



Type of document
Routine

Approved by
Anna Henriksson, Head of Procurement

Valid from
November 8, 2018

Prepared by
Hanna Forsberg

Responsible for compliance
Procurement

Applies to
Coor

1 (5)

SUPPLIER MANAGEMENT PROCESS

Purpose

The content in this document is a summary of the supplier management process. It can be used to distribute internally or externally in the purpose to inform regarding our way of working with supplier management. The supplier management is integrated in the overall procurement process. The supplier management process describes how Coor works with suppliers in the purpose to develop a sustainable supply chain.

1. Coor's overall statement

Coor's overall ambition is to develop sustainable relations with our suppliers. Our risk management model is a tool that helps us to focus and prioritize our resources. Together with other supporting documents, tools and policies we work according to our supplier management process with the long-term ambition, described in our procurement vision.

1.1 Procurement mission, vision strategy



Procurement vision, mission & strategy

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1.2 Sustainable procurement


Coor strive to develop our supply chain and work with sustainable procurement. We work according to our sustainability policy and have integrated this in our procurement strategy as part of our daily business.

1 (3)

Definition of Sustainable Procurement

”Sustainable Procurement means taking into account Coors triple bottom line, Business, Social and Environmental aspects in Procurement processes and supplier choices. It also includes significant environmental impacts and social aspects linked to product/services origin through categorization. This leads to optimizing costs from a TCO-perspective as well as delivering the right quality and minimized risk”

To support sustainability within Procurement we have a Procurement framework which is supported by Group wide documents such as Procurement Strategy, Policy and CoC for suppliers.



Definition of Sustainable Procurement, part of Procurement strategy

2. Risk Management

The supplier management process follows the risk management process that is established by Coor on Group level. A risk register is maintained and updated yearly by Coor Procurement. All categories are assessed with criteria from our Code of Conduct; law & ethic, environment and social. In addition, the commercial impact a category has on Coor and specific customer demands is evaluated. Based on the risk assessment the categories are divided in high risk, medium risk and low risk. The risk matrix is used as a tool to decide the level of control before signing a supplier agreement and the level of follow-up during the agreement period, i.e. how to evaluate a supplier.



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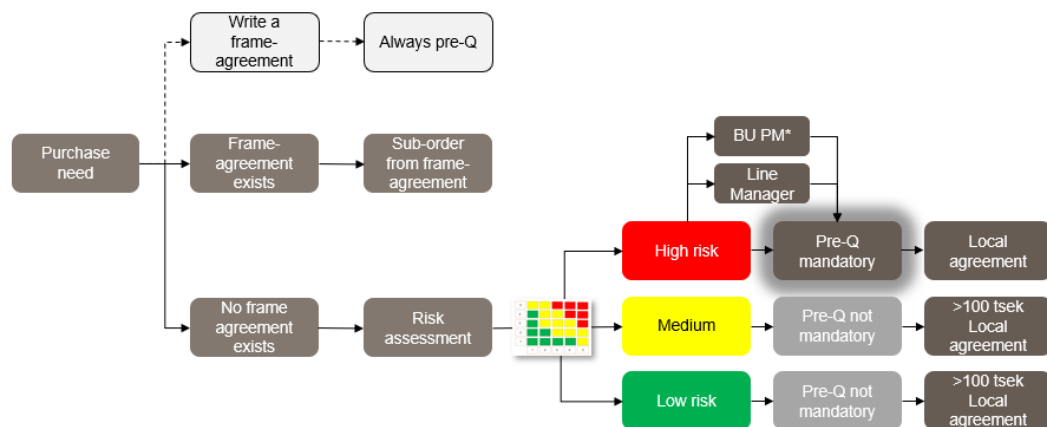
3. Pre-Qualification

3.1 Requirements to become a supplier to Coor

Coor has several requirements that our suppliers must live up to before they are approved as a new supplier to Coor. A new supplier must meet our demands within HSEQ, sign our code of conduct and accept our general terms & conditions.

3.2 When to pre-qualify a new supplier

All central frame agreement suppliers are pre-qualified before they are approved, and an agreement is signed. For local agreements the requirement to become a supplier to Coor is based on the risk assessment. All suppliers within procurement categories that are classified as high risk should be pre-qualified before an agreement is signed. Within medium and low risk procurement categories it is not mandatory to perform a pre-qualification, but an agreement should always be signed when the purchase value exceeds 100 TSEK.

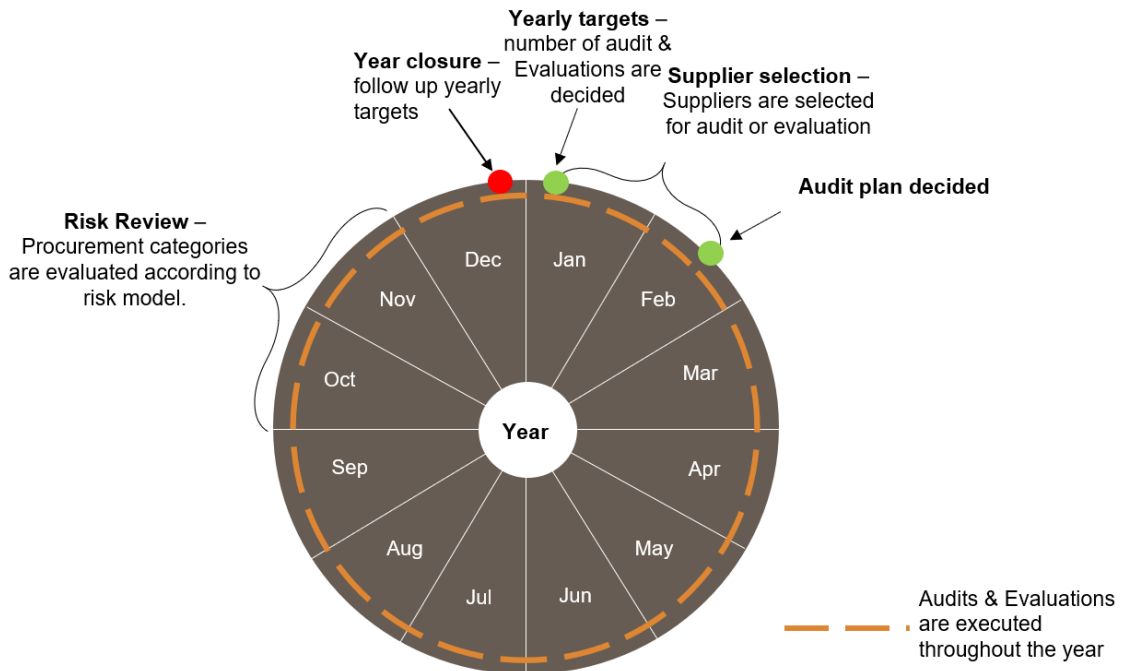


*Pre-qualification process *BU PM = Business Unit Procurement Manager*

4. Supplier monitoring and follow-up

4.1 Governance

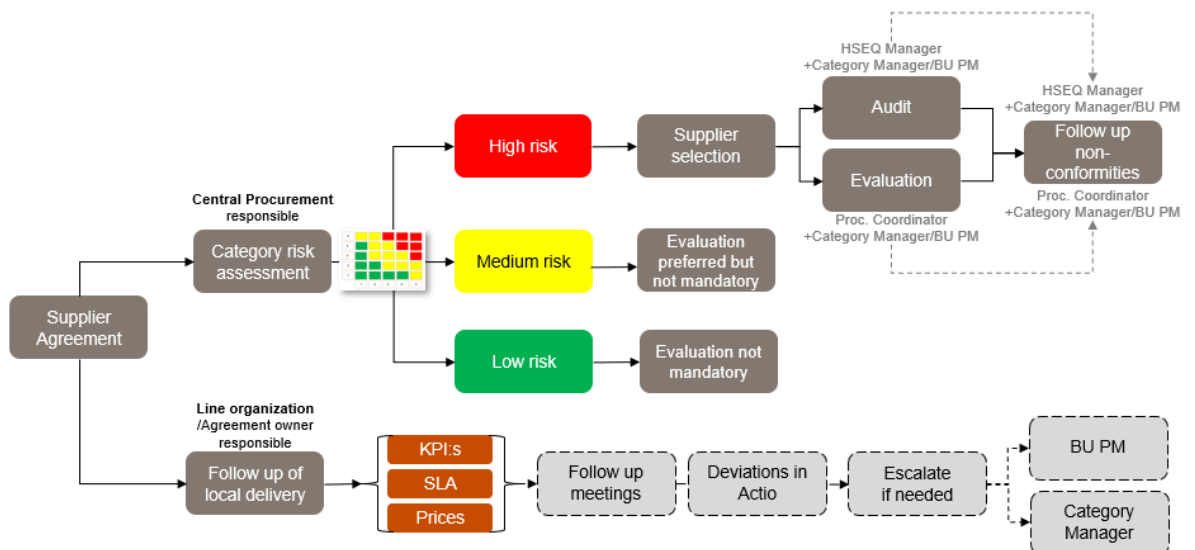
A governance model that includes all the activities concerning the supplier management process is developed and a person responsible for monitoring the compliance is assigned.



Governance model Supplier Management process

4.2 Audit and evaluation

In our supplier follow-up process, we are conducting audits and evaluations. The level of follow-up is based on the risk assessment of the procurement categories. This is the minimum level of follow-up and every country can apply a more stringent process.



Nordic Supplier follow-up process



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4.3 Follow up non-conformities

All non-conformities are documented, and necessary actions are planned. It is up to every country to decide if an external auditor is used or if the audit is performed with own staff from HSEQ department.

5. Continuous improvements

Coor strives to continuously improve all processes. Every year a process audit is conducted to ensure that everything is up to date. Coor Procurement have a Nordic Procurement Team that work with improvements and with developing common routines, processes and ways of working.

6. Related documents

Procurement policy

Coor Code of Conduct for suppliers

General terms & conditions