

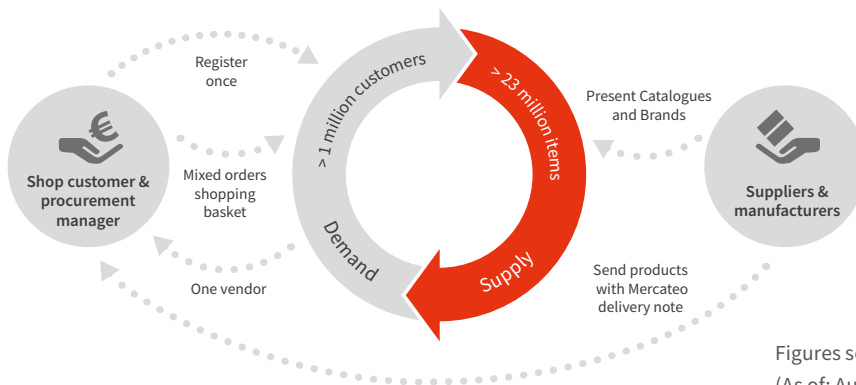


## Supplier management at Mercateo

Trust and quality are the basis for a long-term business relationship. As a result, we place high demands on our suppliers, which we select for Mercateo's procurement platform. We thus offer you the best possible variety of products and an optimal purchasing experience.

## Introduction

Mercateo is Europe's leading procurement platform for business customers on the Internet.



Figures serve as an example for Germany  
(As of: August 2018)

The Mercateo procurement platform allows companies to cover their general business and specialist requirements from a huge range of products in a bundled and process-optimised manner. Mercateo also offers many functions for efficient purchasing.

Mercateo is an IT company that was founded in Munich in 1999 and is now active in 14 European countries. With the procurement platform, Mercateo acts as an online retailer in the classic sense. We procure goods and sell them on. This takes place using what is known as the drop-shipping model. This means that we offer products through the shop without having them in stock ourselves.

The items are delivered directly from the supplier on behalf of Mercateo to our customers. This means that the respective supplier is responsible for ensuring that the goods are delivered on time and undamaged. For this reason, we attach great importance to the efficiency of our suppliers and professional quality management. With the

procurement platform Mercateo also provides the technical infrastructure and efficient purchasing processes. Mercateo also acts as the sole vendor for all suppliers. Existing business relationships with suppliers can also be integrated into the platform.

With this information, we would like to explain our demand regarding target-oriented, long-term supplier management based on partnership and point out the requirements of Mercateo AG to its suppliers and partners.

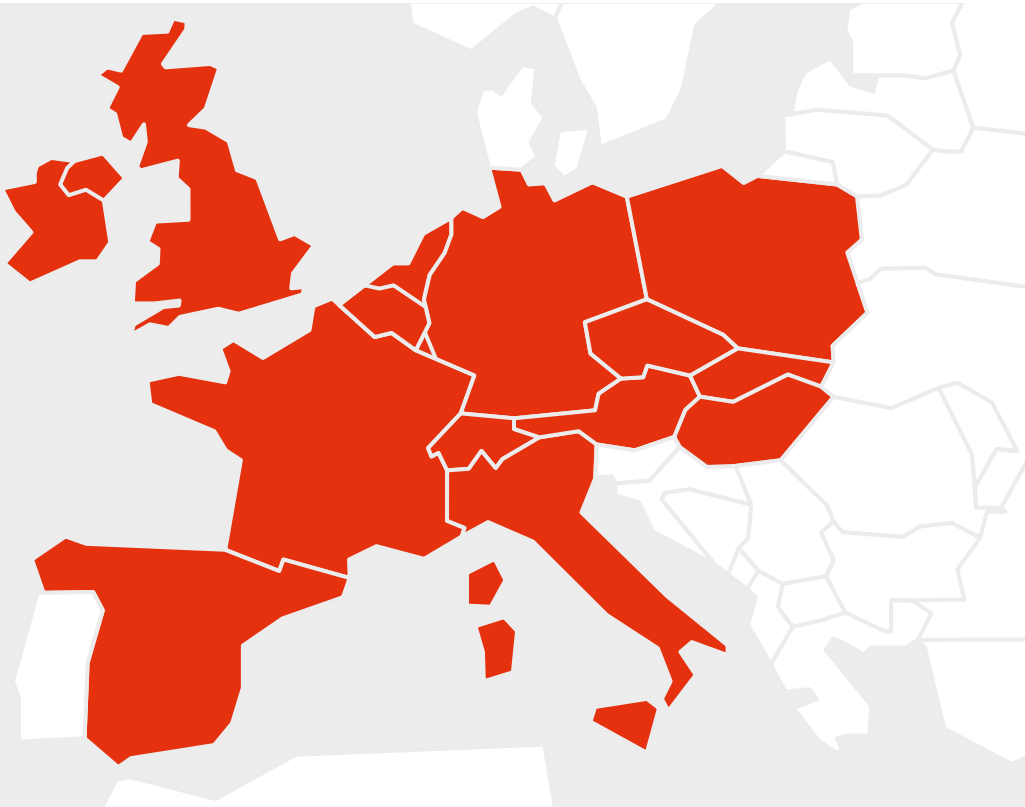
We maintain cooperative, performance-oriented and long-term partnerships with our suppliers. We expect a consistently high quality standard of both deliveries and services.

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## 1 Aims of our supplier management

Our fundamental goal is to provide our customers with the greatest possible variety of items for the procurement of indirect requirements. The focus always lies on competitive conditions. Our suppliers play an important role here. We currently work with around 700 suppliers in 14 European countries.



Only suppliers who meet Mercateo's quality criteria as well as legal and ethical requirements should be represented on Mercateo. For us, it goes without saying that all suppliers comply with the laws and regulations of the countries in which they work for us and fulfil their obligations in a reliable manner. Suppliers are also contractually bound to this in our supplier agreement.

In addition, we require our suppliers to confirm the corresponding Code of Conduct.

Besides Germany, Mercateo is also represented in Belgium, France, Ireland, Italy, Netherlands, Austria, Poland, Switzerland, Spain, Slovakia, Czech Republic, Hungary and the United Kingdom.

## 2 Code of Conduct



The Mercateo Code of Conduct describes the main requirements Mercateo places on its business partners with regard to their responsibility for people, society and the environment.

We strive to comply with the content of our Code of Conduct. Mercateo expects not only full acceptance from its suppliers, but also active support in order to fulfil these principles throughout the entire supply chain.

**The following principles are of central importance for Mercateo and its partners with regard to their safeguarding and observance:**

- Human rights of employees
- Employee health and safety
- Human dignity (e.g. no child labour)
- Environmental protection
- Fair competition and the fight against corruption



### 3 Strategic partnership

For us, a strategic partnership begins with the selection of suppliers. A sound selection of suppliers is the basis of a professional supplier strategy. The successful integration, evaluation and systematic further development of these suppliers are further important cornerstones.

### 3.1 Supplier selection

**Who is a good match for us? Our goal is to select the best suppliers in all countries. The quality of the cooperation, the specific performance, the greatest possible variety of products and the strategic importance are decisive. „Large“ and „small“ suppliers are selected equally.**

We make all supplier selection decisions exclusively on the basis of objective and comprehensible criteria. When selecting suppliers and service providers, implementing targets and evaluating supplier performance, we take service-oriented, price-related and logistical aspects into account. We follow a uniform procedure and work transparently.

### 3.2 Supplier evaluation

**We regularly evaluate the performance of our suppliers in order to continuously improve our procurement platform and the range of items made available there.**

The supplier evaluation is based on standardised evaluation criteria. The evaluation results are communicated to the suppliers at regular intervals and the optimisation points are agreed together. Furthermore, the result of the evaluation also serves as a decision-making criterion with regard to further cooperation and its expansion.

**The evaluation is based on the following criteria:**

- Logistics / delivery reliability
- Conditions (item prices, shipping costs, etc.)
- Content quality and quantity (item data, manufacturer numbers, safety-relevant labels, etc.)
- Service level (availability, response behaviour, goodwill behaviour, etc.)
- Technical information (stock display, shipping notification, track & trace, etc.)

The evaluation period for the five standard evaluation criteria mentioned above is set at twelve months on an ongoing basis.

The ABC classification of suppliers is based on the total number of points determined for the evaluation period.

The criteria for supplier evaluation are documented and are freely available to each partner or are explained during the annual meeting.

### 3.3 Supplier development

**Supplier development serves to secure and strengthen our market position.**

The evaluation findings are translated into measures for supplier development and serve as a basis for further strategic orientation.

This can mean, for example:

- Development of a joint internationalisation strategy
- Expansion of product ranges, e.g. inclusion of further (complete) manufacturer product ranges
- Joint development of concepts for the delivery of items in certain (critical) product areas (chemical products, health and safety at work, etc.)

## Do you still have any questions?

You are welcome to get in touch with your contact person or contact supplier management directly.



**Michael Elliott**

office: +44 (0) 2920 100812

Mobile: +44 (0) 7935 220947

mike.elliott@mercateo.com

[www.mercateo.com](http://www.mercateo.com) | [www.mercateo.be](http://www.mercateo.be) | [www.mercateo.fr](http://www.mercateo.fr)  
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