

MANUAL

Title: SUPPLIERS MANUAL

Document Number and Version: MN_002 - V.6

Phase: Current

Prepared by: Jaqueline Paiva De Lima Bernardes

Creation Date: 04/05/2024

1. INTRODUCTION

This manual is intended to guide all Metalfrio suppliers on the processes and minimum requirements of our Quality and Environment system. At the same time, through this, establish Communication on social responsibility on Sustainable Purchasing practices, according to the ABNT NBR ISO 26000:2010 guideline.

As it is an important communication channel between Metalfrio and its Suppliers, this Manual must be used by all companies that wish to be or are already part of Metalfrio's group of regular suppliers.

As a guide to fully comply with the expected Quality standards, this Manual contains the general supply conditions, evaluation systems and methods used for monitoring the performance of each supplier.

Metalfrio's main objective of Quality is to guarantee the permanent satisfaction of its customers, respecting legal and environmental legislation, and for this reason we want our suppliers to seek constantly strive for continuous improvement to meet and exceed the expectations and requirements of this Manual.

2. OBJECTIVES

The main objective of this Manual is to guide and clarify quality processes and requirements necessary to Metalfrio suppliers.

All Metalfrio suppliers **must**:

- Implement and maintain systemic and appropriate controls that guarantee supply on time and in compliance with specified requirements.
- Implement and maintain a Quality and Environmental system that meets and supports the requirements of Metalfrio.
- Maintain traceability of batches of items supplied to Metalfrio for a period appropriate to the guarantees established.
- Provide technical assistance in a timely manner, especially in emergency situations and respond to requests for action plans within the stipulated deadlines.
- Plan investments and technological solutions for continuous improvement of processes and products provided in addition to using appropriate statistical techniques to reduce process variations and increase quality.
- Respect compliance with all legal, social and environmental requirements applicable to your operation.
- Define and monitor compliance with implicit technical specifications of supplied items that are not documented or not reported by Metalfrio.
- Comply with the General Supply Conditions and Code of Ethics and Business Conduct - Suppliers.

3. SUPPLIER APPROVAL

The process for Selection, Evaluation, Reevaluation and Monitoring of suppliers follows the following steps:

- Selection, choice of supplier;
- Evaluation of the quotation;
- Pre-Assessment of the supplier's facilities and structure;
- Quality Assessment (Process Audit / Intertek Audit);
- Environmental Assessment (for critical suppliers in terms of environmental impact);
- Financial Assessment;
- Sample Approval (PPAP);
- Approval of Pilot Batch;
- Agreement with the Supply Contract (General Supply Conditions / Quality Agreement, and with Metalfrio's Sustainable Purchasing Policy).

3.1 QUOTE EVALUATION

All quotation requests must be sent through the RFQ (Request for Quotation) with your respective documents and information (technical drawing, MTF standards (when applicable), packaging specification etc.), will be supplied by Metalfrio's Supply / DNI sector. If these documents and/or Information are not clear or require corrections, the supplier will be responsible for immediately requesting clarification and/or corrections with Metalfrio.

The supplier is expected to deliver quotations on pre-established dates and respecting the minimum requirements of requests for required information.

All documents and information, such as technical drawings, manuals, images, etc., of which Metalfrio owns the copyrights, are and will remain its property, these documents being confidential and not may be passed on to third parties without the prior written authorization of Metalfrio.

The supplier will be responsible for the feasibility of the item quoted, including the possibility of production on series conditions, according to specifications/standards, with the required process capability, and aspects of packaging, logistics, quality, deadlines, costs, etc.

Once the quotation is received, after evaluating its commercial competitiveness and if it is of interest to Metalfrio, it is scheduled visit to evaluate the supplier's factory and production process. This assessment is carried out by the areas of Quality of Suppliers, Supplies and Metalfrio's DNI

3.2 SUPPLIER PROFILE ASSESSMENT

When necessary, the supplier profile (production capacity, etc.) will be evaluated using forms specifications sent to the supplier at an appropriate time, with Metalfrio's Supply and/or DNI areas being the responsible for requesting and sending forms. Return of the report completed with the information relevant must occur within a period of five (5) days, except when another period is agreed with Supplies /DNI from Metalfrio.

3.2.1 CONSTRUCTION & MAINTENANCE OF TOOLS

When the development of new tools is necessary, the following information must be sent to the Metalfrio's DNI / Supplies area:

- Price;
- Commercial conditions such as (taxes included or excluded);
- Payment method;
- Production deadline;
- Shipping;
- Packaging.

The deadline for responding to information on tooling development must respect the agreement between Supplier and DNI / Supplies area of Metalfrio.

Metalfrio reserves the right to inspect its tools at suppliers through specific tool monitoring audits.

Note 1: Tools owned by Metalfrio must only be manufactured or refurbished based on technical tool specifications and with the approval of Metalfrio's DMP, DNI / Supplies and ENG areas.

3.3 QUALITY & ENVIRONMENTAL ASSESSMENTS

Every Metalfrio supplier for production items must go through the Quality and (Mean Environment only for critical suppliers).

Regardless of whether the supplier has ISO 9001:2015 or ISO IATF 16949:2015, ISO 14001 certifications Metalfrio reserves the right to evaluate and re-evaluate its suppliers through an audit to be carried out "on-site" by a third party company or by those responsible for quality at Metalfrio suppliers.

The costs incurred for the approval audit to be carried out by the third party company on behalf of the Metalfrio will be the responsibility of the supplier.

The supplier must allow the auditor (representative of the third party company / Metalfrio) to access all units operational areas, laboratories, warehouses and documents relevant to completing the audit, except in cases of restrictions by the supplier motivated with the aim of safeguarding their industrial "secrets", which will be analyzed by Metalfrio.

It is important to highlight that the supplier may be approved and released for supply only within the scope of evaluated manufacturing, that is, processes and products not considered in the initial scope are not part of the evaluation of release, therefore considered not approved.

Note 2. Materials supplied to Metalfrio without the due approval process and approval will be considered subject to return to the supplier by Metalfrio.

CRITERIA FOR SUPPLIER EVALUATION

- New supplier;
- Significant changes to the process/or change of supplier location;
- Temporary disqualification of the supplier (low quality performance);
- Request from Metalfrio customers;

The supplier will be notified of the result of the evaluation/audit within 15 working days from the day of carrying out the audit.

When applicable, the supplier will be required to send an action plan with the recommended adjustments within 10 days. (from the day the report is sent)

CRITERIA FOR SUPPLIER REASSESSMENT

The supplier reassessment process will follow the same criteria as the initial approval process.

The frequency for reevaluating suppliers follows the following periodicity:

- **Biennial Audits:** Companies that obtain a score < 80%, or without certification.
- **Exempt Suppliers:** Companies that obtain a score ≥ 80%, with ISO 9001, IATF 16949 certification or equivalent.

***Note 3:** Suppliers that qualify as exempt for reassessment audit will have their reassessment carried out through certificate control.*

***Note 4:** Suppliers with ISO 9001 and IATF 16949 certifications will be considered exempt of the reevaluation process, as long as the items to be supplied to Metalfrio are within the scope covered by external certification.*

***Note 5:** For (discontinued) or (temporarily disqualified) suppliers, it will be The same evaluation criteria are required for new suppliers.*

RESPONSIBILITY AND ENVIRONMENTAL REGULATION

Suppliers must have a process to ensure compliance with all environmental requirements applicable, including those related to the handling, recycling, elimination or disposal of waste and materials dangerous. This can be evidenced by appropriate certificates or letters of compliance. In light of this, the The supplier is obliged to provide all applicable documentation mentioned in procedure MTF_GI_011 – REGISTRATION OF SERVICE PROVIDERS, which is attached to this manual.

It is desirable that Metalfrio suppliers are ISO 14001 certified. Part of the legal requirements will be evaluated in the approval audit to be carried out by the third party company or the quality representative Metalfrio suppliers.

In cases of environmentally critical suppliers (criteria below), Metalfrio reserves the right to carry out specific environmental audits at any time.

ENVIRONMENTALLY CRITICAL SUPPLIERS (CRITERIA)

- Have metal surface treatment processes as preparation for painting;
- Have painting processes, regardless of the type of painting or finishing;
- Have processes involving electronics;
- Have processes that involve the use of heavy metals and oils for metallic coatings, such as chrome plating, nickel plating, organo metals and other passivators;
- Carry out Transport of Hazardous Products and/or Waste activities.

Metalfrio may also request socio-environmental self-assessment from suppliers with a specific checklist for Social & Environmental requirements.

4. COMPONENT APPROVAL

4.1 SAMPLE EVALUATION (PPAP)

Samples for the component approval process must be manufactured under conditions that represent the same as the production process, that is, samples in prototype molds or made outside the production process can be considered as engineering samples, but must have the PPAP updated in order to ensure that the capacity of the production process used can be assessed and that the sample presented for approval will reflect the same quality as regular supply.

The supplier must report and inform Metalfrio when it identifies any situation of non-service in its process of technical specifications, including those implicit.

The delivery of samples for approval must always be accompanied by the report (PPAP) duly completed as requested in the RFQ (Request for Quotation) mentioned in item 3.1

The (PPAP) form will be made available by the Metalfrio DNI / Supplies area.

If compulsory safety certifications are applicable, proof must be sent together with the report of (PPAP).

Samples must be delivered with an invoice labeled "Free sample shipment" and identified with SAMPLES labels attached to the packaging.

The supplier must declare the packaging model to be used at the sample stage and this documentation must be part of the sample submission report (PPAP).

4.2 PILOT BATCH EVALUATION

After or in parallel with the sample approval process, Metalfrio may request the sending of parts for batch pilot that must be confirmed through a purchase order by the requesting area.

Components for the pilot batch must be manufactured under the same process conditions as the production batches to be in order to allow both sides to evaluate the capacity of the production process used.

After the pilot batch is completed and approved, any need for changes by the supplier must be informed in advance for evaluation and authorization or not by Metalfrio.

Parts for pilot batch must be identified with (Pilot Lot) labels attached to the packaging.

The batch size for pilot testing will be confirmed by Metalfrio's Process Engineering area.

5. SUPPLY

The approved Supplier is responsible for the compliance of the supplied component with all requirements requested, which includes: Quality, Quantity, Integrity and adequacy of packaging, Identification of the item and Delivery punctuality.

The Supplier must provide the item using adequate transportation to avoid damage and reduce of Quality (e.g. dirt, corrosion, chemical reactions, etc.).

The supplier is obliged to inform Metalfrio in advance when seeing the following circumstances:
Printing valid only for the day of printing

- When you notice that you will not be able to comply with signed agreements regarding quality or process performance. (Ex. problem with machines or tools that affect quality characteristics);
- If you notice errors, even after deliveries have already been made;
- The supplier must communicate any important changes related to the operation and security of the products, including changes in sub-suppliers or raw materials;
- Changes in the quality control process or equipment;
- Relocation of factories;

For changes with greater impact made by the supplier, the entire changed process must be reevaluated, whether with new approval from the supplier or component.

5.1 PACKAGING

The merchandise must be packaged as approved in the PPAP (packaging plan) in order to guarantee the preservation of the component during transport and subsequent storage.

Possible damages that cause the return, packaging, freight, insurance costs incurred by Metalfrio with the return, correction or recovery of merchandise that is out of use condition, will be charged to the supplier.

All packaging must be identified with instructions relating to special care, storage recommendations and maximum stacking level.

It is desirable that the supplier adopts Responsible Consumption and Production practices to ensure standards of sustainable production and consumption that aims to reduce, reuse, recycle, practice circular economy internally and with its interested parties.

5.2 IDENTIFICATION REQUIREMENTS

The materials supplied to Metalfrio must contain appropriate and legible information on the label, to facilitate their identification and traceability.

Identification labels must contain the information below:

- Logo or name of the Supplier;
- Metalfrio item code;
- Description of the Metalfrio item;
- Quantity of the item;
- Identification of the batch and production date;
- Expiration date.

The supplier may insert other information relevant to traceability if deemed necessary.

5.3 PURCHASE ORDER

It will be the Supplier's sole responsibility to notify the Metalfrio negotiator of any problems with divergence in price and payment term indicated in your purchase order; If there are problems, such divergent conditions must be mutually agreed in the "GENERAL CONDITIONS OF SUPPLY" before being applied.

VALIDATION OF THE VERSION TO BE DELIVERED (drawing review):

When the component approval steps (samples/pilot batch) documented through PPAP have been completed, the supplier will be notified by the Quality area. However, it is the supplier's responsibility to check which version (drawing review) the item must be delivered. This information will be found in the formal purchase order sent by Metalfrio, as highlighted below (red):

***Note 6:** Metalfrio has the right to request goods in previous versions, if necessary, but in this case the order will be made “manually” and combined in advance with the supplier.*

EXAMPLE OF PURCHASE ORDER:

NEW ORDER - Attention - New Purchase Orders

METALFRIO SOLUTIONS SA - TRES LAGOAS - D. INDL. II

Address: Av. Youssef Ahmad El Jarouche, S/N Distrito Industrial II City: TRES LAGOAS - MS CEP: 79613-001
CNPJ: 04.821.041/0003-61 State Registration: 28.335.000-8

For Suppliers that Use Cross Docking

Address: Av. Abrahão Gonçalves Braga, 412 - Galpão F Vila Livieiro City: SAO PAULO - SP CEP: 04186-220
Reference: Rodovia Anchieta KM 12.5 (Sentido São Paulo) Phone: (11) 2627.9034 - 2627.9186 c/ Valeria or Fabiana

Material Receiving Hours: Monday to Friday from 8:00 to 15:30.

ATTENTION - Check the OCCURRENCE Column CAREFULLY to identify what is happening with the Purchase Order.
- Mr. Supplier, please POSITION us regarding the Delivery Date and the Quantity of Material Requested.

OCCURRENCE	NR.COMPRA	PARC.	ITEM-CODE	ITEM DESCRIPTION	QUANTITY	UN	DT.DELIVERY
------------	-----------	-------	-----------	------------------	----------	----	-------------

New Order	XXXXXXXXXX				XXXXXX	un	XXXXXX
Currency:	0-REAL	Unit Price:	XXXXXXXX/UNIT	Payment:	XXXXXXXXXX	Drawing:	XXXXXXXXXX Rev:XX

Comments

The SUPPLIER, upon acceptance of this purchase order, automatically declares to be in full agreement with the clauses of the general supply conditions, available on the website. <http://www.metalfrio.com.br/upload/brasil/pt/fornecedores/condicoes-gerais-fornecimento.pdf>

THE PACKAGING MUST contain the following information: CODE and DESCRIPTION of the METALFRIO ITEM, INVOICE AND BATCH Nr. METALFRIO'S PURCHASE ORDER NUMBER MUST be included on the INVOICE.

Under no circumstances will MERCHANDISE be received without an INVOICE of any nature (sample, sale, consignment, etc.). The code METALFRIO SOLUTIONS must appear on the INVOICE.

Material Receiving Hours at MS: Monday to Thursday from 7am to 3pm and Friday from 7am to 2pm.

5.4 DELIVERY AND UNLOADING

The Supplier will also be responsible for all transport and conservation risks of the merchandise until its delivery. effective delivery to Metalfrio at the location indicated by it. The supplier is responsible for the delivery and monitoring of the unloading the item until it is released by Metalfrio. This will be necessary, because if any irregularity in this process, both parties will be represented.

We have three (3) delivery methods, namely:

- Collection at Supplier (FOB) – Collection is on behalf of Metalfrio, where loading with respective quantities of requested materials, lashing and packing the cargo in the vehicle are the responsibility of the supplier;

- Delivery (CIF) – Delivery to the Três Lagoas (MS) plant

It is also necessary to respect the delivery window that exists in our facilities both in São Paulo and in Three Lagoons. They must respect the pre-established days and times and communicate well in advance, in case of failure to appear on these dates and times.

5.5 QUALITY AND ENVIRONMENTAL INSPECTION

Carrying out random and sample inspections upon receipt or during the production process of the Metalfrio does not exempt the supplier from responsibility for the quality (compliance and reliability) of the component provided. Suppliers who transport dangerous products must present the Check list of Transport of Dangerous Products in all deliveries made. Failure to present this Check list may result in the denial of access to the factory.

Metalfrio's checks consider the following aspects:

- Component quality (conformity and reliability) meeting explicit specifications, requirements implicit, applicability in the process;
- Packaging conditions;
- Quantity (physical counting);
- Labeling (traceability information);
- Certificates of analysis (when relevant);
- Safety (component & packaging).

Quality inspection may be carried out by sampling or 100% evaluation, and the acceptance criteria will be of zero defects for batch rejection purposes.

Metalfrio reserves the right to return or refuse to receive the lot, after confirming that it is not conformity.

In more critical situations, Metalfrio may require additional measures such as 100% inspection or boarding controlled for its suppliers judging by the criticality of the failure, quality history, and scope.

If any problem is detected, the supplier will be notified about the Non-Conformity detected and about the need for emergency assistance or penalties, such as: fines and compensation resulting from production losses or rework costs. (For more details, see the **General Supply Conditions** contract).

5.6 NONCONFORMITIES

Metalfrio will notify its suppliers through the DNC report (Document of Non-Conformity) when detect any non-compliance with the requirements for the component.

Upon receiving a notification of non-compliance (DNC), the supplier will have **10 days** to respond to the document presenting the action plan to solve the problem. (except for DNC – Minor)

In case of no response, the rejected material will be returned to the supplier.

For emergency situations, the supplier must immediately go to Metalfrio to provide assistance. technical assistance or authorize the use of third parties for rework and selection services.

Metalfrio uses two (2) models for notification of non-compliance, namely:

Printing valid only for the day of printing

Printed by: Celso Kengo Yamamoto on 06/07/2024 08:34

Uncontrolled copying

Page 9/11

- **DNC** (non-compliance report): *Action plan required and responded to within 10 days*
- **DNC-Minor** (notification for return): *Applicable only to minor flaws, of small impact, rejected during production and accumulated for a period before return. (no return of action plan required)*

Note 7: *In the two situations above, the rejection will be computed in the performance indicator of supplier quality.*

Note 8: *In addition to service providers who perform or transport class I products and/or waste (contaminated and health service hazardous), as per MTF_GI_011 - REGISTRATION OF SERVICE PROVIDERS.*

Metalfrio may choose to verify the actions implemented at the supplier's facilities if it deems necessary.

The issuance of the DNC will result in the collection of a fine in accordance with the “general supply agreement”

If there is no response within 10 days, the DNC will be authorized to charge.

In the event that non-conformity in the component affects other parts of the product, or cannot be dismantled without damaging other components, both will be reimbursed by the supplier.

5.7 CONSEQUENCE MANAGEMENT

Metalfrio will charge reimbursement for all costs caused by the supplier's poor quality, after proving its responsibility, which may even include the cost of affected additional materials that cannot be recovered, such as: covers (doors), foam cabinets, and possible reworks, selections to reduce the impact of non-compliance.

The supplier will be formally informed about the criteria for applying such billing procedures, which can be carried out through: Debit Note signed by the company's legal representative, Credit Note or another method agreed between Metalfrio and Supplier.

5.8 CONTAINMENT ACTIONS

The Supplier will have a period of 24 (twenty-four) hours to take the appropriate containment measures as per mentioned in topic 6.10 of the “General Condition of Supply” about the non-conforming item, such as: replacement, selection, rework, special work shift, urgent transport, etc., aiming to reduce the impact of the problem on Metalfrio's production line as much as possible. If it is necessary to hire a third-party company specializing in rework in order to

To mitigate the impact of production stoppage, the expenses inherent to containment will be covered by the supplier. If even if the containments are not sufficient to ensure the conformity of the item supplied, this supplier may suffer sanctions from Metalfrio, until it establishes an effective action plan, capable of resolving the failure conformity.

In case of recurrences when the supplier's current controls are not sufficient to exempt Metalfrio upon receipt of non-conforming material, Metalfrio has the right to request “controlled shipment” to be carried out by a third party company on the supplier's or Metalfrio's premises, and the costs incurred from such activity will be supplier's responsibility.

When all possibilities have been exhausted for the supplier to present a definitive solution to the Accordingly, it may be disqualified from supply.

NOTE: Link to the document “General Condition of Supply”
<http://www.metalfrio.com.br/site/brasil/pt/fornecedores/fornecedores.aspx>

5.9 RETURN

After being notified by e-mail or through DNC, the supplier must position the MTF regarding the disposal of the material, including the need for technical inspection, selection and rework activities or confirming authorization for return.

Returns will be made directly to the supplier or through crossdocking (MTF-SP). When the return is via crossdocking, MTF-MS will make the material available at MTF-SP and inform the supplier to collect the material (in crossdocking) within three (3) days.

It is the supplier's responsibility to respect the deadline for collecting the material and bear all related costs. the return process.

The supplier must quickly notify Metalfrio if it decides to make a visit to verify the origin of the complaint “on site” before returning the material.

5.10 SUPPLIER MONITORING

Metalfrio measures the quality performance of its suppliers through the following indicators:

- CLASSIFICATION AUDIT APPROVAL (*INTERTEK*);
- PPM INDEX (*failure rate*);
- DNC (*number of nonconformities - occurrences*);
- BLOCKAGES (*products blocked in stock due to supplier failure*);
- PRODUCTION LOSSES (*production losses/delays by suppliers*).

PPM indices are disclosed monthly to the main suppliers, based on the criticality of the component or volume of commercial participation.

Any supplier can request your PPM index or other information relevant to your ranking. quality, requesting the Metalfrio Supplier Quality team.

5.11 QUALITY GOALS

The quality goals of each supplier must be treated individually and agreed through signature of the quality agreement.

Reviewed by: ---	Next review: ---
Approved by: Karen Cristina Cassemiro Costa Souza Approved on: 05/04/2024	
Related Area: ---	Issuing Area: PROVIDE MATERIALS