



Right for the World Ahead. Right Now.

## EMBRAER SUPPLIERS GUIDE

### ABOUT EMBRAER



The 3rd largest  
commercial jets manufacturer



18,000  
employees



More than 8,000  
airplanes delivered

Challenge. Create. Outperform.

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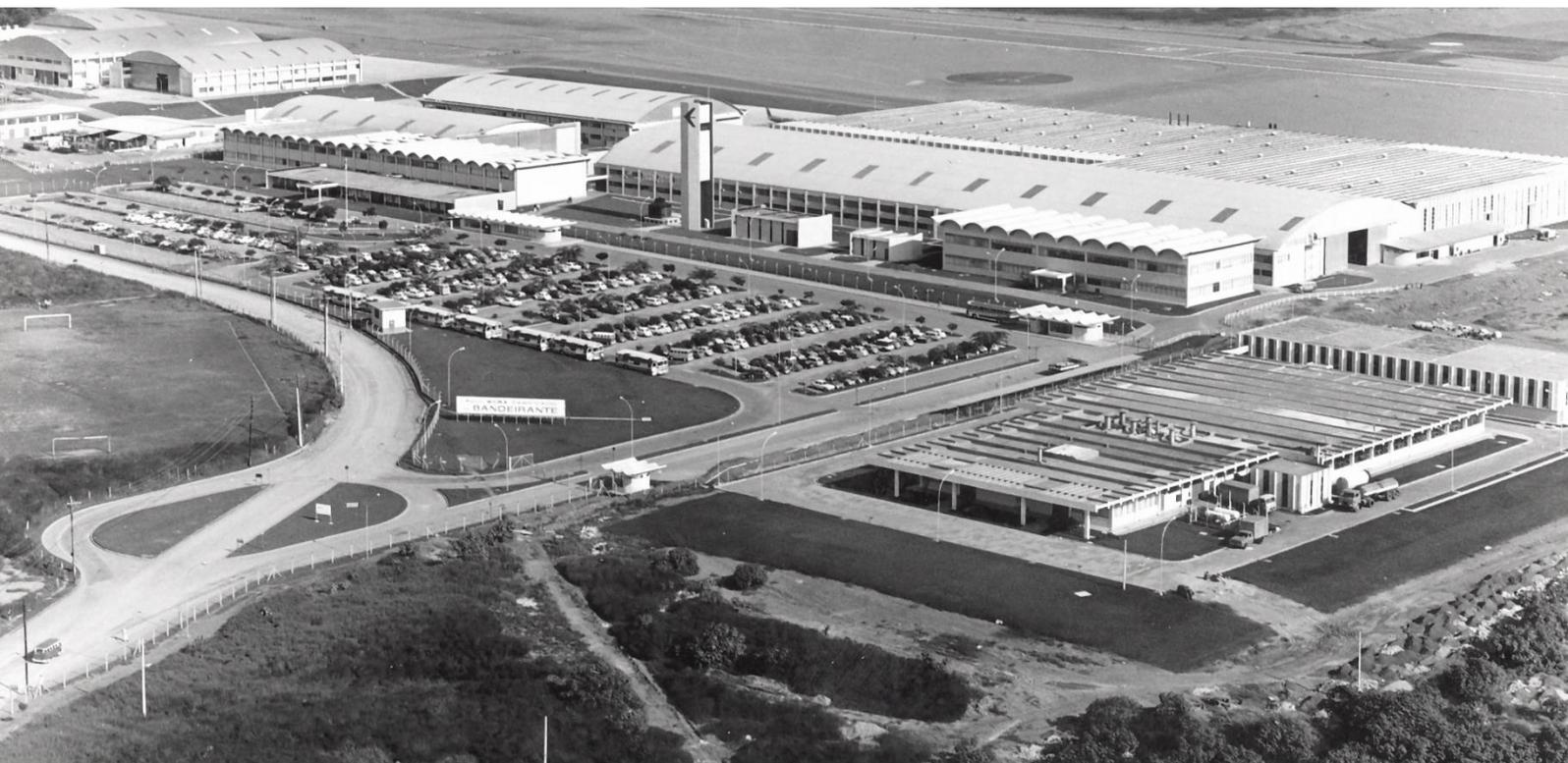
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## INTRODUCTION

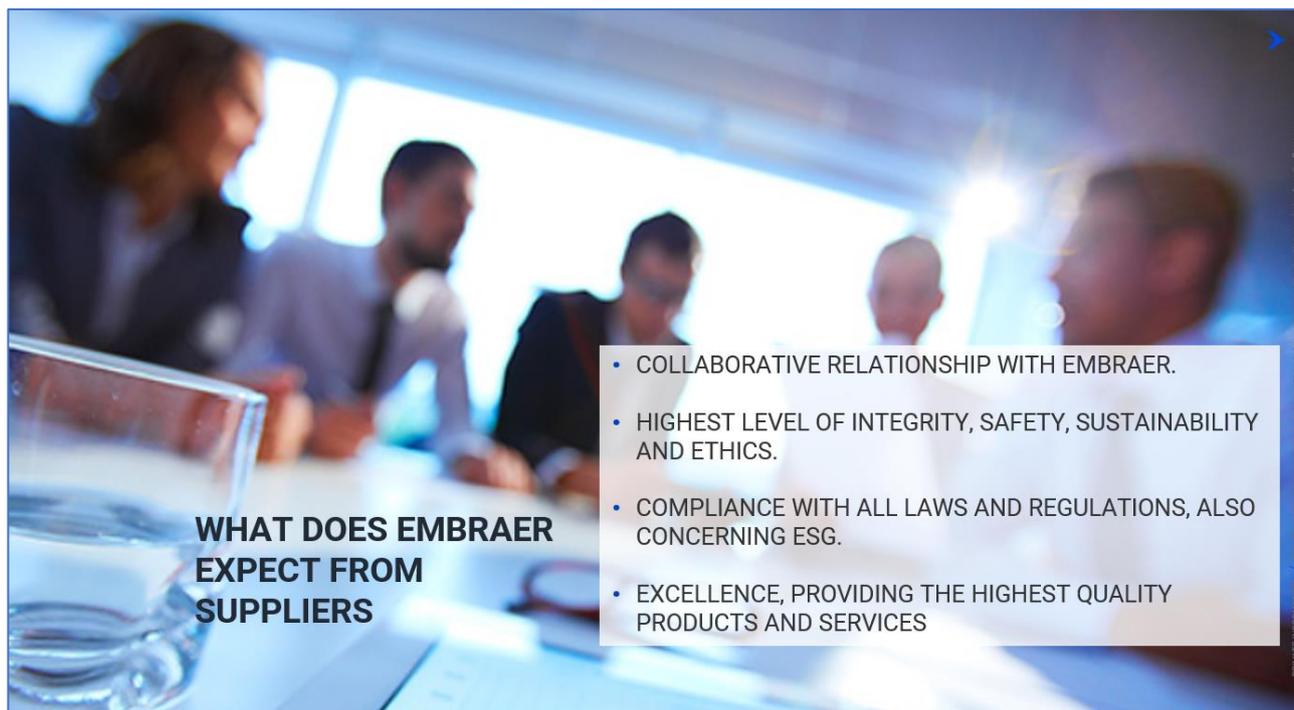
- **Embraer: for the journey**

Embraer was born in Brazil but was created to **conquer the world!**

And we have been doing this since 1969. We are very proud to be the **3<sup>rd</sup> largest manufacturer of commercial jets in the world** and absolute leaders in the segment of up to 130 seats. To meet global demands, we have established industrial units, offices and parts and service distribution centers in the Americas, Africa, Asia and Europe.



## WHAT WE EXPECT FROM SUPPLIERS



Please visit our **Supplier Code of Conduct** at:

[https://www.embraerSuppliers.com/eSuppliers/media/Supplier\\_requirements/code\\_conduct.zip](https://www.embraerSuppliers.com/eSuppliers/media/Supplier_requirements/code_conduct.zip)

## FIT FOR GROWTH PROGRAM

Embraer understands that the collaboration with its business partners is of utmost importance for the company's strategy. Aiming to promote efficiency and best-of-class performance from its Supplier network as well as collaboration on win-win initiatives, meet FIT4GROWTH!



FIT4GROWTH encompasses quantitative and qualitative performance indexes, allowing our valuable Suppliers provide tailored solutions in addition to being able to assess their performance and celebrate their achievements.

Embraer continuously monitors its Suppliers' performance, business alignment within the contract lifecycle and Embraer stakeholders' expectations. You will now be able to know Embraer's main drivers for Supplier's evaluation and award as best Supplier at Embraer Suppliers Conference (ESC).

## 1. ESC qualification, ranking and award

Embraer Supplier Conference (ESC) is a special ceremony held to recognize the partners for their strong collaboration, excellence, and ability to achieve the best results throughout the retroactive year.

### 1.1 Direct Supply

For Direct Supply categories, following criteria will be considered when evaluating and ranking the vendor for ESC award purposes:

- a) Valid supply agreement in place; and
- b) Spend relevance; and
- c) On time delivery (OTD) metrics; and
- d) Quality index; and
- e) NPS (Net Promoter Score) (\*).

*(\*) The NPS is applied annually to the contract stakeholders within Embraer. While metrics from "a" to "d" listed above are quantitative and easily tracked, the NPS is a qualitative metrics, which we believe is a fundamental part of the relationship between a Supplier and Embraer.*

In the NPS, we value Suppliers that successfully meets:

#### i. Commercial / Contractual concessions:

How Supplier can bring more commercial efficiency to Embraer, considering the topics below, but not limited to:

Payment terms: Open to negotiate payment terms

Price Adjustment: Open to negotiate price adjustments

Cost breakdown: Open to share Cost Break Down and Bill of Material

Sales campaign: Collaborative to support Embraer on Sales Campaign

#### ii. Cost reduction

Supplier proactively provides cost reduction opportunities / suggestions for cost reduction.

Suppliers open to collaborate in cost reduction workshops; Proactively engaged

#### iii. Relationship / Flexibility

Supplier flexibility in accept Embraer point of view. Supplier is proactive in resolving issues to minimize impacts, considering the topics below, but not limited to:

Technical

Quality

Delivery

Customer support

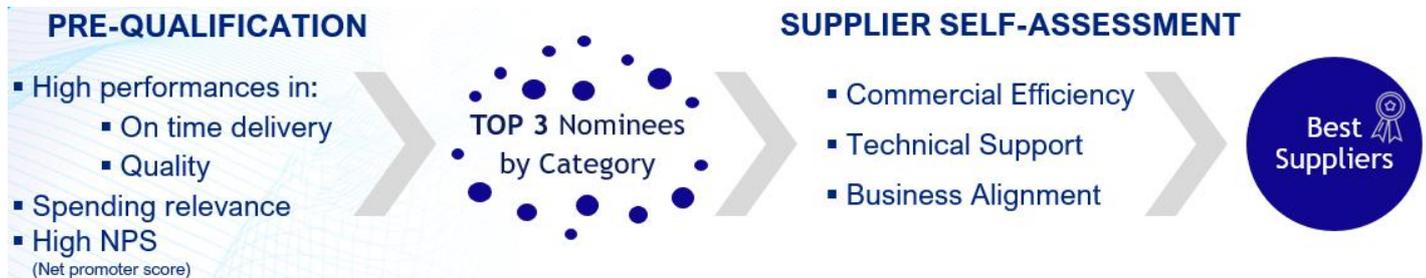
#### iv. Responsiveness

Supplier answer communications in timely fashion and complete manner: letter's, emails, call's)

v.Engagement

Supplier engagement in providing solutions for: Technical, Quality, Delivery, Customer support

Supplier award process overview:



## 1.2 Indirect Supply

For Indirect Supply, following criteria will be considered when evaluating and ranking the vendor for ESC award purposes:

- a) Valid agreement in place for at least 12 (twelve) months; and
- b) Spend relevance; and
- c) NPS (Net Promoter Score) (\*).

(\*) *The NPS is applied annually to the contract stakeholders within Embraer. While metrics “a” and “b” listed above are quantitative and easily tracked, the NPS is a qualitative metrics, which we believe is a fundamental part of the relationship between a Supplier and Embraer.*

The 3 best ranked Suppliers will be asked to fill in a self-assessment and then be evaluated considering qualitative criteria concerning:

i. Commercial / contractual concessions:

How Supplier can bring more commercial efficiency to Embraer, considering the topics below, but not limited to:

Payment terms: Open to negotiate payment terms

Price Adjustment: Open to negotiate price adjustments

Commercial negotiations: Fair and open to negotiation concerning additional scopes and adjustments

ii. Cost reduction:

Supplier proactively provides cost reduction opportunities / suggestions for cost reduction.

Supplier is opened to collaborate in cost reduction workshops;

Supplier is proactively engaged in Embraer's cost reduction initiatives.

iii. Relationship / Flexibility

Supplier flexibility in accept Embraer point of view. Supplier is proactive in resolving issues to minimize impacts, considering the topics below, but not limited to:

Technical

Quality  
Delivery

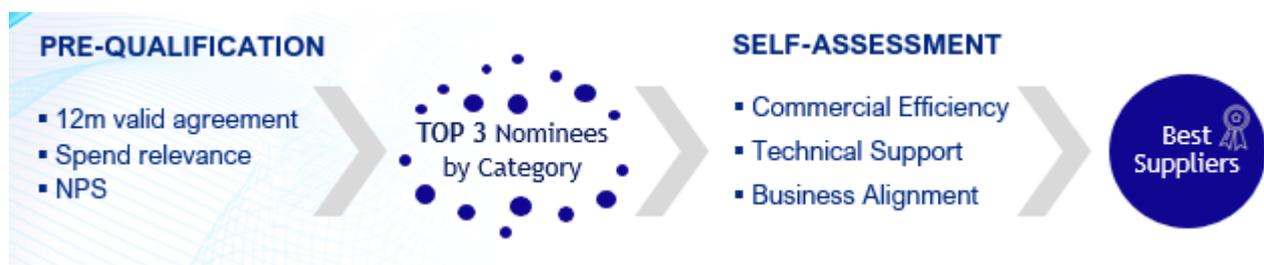
#### iv. Responsiveness

Supplier answers communications in timely fashion and complete manner: letter's, emails, calls, etc.

#### v. Engagement

Supplier engagement in providing solutions for technical, quality, delivery, among others, issues.

Supplier award process overview:



### 1.3 Program Development

For Program Development category, following criteria will be considered when evaluating and ranking the vendor for ESC award purposes:

- Valid supply agreement in place; and
- Product development for a new program, new aircraft generation or derivative; and
- PDR (Preliminary Design Review) phase of the product development already concluded; and
- Spend relevance; and
- NPS (Net Promoter Score) (\*).

(\*) *The NPS is applied annually to the contract stakeholders within Embraer. While metrics from “a” to “d” listed above are quantitative and easily tracked, the NPS is a qualitative metrics, which we believe is a fundamental part of the relationship between a Supplier and Embraer.*

In the NPS, we value Suppliers that successfully meets:

#### i. Commercial / Contractual:

How Supplier can bring more efficiency to assure Program development milestones and strategic objectives, considering the topics below, but not limited to:

Contract: Meet or exceed contractual requirements

Schedule: Committed and flexible to meet program milestones dates

Commercial negotiation: Fair and open to negotiation concerning scopes and adjustments.

Resources: Flexible to adequate appropriate resources

Engagement: Open to provide solutions for technical, quality, delivery, among others

Management: Provide active communication, proactive attitude and commitment

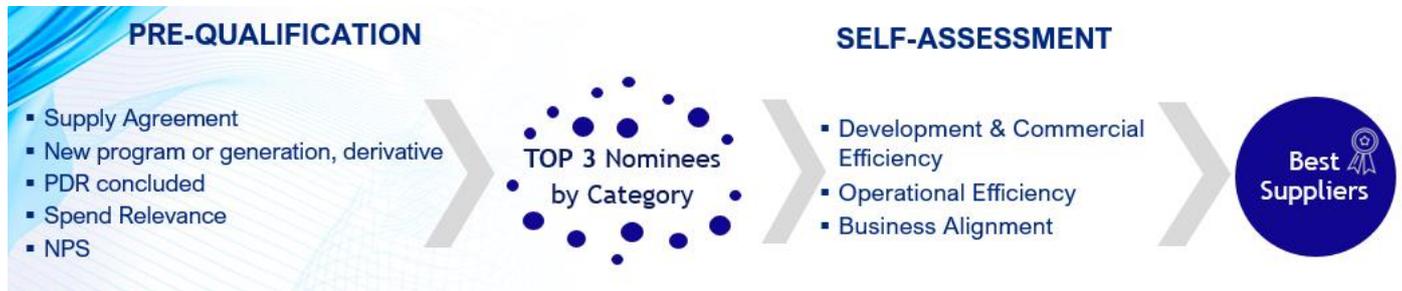
#### ii. Relationship / Flexibility

Supplier is proactive in resolving issues to minimize impacts, considering the topics below, but not limited to:

Technical

Quality  
Delivery  
Customer Support

Summing up, award ranking and qualification will be as follows:



## 1.4 Services & Support

To be eligible for the best Supplier award Services & Support, vendor has to accomplish following criteria:

- Valid supply agreement in place for OEM or Master service agreement; and
- Spending relevance; and
- On time delivery (OTD) metrics for spares; and
- TAT (Turn around time to Embraer) metrics for repairs; and
- MTBUR (Mean time between unscheduled removal) within acceptance levels for each of Embraer business units;
- NPS (Net Promoter Score) (\*)

(\*) *The NPS is applied annually to the contract stakeholders within Embraer. While metrics from “a” to “e” listed above are quantitative and easily tracked, the NPS is a qualitative metrics, which we believe is a fundamental part of the relationship between a Supplier and Embraer*

The 3 best ranked Suppliers will be asked to fill in a self-assessment and then be evaluated considering qualitative criteria concerning:

- Commercial efficiency: whether the vendor has presented Embraer with cost reduction initiatives, participated in workshops to increase efficiency, shown flexibility to Embraer’s commercial demands, etc;
- Technical support: whether the vendor has met or exceeded contractual requirements and SLAs, presented different and innovative solutions, promptly and diligently acted on technical needs, etc;
- Business Alignment: whether the vendor is aligned with Embraer’s ESG, risk management and overall business initiatives.

Summing up, award ranking and qualification will be as follows:



## 1.5 Outstanding Collaboration

The Outstanding Collaboration is key to achieving Supplier of choice status.

This includes cost reduction initiatives, providing support to Embraer in order to reach market competitiveness, ensuring deliveries on time and in full, innovation in products and services, encouraging sustainability demands.

To be eligible for the best Supplier in Outstanding Collaboration, vendor has to accomplish following criteria's:

- Collaborative Workshop Cost Reduction
- Initiative Cost Reduction Effective
- Collaborative Behavior - Partnership
- Have a NPS (Net Promoter Score) equal to or greater than 3 out of 5 (\*).

(\* ) *The NPS is applied annually to the contract stakeholders within Embraer. While metrics from "a" to "b" listed above are quantitative and easily tracked, the NPS is a qualitative metrics, which we believe is a fundamental part of the relationship between a Supplier and Embraer.*

In the NPS, we value Suppliers that successfully meets:

i. Commercial / Contractual concessions:

How Supplier can bring more commercial efficiency to Embraer, considering the topics below, but not limited to:

Payment terms: Open to negotiate payment terms

Price Adjustment: Open to negotiate price adjustments

Cost breakdown: Open to share Cost Break Down and Bill of Material

Sales campaign: Collaborative to support Embraer on Sales Campaign

ii. Cost reduction

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Supplier open to collaborate in cost reduction workshops; Proactively engaged

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Customer support

iv. Responsiveness

Supplier answer communications in timely fashion and complete manner: letter's, emails, call's)

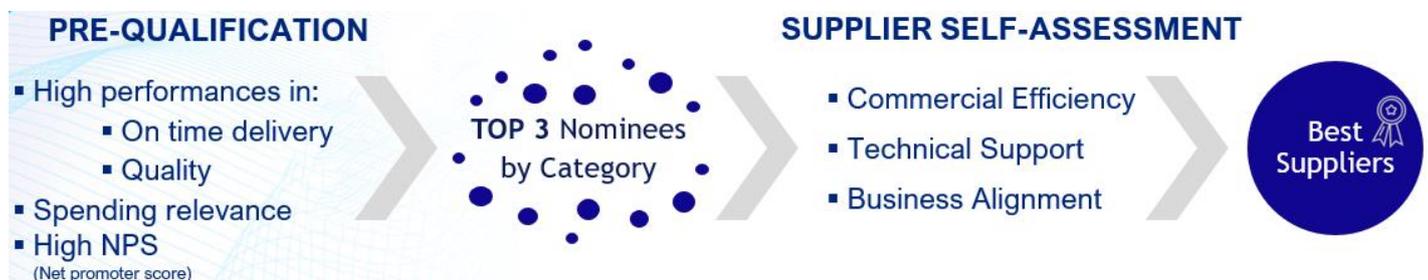
v. Engagement

Supplier engagement in providing solutions for: Technical, Quality, Delivery, Customer support

The 3 best ranked Suppliers will be asked to fill in a self-assessment for the evaluation of the following criteria:

- a) Commercial efficiency: whether the vendor is adherent to Embraer's strategic objectives for commercial efficiency, including but not limited to open to negotiate payment terms, annual price adjustments, share Cost Breakdown and bill of material, proactive engaged on Workshop Cost Reductions and Collaborative to support Embraer on Sales Campaign.
- b) Operational efficiency (Technical Support, quality and Supply Chain): whether the vendor has proactively proposed solutions, including but not limited to engaging appropriate resources, exceeds technical deliverables schedule and in a complete manner, present innovative product and/or solution, meets quality requirements and efficiency responses to corrective actions and effectively avoid shortages to Embraer production line.
- c) Business Alignment: whether the vendor is aligned with Embraer's Lean initiatives implemented, ESG and risk management.
- d) Customer Support: whether the vendor promote better services & support to aircraft operators and customers; pay by the hours programs, cost reduction initiatives, product improvements – Reliability and avoid obsolescence to customers.

Summing up, award ranking and qualification will be as follows:



## 2. SUPPLIER REGOGNITION AND BUSINESS OPPORTUNITIES

The ESC awarded vendors will be contemplated with:

**(a) Embraer Supplier's Advisory Council ("ESAC"):**

**GENERAL VIEW:**

All Suppliers awarded at ESC are eligible to participate in the ESAC. The Embraer Suppliers Advisory Council is a close relationship between a Supplier and Embraer with the purpose of creating value for all participants. It is an opportunity to explore collaborative dimensions for mutual goals.

**(b) Preferred Supplier:**

**DEFINITION:**

High performance and collaborative Suppliers that will have the status of Preferred Supplier, based on the FIT4GROWTH criteria, stimulating the collaboration and continuous improvement in the supply chain.

Terms & Conditions shall apply and will be shared in due course.