

SUPPLIERS MANUAL


REVISIONS TABLE

Ver.	Date	Scope of Revision / Observations	Prepared by	Approval
0	21.09.2012	New edition of the Supplier Manual	Cristina Moreira	Cristina Moreira
1	12.03.2013	Amendment to the Supplier assessment model	Estefânia Silva	Cristina Moreira
2	30.12.2013	Revision of the Purchase/Product Families and the Supplier assessment model	Estefânia Silva	Jorge Brandão
3	22.05.2014	Revision of the requirements and the Supplier assessment model	Estefânia Silva	Jorge Brandão
4	01.03.2015	Removal of Annex 2, other corrections	Jorge Brandão	Jorge Brandão
5	06.02.2018	General revision	Paulo Gonçalves	Luísa Gomes
6	04.05.2018	Revision of the points 3 and 5	Paulo Gonçalves	Luísa Gomes
7	03.03.2020	Revision of the point 2.1 and Annex 2	Paulo Gonçalves	Luísa Gomes
8	26.04.2021	Revision of the point 5.	Paulo Gonçalves	Luísa Gomes
9	19.05.2021	General update. Including VDA requirements	Paulo Gonçalves	Luísa Gomes
10	01.07.2022	Update on Annex II	Paulo Gonçalves	Luísa Gomes
11	31.08.2022	Removal the Annex I and II from the Manual	Paulo Gonçalves	Luísa Gomes
12	06.07.2023	Update point 3.1.1	Paulo Gonçalves	Luísa Gomes
13	01.02.2024	General revision	Paulo Gonçalves	Luísa Gomes

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INTRODUÇÃO

We are an industrial company with product and process development and supplier of seats and metallic components mainly for the transport sector – automotive industry, railway industry, bus industry.

We want to contribute with efficient and innovative solutions to strengthen our customers' strategy, and thus promote the company's sustained and profitable growth, and the well-being of all those involved in this collective project.

In order to fulfill our mission and achieve the total satisfaction of our customers in terms of quality, service and costs, we want to develop strong and lasting relationships with our suppliers, on whom our performance significantly depends.

With this manual we intend to manage the partnership with our suppliers, in order to standardize the approach to product development, promoting involvement and communication and thus achieving the goals we set ourselves.

The Suppliers Manual sets out the requirements, policies and procedures adopted by SUNVIAUTO for the selection and management of the panel of suppliers and forms part of our general purchase conditions, with which SUNVIAUTO suppliers must commit, unless otherwise specified in the contract.

1. SCOPE

The requirements established in this manual apply to the Suppliers of Products, processes and services purchased which form part of the product and or service provided by SUNVIAUTO to its customers.

2. PURPOSE

Select suppliers with the best quality and service performance and, consequently, costs, thus creating relationships of trust and mutual benefit that promote the sharing of business development and growth.

This manual enforces the terms and conditions of SUNVIAUTO Purchase orders. The contract formalizes the supplier's agreement with this manual.

The specific requirements of the products you purchase are defined in the drawings, specifications and other technical documents associated with the product.

3. DEVELOPMENT AND SELECTION OF PANEL SUPPLIERS

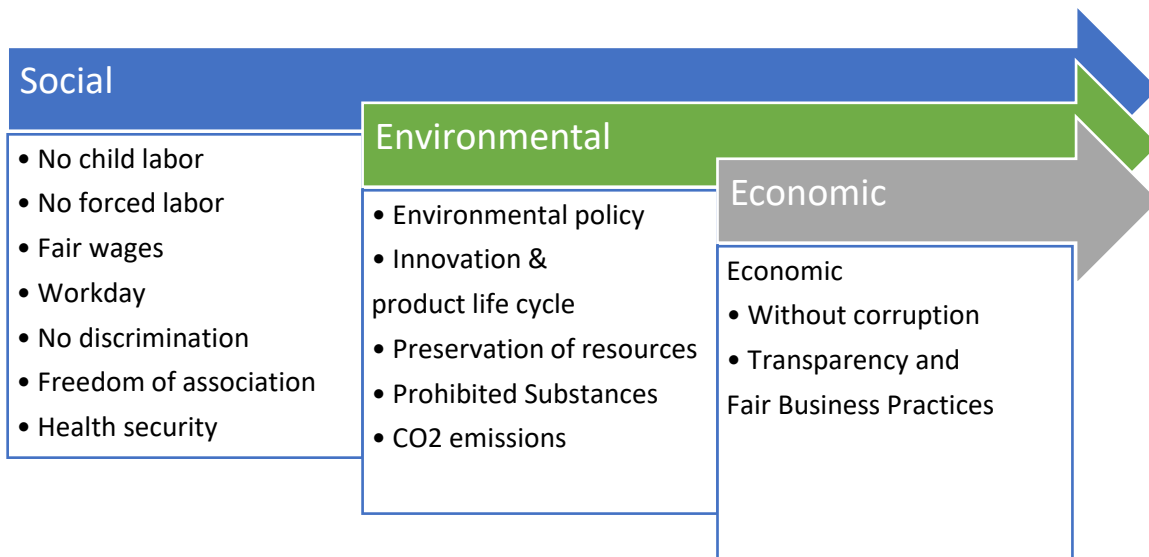
The supplier will be integrated into the supplier panel when it meets the requirements established as selection criteria established by SUNVIAUTO.

3.1. General requirements

3.1.1. Corporate responsibility – SOCIAL, ENVIRONMENTAL AND ECONOMIC

SUNVIAUTO considers social and environmental responsibility to be fundamental for the sustained growth of the business, which is why our suppliers are required to commit to the same values, establishing policies and codes of ethics and conduct, as well as complying with legal and regulatory requirements in terms of environment, hygiene, health and safety related to its activity.

SUNVIAUTO's suppliers must comply with the GENERAL PURCHASE CONDITIONS – SUPPLIERS SUSTAINABILITY, Sent with this Manual.



3.1.2. SUPPLIER QUALITY SYSTEM

Suppliers of productive material must preferably be certified by accredited entities, provided that:

- Minimum, ISO 9001 for suppliers of productive material intended for Automotive customers with IATF 16949 and/or VDA requirements, and Rail customers with ISO/TS 22163 requirements unless there is another agreement with the customer
- Minimum, ISO 9001 for approved Panel supplier

ISO 14001 – Environmental Management System and OHSAS 18001 – Occupational Health and Safety Management System, ISO 27001 and/or TISAX are also recognized.

3.2. Selection Criteria

- a. Stable financial situation
- B. Know-How and Resources
- ç. Technical and project management capacity
- d. Compliance with specific, legal and regulatory requirements
- and. Innovation capabilities
- f. Overall company strategy
- g. Financial independence of SUNVIAUTO
- H. Result of self-assessment and audits (ISO/IATF/IRIS/VDA benchmarks)
- i. Sub-vendor development and selection system
- j. Additionally, when required, the supplier must have a PSCR contact (Product Safety Representative)

Once integrated into the panel, the selection for award considers the supplier's performance (quality, costs and service) which is continuously reviewed, and with the following conditions:

- Supplier evaluation result (Quality & Service)
- Quality Program (PPA)
- Productivity (price index) and payment terms and consignment stock
- Media costs - may be additional criteria

The supplier must be available for an audit by SUNVIAUTO when requested for the development and follow-up of its quality system. It must also be available if the SUNVIAUTO customer requests an audit of the supplier.

The supplier panel is updated whenever necessary, namely by the result of periodic assessments, by the volume of invoicing or by the certification of the quality system.

3.3. PRE EVALUATION

To integrate the supplier panel, SUNVIAUTO may request a preliminary assessment audit within the scope of the QMS or process in order to validate compliance with ISO 9001, IATF 16949, ISO/TS 22163, VDA 6.3, specific customer requirements and others applicable as set forth.

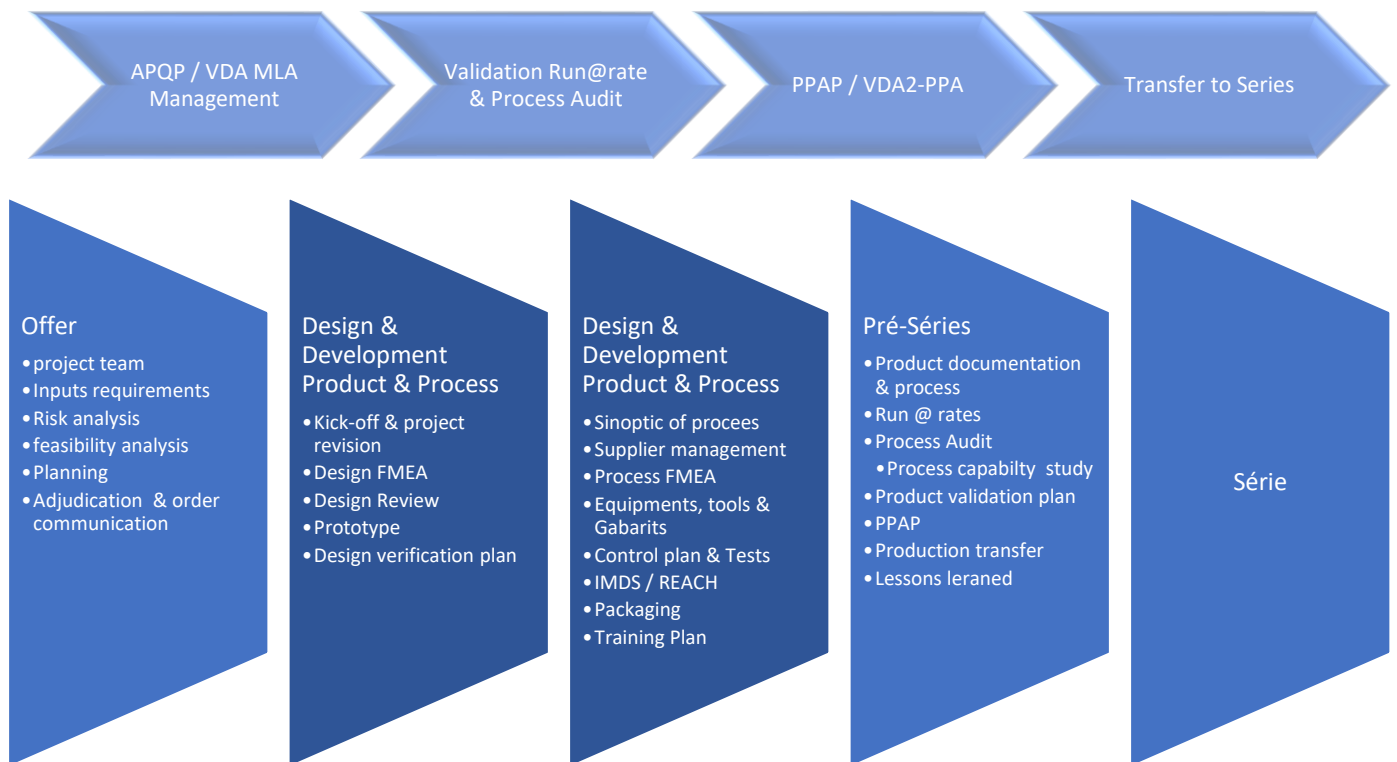
4. PROGRAM QUALITY REQUIREMENTS - PRODUCT / PROCESS DEVELOPMENT

For the quality of the final product, the product / process development phase is decisive, so SUNVIAUTO considers it essential that its suppliers carry out their planning and management.

4.1. Product Quality Planning

The Supplier shall preferably use the APQP (Advanced Product Quality Planning) Reference for product / process development, or when required the MLA (VDA - Maturity Level Assurance). A plan must be prepared and maintained for all key phases and deadlines required by the client. The content of the planning depends on the level of complexity and risk analysis, and management and monitoring must be carried out.

which generally breaks down into 4 main steps:



Other automotive industry tools such as MSA (Measurement System Analysis) or VDA 5 (Capability of Measurement Processes), SPC (Statistical Process Control) and other VDA benchmarks should be used according to customer requirements.

4.2. Initial Samples

To supplier is asked for the Production Parts Approval Process (PPAP or VDA 2, according to the customer's requirement) of the purchase product, establishing the required level of submission.

The submission of initial samples must be done in accordance with what is established in the required references, at least:

- New or modified products
- New or modified processes / means

Initial Samples must be submitted in compliance with established requirements and deadlines, as well as identified, properly packaged and accompanied by reports that ensure compliance with specifications, including, but not limited to:

- Dimensional results
- Test and trial results
- Material certificate
- REACH Declaration
- IMDS registration or declaration of compliance with directive 2000/53/EC and list of materials for restricted use
- Product Safety Data Sheet
- When applicable, declaration of use of fumigated pallets

As a result of the initial sample approval process, the following statuses may occur:

- o **Approved:** The product meets all specifications and requirements. The supplier is authorized to ship its production according to the quantities established in the delivery schedules.
- o **Conditional Approval:** The product is conditionally accepted under a time or quantity derogation, and the supplier must take the necessary measures to comply with the established requirements and, within the agreed period, submitting new samples and the respective initial sample approval process

Conditional approval must be signed by Quality Engineer SUNVIAUTO and is only granted if the product is acceptable and whenever the supplier has clearly identified the cause of the deviation that prevents approval and the corresponding Action plan approved by SUNVIAUTO.

- o **Rejected:** Initial samples and/or requested documentation do not meet SUNVIAUTO requirements. The supplier must implement the necessary actions and submit new samples and the respective documentary process for approval.

Production parts approval records (PSW's or equivalent), as well as production records, will be kept at the supplier's premises, and will be available to SUNVIAUTO when required during the following periods of time:

- a) Safety and Regulatory Products: 15 years
- b) Remaining products: 5 years
- c) Other periods established in the contract depending on specific customer requirements

4.3. Warranty

The supplier must ensure the supply of materials during the contractually established replacement and warranty period, as well as be responsible for the treatment of non-conformities and respective costs when charged during the same period.

Field failure analysis must be performed in accordance with the VDA FFA for customers with VDA requirements.

4.4. Supply Chain – sub-suppliers

Each SUNVIAUTO Supplier is responsible for the control and continuous improvement efforts of its Sub-Suppliers, who MUST also implement and document the appropriate controls.

SUNVIAUTO Suppliers MUST require their sub-suppliers to comply with the requirements specified in this manual.

SUNVIAUTO and, if applicable, its customer, reserve the right to Visit/Evaluate sub-suppliers, when necessary.

4.5. Tools and gauges

The tools of the supplier owned by SUNVIAUTO or its CUSTOMER must be properly identified with the Property and the code and must be preserved and the supplier is responsible for the correct maintenance of the Mean.

5. SERIAL PRODUCTION

During series production, the supplier's performance is monitored using the SUNVIAUTO Indicators:

- Quality incidents
- PPM
- Service performance

5.1. Requalification

The scope of requalification provides for a layout inspection / dock audit or must correspond to the product / process approval, unless otherwise agreed with the customer.

Parts with S/R characteristics must be requalified every 12 months. The result of the requalification must be archived by the supplier and made available to the customer. In case of deviations, the customer must be informed immediately.

The need for requalification is established with the supplier in the development phase.

5.2. Audits

The supplier must carry out system, process and product audits every 12 months in accordance with applicable benchmarks (ISO 9001, IATF 16949, IRIS, VDA).

In product auditing, the scope of testing must be defined with Customer Quality in the design phase and adjusted according to complaints and/or modifications.

The supplier must be available to carry out an audit by SUNVIAUTO when requested to develop and monitor its quality system and process performance and product quality. It must also be available if SUNVIAUTO's client requests to carry out an audit of the supplier in accordance with the applicable references (ISO 9001, IATF 16949, IRIS, VDA).

In the case of TLD audits for customers with this requirement, these are carried out every 12 months and must be validated by the PSCR.

5.3. SUPPLIES

5.3.1. DELIVERIES

Products must be properly identified with the Part Reference, Designation, Engineering Index, Pack Quantity and Batch No. to ensure traceability.

Special Lots - prototypes, initial samples, new indices, parts under derogation, 100% controlled parts, 1st delivery after claim (BIQ) or other requested, must be identified with an A5 label indicating the respective situation and attention of Purchases.

➤ PACKAGING AND LOGISTICS

The delivery of materials must comply with the defined conditions – packaging, identification, quantity.
The supplier must guarantee the traceability of the delivered material. Screened or reworked material must be traceable.

SUNVIAUTO has EDI, preferential flux with its suppliers.

5.4. TREATMENT OF NON-CONFORMING PRODUCT

Whenever Nonconforming Product from suppliers is identified, SUNVIAUTO immediately informs the supplier, issuing a BIQ – Quality Incident Bulletin.

Upon receipt of the claim, the Supplier must:

- Establish a containment plan and send it to SUNVIAUTO within 48 hours.
- Indicate the reason and the cause that gave rise to the defect.
- Establish the necessary corrective actions to prevent its recurrence and send it to SUNVIAUTO within a maximum period of 5 days.
- Submit an Action Plan, identifying the causes (Ishikawa, 5 Whys, Pareto Diagrams, or others) and the respective actions to eliminate the Non-Conformity, with those responsible and deadlines. Preferably use the 8D methodology.
- The supplier must review the FMEA to avoid repeating the defect – Lessons Learned
- Identify and send the 1st corrected submission to the Supplier Quality Manager's attention.

Additionally, the cost of non-conformities caused by the product it supplies will be charged to the supplier according to the extent of the supply chain.

i) If the Non-conformity is detected before the use of the product by SUNVIAUTO, it will be rejected and segregated for return, and the supplier must collect it within 5 days and immediately replace the material. If the supplier decides to carry out sorting, this shall be at its own responsibility and burden.

ii) If the detection of Non-Conformity is in the process of manufacture, and before shipment, the supplier, in addition to the obligations referred to in the previous item, will be liable for the costs arising from the rework or repair of the non-conforming product.

iii) If the detection of Non-Conformity is in the customer or end user. the supplier, in addition to the obligations mentioned in the previous items, will be responsible for all costs, direct or indirect, incurred by SUNVIAUTO in its facilities, its customer or the end user.

The costs associated with claims to be charged to suppliers include materials, transport, labor (sorting and rework/repairs), travel, or subcontracts necessary to respond to non-conformities.

All costs arising from SUNVIAUTO's customers as a result of quality claims or logistics under the supplier's responsibility, as long as their responsibility is proven, will be charged in full.

5.4.1. QUALITY WALL - CONTAINMENT ACTION

It is Sunviauto's requirement to implement additional inspection to screen for non-conforming material while implementing the problem resolution process, including root cause analysis. This request is requested in the course of quality incidents.

Level I

- Additional inspection of the supplier's responsibility at its premises separate from the normal production process

Level II

- Inspection conducted by a third party (selected by SV and paid for by the supplier) outside the supplier's premises.

5.5. TREATMENT OF NON-COMPLIANT SERVICE

Non-compliance with the delivery deadline, wrong quantity, wrong reference, lack or error of shipping documentation, wrong or damaged packaging, or other non-compliance with a specific, legal or regulatory requirement applicable is considered non-conforming service. In these cases, the Logistics Department issues a Logistics Incident to the supplier, who must respond within 24 hours by implementing the respective actions, with all associated costs being charged.

6. EVALUATION
6.1. PRODUCTIVE SUPPLIERS

The productive suppliers of Raw Materials, Components and Subcontracts are periodically evaluated based on criteria to determine the quality index (IAQF) and logistic index (IALF) to determine the global index (IAGF).

➤) SUPPLIER GLOBAL ASSESSMENT INDEX (IAGF)

$$IAGF = IAQF + IALF$$

IAQF - Qualidade		IALF - Logística	
Criteria	Peso	Criteria	Peso
Certified Quality System	10%	IL - No. Incidents	15%
PPM	25%	Service Fee	20%
BIQ - No. Incidents	25%	Urgent Transport	5%

After a weighted evaluation of the different criteria, the global evaluation is obtained acting according to the supplier classification table (3.3), informing the supplier of the result obtained in the evaluated period, at least every 12 months.

6.2. Supplier Assessment Rating

Valor IAGF	Classificação	Avaliação	Ação
Between 95,0 and 100	A	Suitable supplier	No actions
Between 85,0 and 94,9	B	Consistent Supplier	The supplier must implement improvement actions to achieve the A rating
Between 75,0 and 84,9	C	Inconsistent	The supplier must send a corrective action plan to be implemented to improve its rating within 6 months.
Below 75	D	Unsuitable supplier	The supplier must send a plan for corrective actions to be implemented to improve its rating within 6 months, otherwise actions will be taken to replace it.

6.3. Escalation in case of low performance

Depending on the impact on SUNVIAUTO's performance, underperforming suppliers are re-assessed and/or audited, with the matter escalated to Management according to the level of impact.

7. CRITERIA FOR CLASSIFYING SUPPLIERS AS TO THE TYPE AND EXTENT OF CONTROL

The type and extent of control of external suppliers of products, processes and services is applied according to the analysis of established risk criteria, namely type of certification, performance assessment and markets where it operates. According to this assessment, the scope of control may include, in addition to the Reception inspection, results of periodic requalification and 2nd party audits.

8. PURCHASE CONDITIONS

The General Purchase Conditions are in force, provided that no other particular specification is specified in writing within the orders or contracts issued by SUNVIAUTO.