Supplier Performance and Recognition

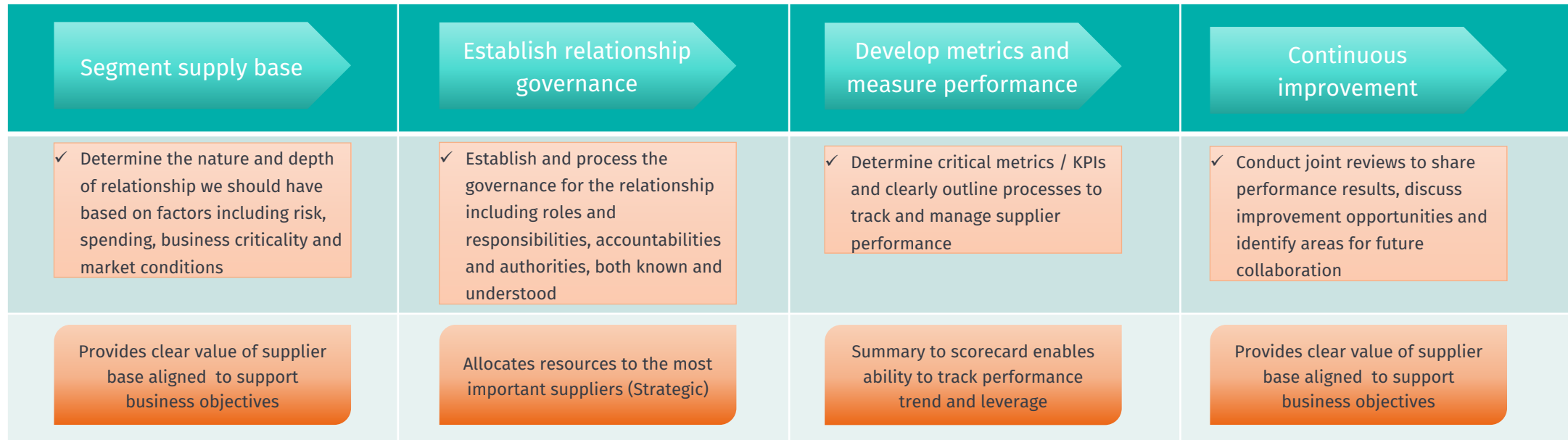**Suppliers play a significant role in our business.**

Management of performance and development of capabilities results in reduced cost, observed improvements, and innovation in products and/or services.

Supplier Performance Management (SPM) Framework=

A systematic approach to the way we manage our suppliers.

Supplier Performance Management Framework

HERE Technologies uses an enterprise-level framework for effectively measuring and managing supplier relationships with HERE, resulting in increased quality and reduced risk and costs.

Segment supply base	Establish relationship governance	Develop metrics and measure performance	Continuous improvement
✓ Determine the nature and depth of relationship we should have based on factors including risk, spending, business criticality and market conditions	✓ Establish and process the governance for the relationship including roles and responsibilities, accountabilities and authorities, both known and understood	✓ Determine critical metrics / KPIs and clearly outline processes to track and manage supplier performance	✓ Conduct joint reviews to share performance results, discuss improvement opportunities and identify areas for future collaboration
Provides clear value of supplier base aligned to support business objectives	Allocates resources to the most important suppliers (Strategic)	Summary to scorecard enables ability to track performance trend and leverage	Provides clear value of supplier base aligned to support business objectives

Supplier Performance Management Benefits

Adhering to an SPM program provides HERE and our Suppliers with quantifiable benefits:

HERE

- Improved Supplier Performance
- Increased Leverage, Efficiencies
- Agile Labor Models
- Mutual Collaboration and Innovation

Suppliers

- Improved Communication, Planning with HERE
- Performance Driven
- Clear Goals & Objectives
- Opportunity for Future Growth

Supplier collaboration and recognition

Overview

Program objective

Supplier award programs not only give companies a chance to honor their key supply chain partners, they also provide a forum for reinforcing company best practices and serve to instill loyalty in the supply base. These programs also provide an opportunity for suppliers to learn about HERE's vision, including roadmaps for the current year and beyond

Implementing a well-planned collaboration and recognition program has many benefits.

- According to a recent study of 600 publicly traded winners of corporate supplier awards and independent quality awards, award winners on average achieve measurable, statistically significant gains.

- Even when a supplier award is based on subjective analysis, simply receiving feedback motivates suppliers to make further improvements with HERE.

- Over time, supplier awards programs grow to objectively measured goals and outcomes.

Supplier collaboration and recognition

High-level criteria

Suppliers who demonstrate distinction also have the following features:

- Strategic fit
- Communication
- Relationship management
- Consistent delivery
- Responsiveness
- Contractual compliance
- Innovation
- Cost savings
- Commitment to quality
- Customer satisfaction

Sourcing will identify suppliers who demonstrate the following strategic principles:

- Cooperative – drives excellence, highly responsive, available, low maintenance, flexible, robust continuous improvement
- Competent – the organization, its people or its process is competent; strong & diverse in their capabilities; high quality & delivery (on-time delivery in full) metrics, lead time reduction effort
- Competitive – best cost, may provide year-over-year cost reductions, accepts standard payment terms
- Compliant – supplier development, robust quality system, strong quality performance, dedicated quality resources, effective Business Continuity Plans

Supplier collaboration and recognition

High-level criteria

Collaboration with HERE teams

- Agree on nominees
  - Sourcing will provide shortlist of candidates to business leaders
  - Teams will choose top vendors from shortlist
  - Panel of internal judges will pick winners by category