



Supplier's Handbook

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1. Scope

The Supplier Manual regulates and establishes the relationship between Stricker and its direct material suppliers, describing the commitments and general requirements applicable for their qualification.

Supplier qualification shall respond to Stricker's needs, with a focus on competence, price and quality, based on principles of responsible action in ethical, social and environmental dimensions.

This manual is shared with the supplier and the acceptance of the commitments and requirements foreseen, which are essential for its qualification, is confirmed by the latter with the submission of the quotation or supply proposal.

The supplier undertakes to transmit in its supply chain the commitments established for the qualification of suppliers. In cases of subcontracting, the supplier agrees to terminate any relationship with any subcontracted party that does not comply with the commitments set out in this document.

Any deviations from this document must be flagged by the supplier to the Procurement department and must be confirmed and accepted, in writing, by Stricker.

2. Commitments for the Qualification of Suppliers

2.1. Commitment to Sustainability

Stricker and its suppliers make a firm commitment to promote the principles of sustainable development, with a view to continuous improvement of its activity, processes and products.

2.2. Compliance and Legal Commitments

The supplier guarantees compliance with all applicable statutory and regulatory requirements and, within the scope of the business relationship with Stricker, undertakes to comply with current legislation, with regard to human rights, environment, health and safety, treatment and protection of personal data, anti-corruption, prevention of money laundering and funding of terrorism, competition, separation of industry activities and intellectual property rights. Restrictive business practices are also rejected as well as the abuse of any dominant market position.

The supplier ensures that all applicable requirements, including ethical, environmental, legal and regulatory, as well as Stricker and/or product specific requirements, are conveyed and applied along the upstream supply chain up to the point of production.

2.3. Human Rights and Labour Commitments

Stricker and its suppliers commit to act following the highest standards of dignity and individual integrity, ensuring equal opportunities and equal treatment for all employees as well as the absence of discriminatory behaviour in employment, regardless of their ethnic origin, colour, nationality, gender, sexual orientation, religious beliefs, age, political opinions, social background or any other identifying characteristic.

Stricker and its suppliers commit to observe the Conventions of the International Labour Organisation (ILO) and to ensure that their workers fully enjoy all the rights and duties set out in their respective national laws and in the International Conventions, not tolerating the practice of any kind of abuse or violation of fundamental human rights.

Stricker and its suppliers are committed to the support and respect of fundamental human rights in the workplace including:

- Effective abolition of child labour;
- Compliance with the labour legislation in force in the country where the activity is being performed, with regard to the minimum age for admission to employment and any specific legal requirements applicable

- Rejection and prevention of slave or forced labour and situations of non-voluntary work;
- Rejection and prevention of situations of inhuman treatment or threat of inhuman treatment, including sexual harassment or abuse, corporal punishment, physical or moral coercion or verbal abuse;
- Rejection and prevention of any form of discrimination;
- Respect for freedom of association and negotiation;
- Promotion of a decent wage policy and working hours.

2.4. Environmental Commitments

Stricker and its suppliers are committed to the protection of the environment, namely through the compliance with the applicable environmental legislation, the promotion of the rational use of natural resources, the reduction of energy consumption and of emissions and waste originated by its activity and also through the identification, monitoring and mitigation of environmental risks and impacts of its activities and products.

2.5. Health and Safety Commitments in the Workplace

Stricker and its suppliers promote respect for labour law and applicable health and safety standards and a safe and healthy working environment in which risks, injuries and incidents are prevented in the course of their business.

Stricker and its suppliers are committed to ensuring that workplaces are safe and that they do not cause harmful effects or pose a health risk to workers. They undertake to monitor risks associated with employees' activities and to provide adequate means and training in the field of occupational safety. They also commit to having a plan for emergency situations.

2.6. Ethical Commitments

Stricker and its suppliers are committed to maintaining high standards of business ethics and integrity, promoting transparent, fair and impartial actions, avoiding situations that may give rise to conflicts of interest, refraining from offering or accepting gifts and rejecting any form of bribery, corruption or extortion.

Stricker and its suppliers are committed to support and respect the principles of business ethics, namely:

- Comply with the laws, regulations and standards applicable to all its activities;
- Comply with all relevant laws in order to avoid bribery, fraud and all forms of corruption;
- Conduct all business transactions transparently and reflect them clearly and accurately in its records;
- Prevent any situations that may result in conflict of interest of the employees of any of the stakeholders;
- Rejecting bribes, sponsorships, or any other offers, and refraining from proposing said offers, so that any undue influence or advantage in decision-making is removed;
- Ensure strict compliance with data protection legislation at every moment and in every location where activities are carried out and ensure the effectiveness of the rights arising therefrom for the persons involved, as well as ensure that there is no disclosure of confidential information to third parties without the prior authorisation of Stricker.

3. Supplier Qualification

3.1. Cooperation, Communication and Support Requirements

Stricker and its suppliers commit to promote a partnership based on values of mutual trust, fairness and impartiality.

Stricker and its suppliers commit to foster clear communication between the parties, promoting the exchange of information and the disclosure of results.

Stricker commits to define and communicate in advance with its suppliers the methodology for their qualification and evaluation, with the clear identification of objective and measurable criteria. Stricker also undertakes to communicate regularly and systematically the results of the evaluation of its suppliers.

The supplier undertakes to:

1. Identify the contact persons and communicate the said information to Stricker;
2. Inform Stricker in a timely manner of the new contact person(s) in case of any changes;
3. Confirm willingness and ability to support Stricker's projects and their volumes;
4. Ensure product supply (and raw material availability) for the full supply of the contracted purchase orders;
5. Ensure the preservation of relevant documents under the established contracts;
6. Undertake to ensure control of its upstream supply chain and grant Stricker access to it;
7. Support and develop their own suppliers by promoting the adoption of best practices in the supply chain as well as in the control of documentation.

3.2. New Supplier Requirements

The introduction of a new supplier to Stricker's list of qualified suppliers, presupposes the acceptance and fulfilment or provision of the following elements:

1. Commercial licence;
2. Certifications (if existing and/or applicable or if required by Stricker);
3. Declaration of acceptance of this supplier qualification manual
4. New Supplier Form (PCR.FORM.01)
5. Risk Assessment;
6. NDA Confidentiality Agreement (PCR.FORM.04);
7. Audit of supplier's premises (carried out by Stricker or third parties);
8. Tooling agreement, if applicable (PCR.FORM.03);

Other agreements:

9. Quality Agreement (defined in the purchase order and confirmed by the supplier with the acceptance thereof);
10. Commercial Agreement (defined in the purchase order and confirmed by the supplier with the acceptance thereof).

3.3. Quality Requirements

In accordance with the requirements defined by Stricker in the purchase orders sent to suppliers, namely:

1. AQL¹ - Acceptance Quality Limit (defined in the purchase order and confirmed by the supplier with its acceptance);

2. Other requirements: the relevant Corporate Social Responsibility (CSR) and Common Technical Requirements (CTR), if required in advance by Stricker they must be considered and completed upon supply (defined in the purchase order and confirmed by the supplier with the acceptance thereof).

3.4. Commercial and Logistic Requirements

Ability to respond to requests for quotations, including the following:

1. General information
 - a. Quotation number;
 - b. Date of the quotation;
 - c. Description;
 - d. Images and diagrams (if any);
2. Product Specification/Technical Data Sheet, including Material Safety Data Sheet (if applicable)
3. Commercial
 - a. Payment terms;
 - b. Price of product(s);
 - c. Price of tools or cutters (if any);
 - d. Price of packaging;
 - e. Quantity of samples free of charge;
4. Logistics
 - a. Detailed specification of packaging;
 - b. Origin of products and place of production;
 - c. Incoterms ;
 - d. Lead time ;
 - e. Minimum Order Quantity (MOQ);
 - f. Others.
5. Tools and/or cutters

In case there are tools or cutters owned by Stricker, the supplier shall provide the information on the design, manufacture, maintenance and useful life of the tool/cutter and sign a cession agreement if requested by Stricker.

The supplier shall also demonstrate willingness to evaluate and establish (if possible) annual and/or multi-year pricing agreements and cost reduction initiatives.

¹Acceptance Quality Limit – corresponds to the quality level that is the worst tolerable in ISO 2859-1.

²International Commercial Terms - Standardised rules governing the allocation of risks, costs and obligations associated with the international transportation and delivery of goods between a buyer and a seller

³Refers to the period between the start and end of a given activity, be it productive or not. It can be the production period, the transport period, the time that elapses from the placement of a purchase order until the delivery of goods, etc.

4. Supplier Evaluation

The evaluation of suppliers is based on the weighting of the following key performance indicators, of a quantitative and qualitative nature, according to their potential impact/risk and relevance to Stricker's activity

Table 1 – Supplier Evaluation

Critéria	Metrics	Weighting
Competitivity	Price	35%
Reliability	On Time Delivery (OTD)	20%
Quality	% of Faults	20%
	Non-Conformity Management	15%
Communication	Cooperation and Behaviour	5%
Sustainability	Environmental, Safety and Social Responsibility Management	5%

Quantitative indicators are calculated with data from the system. Qualitative indicators are provided through documentary checks and through subjective assessment for purposes related to "Communication".

4.1. Supplier Performance Index (SPI)

The Supplier Performance Index (SPI) refers to the seriation of suppliers taking into account their overall score obtained in the set of indicators evaluated for the previous calendar year, as described below.

In the definition of the supplier evaluation matrix, a score may be attributed to each of the indicators on a scale of 0 to 5, with 0 (zero) being the minimum, corresponding to non-compliance, and 5 (five) the maximum, corresponding to optimum performance.

Intermediate positions may be defined in the matrix (to which intermediate scores will also correspond), taking into account the following reasoning of the conditions to be verified:

- 5 – Full compliance or exceeding of the requirements;
- 4 – Predominant compliance with the requisites; minor non-conformities admissible;
- 3 – Partial compliance with the requirements;
- 2 – Unsatisfactory compliance with the requirements;
- 0 – Non-compliance of the defined requirements.

The supplier's overall score is obtained by calculating the performance indicators and their respective weighting, based on the score attributed to each indicator, in accordance with the provisions of the following matrix:

Table 2 – Supplier Performance Index

	Price	On Time Delivery	% of Faults	Non-Conformity Management ⁴	Cooperation and Communication	Environmental, Safety and Social Responsibility Management
“Score” Terms and conditions to be checked	“5” The best price from the bids received	“5” 100% adherence to the delivery dates of POs	“5” 100% of parts ordered with the AQL defined in the PO	“5” Immediate response; immediate actions and adequate solutions to solve the NCs permanently	“5” Proactive collaboration; good communication skills	“5” Certification(s) according to international benchmarks for environment, and/or safety and/or social responsibility
	“4” One of the best prices from the bids received	“4” Adherence to at least 97% of the delivery dates of the OPs; Delays of up to 7 calendar days	“4” At least 97% of parts ordered with AQL defined in OP	“4” Regular reaction and effective solutions provided to resolve NCs	“4” Reactive collaboration; good communication skills	“4” Evidence of the implementation of good practices or certification process(es) in progress
	“3” Price within the average from the bids received	“3” Adherence to at least 90% of the delivery dates of the OPs; Delays of up to 7 calendar days	“3” At least 95% of parts ordered with AQL defined in OP	“3” Partial response and partial solutions to solve the NC	“3” Average collaboration; average communication skills	“3” Evidence of actions to resolve NCs. Absence of major NCs without a complete response
	“0” The worst price from the bids received, expensive	“0” Adherence to less than 90% of the delivery dates of the OPs; Delays of more than 7 calendar days	“0” Less than 95% of ordered parts with AQL defined in OP	“0” Delay or absence of response to solve the NC	“0” Difficult to contact	“0” Evidence of NCs with implications on Stricker (e.g. non-compliance with legal requirements)
Weighting	35%	20%	20%	15%	5%	5%

⁴ Legal non-conformities or product compliance without proper and diligent treatment by suppliers leads to disqualification of the supplier if no valid justification is provided and accepted by Stricker.

4.2. Supplier Ranking

Depending on the score obtained, the supplier is given a “traffic light” ranking in three classes, as detailed in the following table:

Table 3 – Classification of the Supplier

Overall Score		Supplier Ranking	Actions required
≥ 80%		Satisfactory	No
≥ 70% e < 80%		Average	Yes. Actions to enhance the supplier.
< 70%		Low	Yes. A short-term structured action plan to improve their ranking or a step-by-step plan to disqualify the supplier.

The ranking allows the categorisation of suppliers according to their performance and their need to develop and implement measures for improvement.

4.3. Frequency and Communication

The frequency of supplier evaluation is annual.

Notification of the evaluation results to suppliers must occur, preferably during the first quarter of the subsequent year to which it relates. To this effect, all necessary information for the calculation of annual indicators and SPI must be collected and verified in order to compile the Supplier's Annual Evaluation Report.

The monitoring of the panel of active suppliers' performance may occur more frequently, according to the same criteria defined for the evaluation, but only for the purposes of internal monitoring by Stricker, including the suppliers who have been qualified for less than a year (at the time of the evaluation).

5. Exclusions and Exceptions

In duly justified exceptional cases (such as emergency situations, monopolies, patents or other situations of a strategic nature), it is possible to qualify the supplier even if the requirements of the present procedure are not fully met. For this purpose, validation of the decision for qualification by the Procurement department is mandatory following hearing and deliberation of other parties interested in Stricker.

6. Revisions

Table 4 - Revisions

Revision No.	Changes
1.0	—
1.1	The codes of the Supplier Qualification forms were inserted

