relationship

This category will evaluate the competitiveness of CNH suppliers and the commercial relationship in all segments of our company, through price comparisons between those practiced by the supplier and national and international market references. It also evaluates cost breakdown and CDW (Cost Drive Weight) openness, as well as coherence in negotiations, relationship and flexibility, generation of alternative proposals, and introduction of new technologies through the SUPER (Supplier Performance) program, in addition to agility in CNH Purchasing demands.

**EVALUATION:**
**- Competitiveness:**
This evaluation should be based on the price comparison between those practiced by the supplier and national and international market references, based on the supplier's cost breakdown forms, CDW, and/or LTA/Productivity agreements.

**- Commercial Relationship and Flexibility:**
Based on coherence in negotiations, flexibility, commercial posture, and the ability to present alternative proposals.

**- Response speed**
The number of quotations responded to within the expected deadline meeting the requested conditions, as well as the speed in meeting the demands involved in commercial interactions with CNH, will be evaluated.

**- Generation of proposals and Introduction of new technologies**
Based on the generation and introduction of new technologies by the supplier, aimed at optimizing product costs and competitiveness, through the presentation of innovative solutions and their internal organization for this purpose (dedicated area / event organization), as well as attending CNH invitations to leverage or discuss associated topics, demonstrating dedication and focus on the cause, including those from the SuPER program and registered by suppliers on the Supplier Portal. Proposals associated with business gains via SuPER are counted.

**EVALUATORS:**
- PCO (*Product Cost Optimization*)
- Direct Material Purchases
- Product Development Purchases
- *SQE* (Supplier Quality)

## Deliveries

This category evaluates the fidelity to the program to meet the production of our factories, considering anticipations and delays, as well as flexibility to program variations, accuracy in documentation issuance, and adherence of packaging to our establishments' processes.

**EVALUATION:**
- *Delivery Performance* – Delivery performance (meeting the delivery program for each plant in the region)
- Documentation accuracy (discrepancies between physical and accounting – *SPOT Check*)
- Flexibility (response time to demand variations)
- Best packaging (quality, adherence to CNH process, adequate *QME*)
- Impacts due to disruptions (line stops, mix changes, and urgent transports)

**EVALUATORS:**
- Logistics of all plants
- Procurement
- PP&C

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## Services

This category will evaluate suppliers who delivered material, equipment, and/or services for IT, Engineering, HR (benefits and general services), cleaning and conservation, utilities, travel, events, marketing and advertising, various rentals, consultancies, and logistics services (except cargo transport), among others:

- **Effectiveness:** Met the requirements defined in the requested quotation, with cost breakdown when necessary, within the deadline and with the expected quality.
- **Flexibility:** Demonstrated flexibility in negotiations and met all modifications requested during this process and even after being contracted.
- **Innovation:** Presented different and innovative solutions to improve the performance and/or cost of the product/service, whether during the contract term or during the negotiation.
- **Deadline:** The delivery of the contracted products/services occurred within the agreed deadline in the negotiation.
- **Quality:** The quality of the contracted products/services was in accordance with the Technical Specification and approval in the negotiation, avoiding rework of the delivered items, as well as ensuring after-sales assistance when necessary.

**EVALUATORS:**

- Service Purchases
- Requesters and contract

## Capex & Indirect Material

This category will evaluate suppliers who delivered equipment, materials for industrial consumption and maintenance, facilities services, devices and equipment for production and testing lines, *MRO*s, among others:

- **Effectiveness:** Met the requirements defined in the requested quotation, with cost breakdown when necessary, within the deadline and with the expected quality.
- **Flexibility:** Demonstrated flexibility in negotiations and met all modifications requested during this process and even after being contracted.
- **Innovation:** Presented different and innovative solutions to improve the performance and/or cost of the product/service, whether during the contract term or during the negotiation.
- **Deadline:** The delivery of the contracted products/services occurred within the agreed deadline in the negotiation.
- **Quality:** The quality of the contracted products/services was in accordance with the Technical Specification and approval in the negotiation, avoiding rework of the delivered items, as well as ensuring after-sales assistance when necessary.

**EVALUATORS:**

- Indirect Materials & Capex
- Requesters and contract managers

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# Quality

This category evaluates the quality performance of CNH suppliers in all business units of our company in Latin America, through the quality indicators of our plants and the field performance of parts assembled in CNH Customer machines.

These KPIs are reported in the *GSS*, generating the official Quality index, and will be used to determine the best suppliers in this category for the year 2024, always considering the criteria below:

- **PIQ:** Evaluates the achievement of quality objectives in CNH Plants, and whether the Quality evolution shows an improvement trend.
- **CSL**: Verifies whether it was necessary to open controlled shipments – CSL's – during the evaluated year.
- **Quality during development:** Verifies whether it was necessary to open any Product Integrity Report – *PIR* – of supplier responsibility during the evaluated year.
- **Field Quality Performance:** If there were quality failures in Customer machines that generated *CPM* – Current Product Management – arguments or the need to open field campaigns.

**EVALUATORS:**

- Quality of all plants
- Product Quality in the Field (CPM)
- SQE (Supplier Quality)
- SWR (Warranty)

# Product Development

This category will evaluate the participation of CNH suppliers in managing new product development processes or modifications to current products, within appropriate deadlines, at the lowest possible cost/investment, with clear technical information to meet production volumes.

**EVALUATION:**

- Has a local technical team/engineering center with the independence to make technical decisions about regional products.
- Sought to openly collaborate with CNH to address product/market needs.
- Proposed technical or innovative solutions focused on the local market (cost/customer requirements/environment).
- There was a partnership in the development of new items with the Purchasing Development team.
- Made investments in new technologies (automation) for productivity gains.

**EVALUATORS:**

- Product Engineering
- PDP (Product Development Purchasing)
- Direct Material Purchasing
- Launch (New Product Launch Logistics)
- SQE (Supplier Quality Engineering)

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# Logistics Transport

This category evaluates partner companies for cargo transport services, using CNH's official indicators as a basis. For cargo transport (parts or equipment) for the Manufacturing area, the *CQI (Contract Quality Index)* is used, which is a methodology established by the Transport Department to measure the level of compliance with the main technical conditions.

For parts transport for the Replacement (Parts & Service) area, specific indicators for this business characteristic for the year 2024 will be used.

In addition, the Purchasing team will evaluate the partnership, competitiveness, and commercial flexibility of our eligible suppliers..

**EVALUATION:**

**- Manufacturing (Inbound and Outbound)**

- *On Time Delivery*
- *Visibility*
- *Transport Claims*
- Commercial Effectiveness (Met the requirements defined in the contractual negotiation and tariff reviews).
- Commercial Flexibility (Demonstrated flexibility in negotiations according to available conditions and scope from CNH).

**- Replacement (Parts & Service)**

- *On Time Delivery*
- EDI/*Performance*
- Billing
- Commercial Effectiveness (Met the requirements defined in the contractual negotiation and tariff reviews).
- Commercial Flexibility (Demonstrated flexibility in negotiations according to available conditions and scope from CNH)

**EVALUATORS:**

- *Transportation (Inbound e Outbound)*
- Parts & Service Operations
- Logistics Transport Purchases

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## Supplier of the Year

This is the main category of the award and summarizes all the others, in which the supplier with the highest score, adding all the criteria and segments, will be recognized as Supplier of the Year. In case of a tie, the Commercial Partnership category will be the defining criterion for the winner in this category.

**EVALUATORS:**
There are no specific evaluators for this category, as the results of all the others will be considered.

## Sustainability

CNH also values commitment through sustainability and responsible growth. To recognize our partners' sustainable actions, the Suppliers Excellence Awards has a special category related to Sustainability.

Strategically thinking, we understand the concept of Sustainability as efforts and values associated with Social and Environmental Responsibility projects. It is worth noting that Diversity and Inclusion, Health and Safety projects are encompassed within these pillars.

**EVALUATION:**
As it is a differentiated category, whose evaluation depends on a specific project presented and registered by the supplier itself, the Sustainability category has a dedicated regulation that can be found at: www.excellenceawards.com.br/regulamento

## General Considerations

All exceptions, doubts, and discussions inherent to the Suppliers Excellence Awards regarding its rules will be evaluated, shared, and decided by an Evaluation Committee formed by:
- Organizing team
- Purchasing
- Legal
- Compliance
- Executive Committee of CNH

This Regulation applies to CNH companies in Latin America and may be modified at any time without prior notice.

Participation and awarding in this event do not guarantee the supplier special benefits in the commercial relationship and/or with any other CNH department.