



**RISK PREVENTION
PLAN**

Risk Prevention Plan

Scope of application: Paul Stricker SA and all its Employees.

For the purposes of this Policy, the term 'Employees' includes all members of corporate and associative bodies, managers and employees, regardless of their contractual relationship, including temporary workers and consultants, agents, or other persons who provide services on a permanent or occasional basis.

Objective: This Plan aims to comply with the obligations set out in Article 6 of Decree-Law No. 109-E/2021 of 9 December ('RGPC'), with a view to the development and implementation of Paul Stricker SA's Regulatory Compliance Programme ('PCN').

Scope of application: This Risk Prevention Plan (PPR) identifies, analyses and classifies the risks and situations that may expose Paul Stricker S.A. to acts of corruption and related offences, including the risks associated with the performance of duties by members of the administrative and management bodies, with a view to defining and adopting preventive and corrective measures to reduce the likelihood of occurrence and the impact of the risks and situations identified.

Index

1. Methodology	5
2. Risk identification and analysis	5
3. Assessment of risk factors	5
3.1. Sector of activity	5
3.2. Size of the organisation	6
3.3. Structure and Operation	6
3.4 Clients	7
4. Risk Matrix	7
4.1 Procedure	7
4.2. Criteria for risk classification and scoring	8
4.3. Inherent risk	10
4.4 Residual risk	10
4.5 Risk grading	10
4.6 Results	11
5. Preventive and corrective measures	12
6. Appointment of the person responsible for the implementation of PPR	13
7. Monitoring, evaluation and review of the PPR	13
8. Revisions	13

Table index

Table 1. Risk classification	8
Table 2. Impact classification	9
Table 3. Risk grading	10
Table 4. Inherent risk summary	11
Table 5. Residual risk summary	12
Tabela 6. Revision Table	13

1. Methodology

This PPR was prepared based on information and data provided by Paul Stricker SA in June 2024.

As part of the preparation of the PPR, situations that may expose Paul Stricker SA to acts of corruption and related offences (the risks) are identified from the outset.

The PPR also took into account the reality of the sector in which Paul Stricker SA operates, its organisation and structure, its legal history, the geographical areas in which the company operates and the activities it specifically carries out (objective factors).

These factors are considered for the purpose of classifying the probability of risk occurrence by department, as part of the preparation of Paul Stricker SA's 'Risk Matrix' (Annex II).

The results obtained through the preparation of the Risk Matrix will enable the preventive and corrective measures to be applied to be determined.

2. Risk identification and analysis

This PPR aims to identify, analyse and classify events that may expose the entity to acts of corruption and related offences, including those associated with the exercise of functions by members of the management and administrative bodies, considering the reality of the sector and the geographical areas in which the entity operates.

In general, such events are classified as 'risks' – a term used to designate a random, future situation with a probability of occurrence and the respective impact on the organisational unit, should it occur. Paul Stricker S.A. is committed to implementing a risk management procedure that allows for the identification, analysis and classification of the risks inherent in its activities, with the aim of identifying, estimating and controlling the probability of occurrence through the implementation of measures to prevent and reduce risks.

The typical conduct that constitutes corruption offences and related offences is identified in Annex I. Taking into account the organisational structure of Paul Stricker SA, a Risk Matrix was drawn up in which the risks associated with the activities carried out by each department of the company are identified, analysed and classified (Annex II).

3. Assessment of risk factors

This PPR aims to identify, analyse and classify events that may expose the entity to acts of corruption and related offences, including those associated with the exercise of functions by members of the management and administrative bodies, considering the reality of the sector and the geographical areas in which the entity operates.

3.1. Sector of activity

Corruption is a complex phenomenon, with a uniform definition in relation to the different behaviours that may constitute it or related offences.

Although it is more prominent in the public sector, corruption can also affect the private sector. Behaviours such as offering or receiving undue advantages, embezzlement, influence peddling and abuse of office, among others, can occur in both sectors and manifest themselves in different ways.

Regardless of the corrupt behaviour, the implications are always serious, especially when they involve the public sector, as they undermine public confidence in government institutions, damage political and administrative integrity, and distort the sector's results¹.

¹ UNODC - Public Sector Corruption: Manifestations and consequences of public sector corruption.

This PPR aims to identify, analyse and classify events that may expose the entity to acts of corruption and related offences, including those associated with the exercise of functions by members of the administrative and management bodies, considering the reality of the sector and the geographical areas in which the corruption in the private sector has repercussions on the company's reputation, its market positioning, its economic development and its competitiveness.

There are sectors of activity which, due to their nature, the type of business conducted, the price of the services provided and the means of payment used, are more vulnerable to corruption.

Paul Stricker S.A. provides import and export services for a wide variety of goods, namely promotional gifts. In particular, Paul Stricker S.A. creates, develops and distributes promotional gifts to professionals in the same sector.

The import and export of goods sector tends to be characterised by (i) the existence of contracts of reasonable monetary value and (ii) the existence of a large number of open budget operations.

3.2. Size of the organisation

Objektively speaking, it is considered that the greater the number of employees and the larger the organisational structure, the greater the difficulty of control and, consequently, the greater the inherent risk.

Paul Stricker S.A. is a company with a large number of employees, a factor that contributes to increased exposure to risk.

3.3. Structure and Operation

Verification that the entity is part of a group of national or international companies is a factor that increases or, as the case may be, decreases the associated risk.

Similarly, the complexity of the corporate structure and its level of transparency are assessed for the purposes of analysing the inherent risk.

The greater the complexity and, on the other hand, the less transparent the structure of the company or group, the greater the inherent risk.

Through its various subsidiaries, the Stricker Group has a strong presence in several European countries, namely Spain, France, Germany and Italy – countries with a solid legislative framework on corruption, with only residual activity in jurisdictions considered to be at risk. Paul Stricker S.A. has facilities in Murte de and operates mainly in Portugal, a factor that reduces its exposure to risk.

Paul Stricker S.A.'s activity is carried out in Portugal and is organised into the following departments, which work in an integrated manner:

- a.** Board
- b.** Sales
- c.** Sustainability & Product Compliance
- d.** Product
- e.** Inbound Logistics
- f.** Corporate Purchasing
- g.** IT
- h.** People
- i.** Marketing
- j.** Business Intelligence
- k.** Administrative and Finance (DAF)
- l.** Production & Logistics
- m.** Outbound Logistics
- n.** Development & Integrated Solutions (DIS)
- o.** Legal

As a result of the prior implementation of the Code of Conduct, the Whistleblowing Channel, the rules established and the procedures for corporate purchasing and customer evaluation, as well as employee training policies, Paul Stricker S.A. employees are already aware of the existing policies and procedures for the prevention of corruption.

3.4. Clients

The type of clients, public and private, with whom companies interact is taken into consideration, given their direct impact on risk classification, insofar as the predominance of contractual relationships with clients in the public sector or located in countries with a high perception of corruption increases the likelihood of risk materialisation.

In this case, Paul Stricker S.A. only establishes relationships with private customers located in countries with a low perception of corruption.

The commercial relationships that represent the highest volume of business are established with large, reputable and duly accredited customers that are part of international groups and implement corruption prevention rules, a factor that reduces exposure to risk.

Paul Stricker, SA. has also implemented the obligation to complete the KYC (Know Your Customer) form, which reduces Paul Stricker, S.A.'s exposure to risk.

4. Risk Matrix

4.1. Procedure

The risk matrix for Paul Stricker S.A. (shown in Annex II) was prepared by carrying out the following activities:

- i) Identification of the company's departments;
- ii) Signalling of risks;
- iii) Classification of the probability of the risk occurring by department and activity (inherent probability);
- iv) Classification of the impact of the occurrence of the risk by department and activity (inherent impact);
- v) Identification of preventive measures to be implemented in order to mitigate the risk;
- vi) Classification of the probability of the occurrence of the risk by department and activity, considering the implementation of preventive measures (residual probability);
- vii) Classification of the impact of the occurrence of risk by department and activity, considering the implementation of preventive measures (residual impact);

- viii) Determination of the inherent risk and residual risk of the company;
- ix) Indication of corrective measures to be implemented in the future.

4.2. Criteria for risk classification and scoring

a) Probability

The classification of the probability of risk occurrence is based on the assessment of the objective factors listed in the previous chapter (chapter 4).

In the risk classification, the probability of occurrence was determined on a scale of 1 to 4.

In the case of probability of occurrence, the score was assigned according to the estimated frequency of the risk occurrence:

Table 1. Risk classification

Very High	The risk arises from a current and frequent process, more than 6 times a year	4
High	The risk arises from a frequent process, between 4 and 6 times a year	3
Medium	The risk is associated with a sporadic process that is expected to occur between 1 and 3 times per year	2
Low	The risk arises from a process that will only occur in exceptional circumstances, not every year	1

b) Impact

In the event of a risk occurring, its impact is estimated taking into account the type of consequence that is expected and its level of impact on society.

The main consequences associated with corruption and related offences are as follows:

- i) Legal implications: legal proceedings; payment of fines and penalties and the application of additional sanctions.
- ii) Reputational damage: the company will be perceived as an organisation with integrity issues.
- iii) Contractual impacts (termination of contracts; unfeasible, delayed or unfulfilled projects; increased costs; deficiencies in the quality of services provided).
- iv) Expenses in implementing measures/strengthening compliance.

In the risk classification, the impact of occurrence was determined on a scale of 1 to 4.

Table 2. Impact classification

Very High	<p>Significant financial losses and serious violation of principles associated with the public interest, damaging the credibility of society:</p> <ul style="list-style-type: none"> i. Prison sentences with a maximum legal framework of 8 or 12 years ii. Fines/penalties equal to or greater than €10,000.00 iii. Long-term external exposure (more than one week) 	4
High	<p>Considerable financial losses, disrupting the normal functioning of society:</p> <ul style="list-style-type: none"> i. Prison sentences with a maximum legal term of between 5 and 7 years ii. Fines/penalties equal to or greater than €5,000.00 iii. Short-term external exposure (up to 1 week) 	3
Medium	<p>Financial losses, without disruption to the company's operations:</p> <ul style="list-style-type: none"> i. Prison sentences with a maximum legal term of up to 5 years ii. Fines/penalties equal to or greater than €2,500.00 iii. Restricted internal exposure 	2
Low	<p>No potential to cause financial losses or significant damage to the company's reputation and operations:</p> <ul style="list-style-type: none"> i. Fines/penalties equal to or greater than €1,000.00 ii. Restricted internal exposure 	1

For the purposes of classifying **residual impact**, the following consequences provided for by law, associated with the implementation of preventive measures, are taken into account:

- i) Possibility of **excluding the liability** of legal persons if it is demonstrated that the agent acted against express orders or instructions (appropriate organisational, management or control measures to prevent the commission of the offence) from the person entitled to give them;
- ii) Possibility of **special reduction of the penalty** considering the circumstance that the legal person **had adopted and implemented, prior to the commission of the crime, an appropriate compliance programme to prevent the commission of that crime or crimes of the same kind.**
- iii) Possibility of mitigating the **fine** when the legal person adopts or implements a regulatory compliance programme with control and surveillance measures suitable for preventing crimes of the same nature or for significantly reducing the risk of their occurrence.
- iv) Impact of the existence of regulatory compliance programmes for the purposes of **assessing the risk of continued criminal activity**, in the event of the application of coercive measures specific to legal persons (such as suspension of activity or imposition and prohibition of conduct; specificities in seizure, bail, among others).

4.3. Inherent risk

The assessment of the probability of the risk occurring and its foreseeable impact (points iii. and iv. above) makes it possible to identify the average inherent risk of the company and its departments in terms of their involvement in corrupt practices. The level of inherent risk was obtained by multiplying the inherent probability by the inherent impact.

4.4. Residual risk

The assessment of the probability of the risk occurring and its foreseeable impact (points vi. and vii. above), based on the preventive measures implemented to mitigate the risk, allows us to identify the average residual risk of the company and its departments.

This calculation took into account the prior assessment of the objective factors identified in the previous chapter, as well as the internal policies in place at Paul Stricker S.A. and their effectiveness in mitigating and preventing the occurrence of the identified risks.

The residual risk level was obtained by multiplying the residual probability by the residual impact.

4.5. Risk grading

Risk can be graded as 'low', 'medium', "high" or 'very high'. In more detail, risk classification can be interpreted as follows:

Table 3. Risk grading

Grading Factors		
Grading	Probability	Impact
Low	Internal policies and mechanisms are in place to regulate and control activity, clearly defining procedural rules and prohibited behaviour for employees, and establishing procedures for preventing and resolving any infringements. Principles and practices are in place to mitigate the possibility of occurrence and detection.	The occurrence of corruption or related violations will mainly have limited internal consequences and may have a superficial impact on the organisation's performance.
Medium	Internal policies regulate the activity, defining procedural rules and prohibited behaviour for employees. Principles and practices are in place to mitigate the possibility of occurrence. It is possible to make decisions or develop additional procedures that mitigate the likelihood of occurrence.	The occurrence of corruption or related offences will mainly have internal consequences and may harm the entity's organisational performance.

High	Existing policies, principles, and practices are outdated and/or insufficient and are unlikely to prevent the possibility of occurrence, even if additional decisions are made or procedures are developed.	The occurrence of corruption or related offences reflects negatively on and affects the image and reputation of the entity, which may limit the exercise of its activities and result in financial losses.
Very High	There are no policies, principles and practices to prevent the possibility of occurrence.	The occurrence of corruption or related offences has a profound impact on the entity's image and reputation, accompanied by financial losses and loss of revenue. This may lead to limitations on business opportunities and a reduction in the entity's potential for expansion.

The combination of the probability of occurrence and the estimated severity of the impact results in the classification of the risk of corruption and related offences associated with the company's activity and/or respective departments. Activities that present high or maximum degrees of risk should be considered a priority in the implementation and execution of the preventive and corrective measures identified.

4.6. Results

Once the Risk Matrix (Annex II) was completed, it was found that the overall inherent risk is medium-high and that the overall residual risk is low.

Table 4. Inherent risk summary

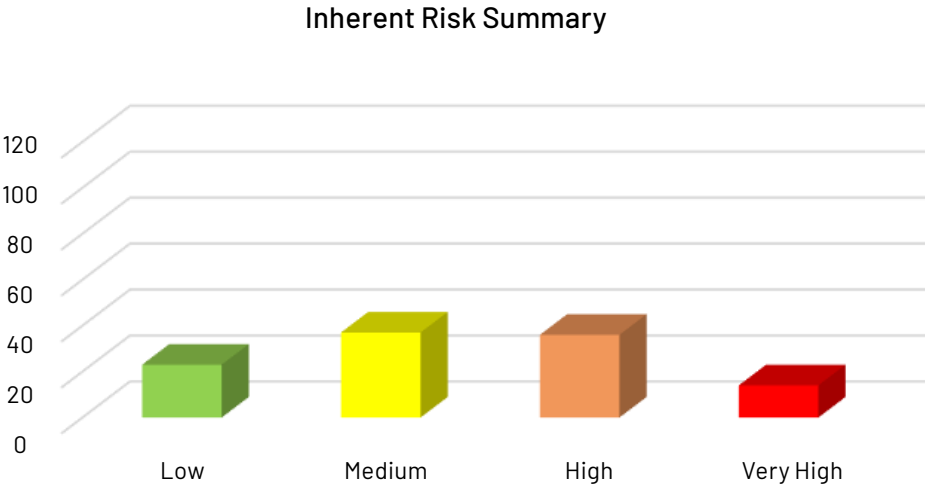
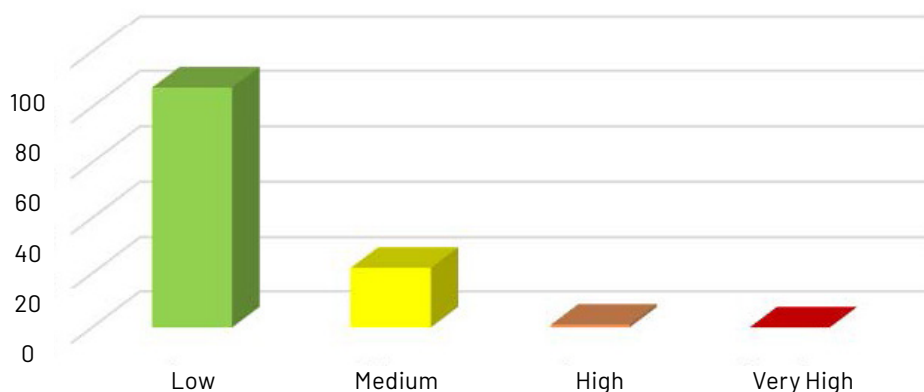


Table 5. Residual risk summary

Residual Risk Summary



After analysis, it appears that, in the case of the Business Intelligence, Production and Logistics, and Development & Integrated Solutions (DIS) departments, no commercial contact activities, contract acquisition or customer negotiation activities are carried out, but only data processing, product development and resource management. The same is true of the IT department. In turn, the People, Marketing and Legal departments carry out activities which, by their nature, do not require contact with customers.

The departments mentioned are therefore not exposed to high risks of corruption or related offences. In turn, from the analysis of the organisational structure and activity carried out by Paul Stricker, S.A., it can be seen that the departments with the most contact with customers, suppliers and third parties and with payments and invoicing, and therefore identified as areas with a higher risk rating, are the following: i) Board ii) Sales iii) Corporate Purchasing; iv) Sustainability & Product Compliance; v) Administrative and Finance (DAF); vi) Product; vii) Inbound Logistics; viii) Outbound Logistics.

In the context of the application of preventive and/or corrective measures and in the exercise of control and monitoring in compliance with the general rules approved by Paul Stricker S.A. aimed at preventing the practice of these offences, special attention should therefore be paid to the departments concerned. Paul Stricker S.A. already has the following policies and mechanisms in place for the prevention, detection and correction of acts of corruption and related offences:

- i) Mandatory KYC (Know Your Customer) form;
- ii) Code of Conduct;
- iii) Whistleblowing Policy;
- iv) Training Plan;
- v) Service Provider's Manual;
- vi) Supplier Handbook.

Due to existing internal rules and measures already implemented, a culture of respect for the values of integrity and transparency in contractual relationships has been established. For this reason, employees are already motivated to identify and prevent situations of corruption and other related offences.

The integrity of managers and decision-makers has also been confirmed, which demonstrates the quality of management. All these elements, combined with the analysis of objective factors, influenced the results obtained.

5. Preventive and corrective measures

The following measures to be implemented by Paul Stricker S.A. have been identified and will be assessed in terms of their implementation status in the Reports on the Implementation of the Plan for the Prevention of Corruption and Related Offences:

- i) Creation of the Regulatory Compliance Programme and this Risk Prevention Plan, in compliance with the legal requirements arising from the RGPC;
- ii) Creation of an internal Anti-Corruption Policy and rules for offering and accepting gifts, hospitality and contributions, as well as the inclusion of anti-corruption clauses in contracts entered into with suppliers and subcontractors;
- iii) Creation of the Supplier Pre-Assessment Policy, which already exists in the product team, and will be consolidated and extended to other departments of Paul Stricker S.A.;
- iv) Creation of the Conflict of Interest Policy, adapting the group's international rules to national legislation;
- v) Incorporation of training on the obligations set out in the RGPC into Paul Stricker S.A.'s overall training plan, with a view to raising employee awareness of the prevention, identification and mitigation of acts of corruption and related offences.

6. Appointment of the person responsible for the implementation of PPR

The General Manager has been appointed to implement, monitor and review the Risk Prevention Plan of Paul Stricker S.A., within the scope of the Regulatory Compliance Programme, who will perform the duties of Regulatory Compliance Officer described in Decree-Law No. 109-E/2021 of 9 December, and who will be provided with the human and technical resources necessary for the proper performance of their duties.

7. Monitoring, evaluation and review of the PPR

The monitoring of this PPR will be ensured through periodic review of controls, implementation and respective execution records, by conducting internal evaluation exercises. In addition, and in accordance with the provisions of subparagraphs a) and b) of paragraph 4 of Article 6 of Decree-Law No. 109-E/2021 of 9 December, the implementation of the PPR will be subject to further control, carried out by means of:

- i) The preparation, in October of the year of implementation, of an interim assessment report in situations identified as high or maximum risk;
- ii) The preparation, in April of the year following the year of implementation, of an annual assessment report, which shall contain, in particular, a quantification of the degree of implementation of the preventive and corrective measures identified, as well as a forecast of their full implementation.

The PPR is reviewed every three years or whenever there is a change in the duties or organisational or corporate structure of Paul Stricker S.A. that justifies its review.

8. Revisions

Table 6. Revision table

Revision no.	Modification
1.0	-
2.0	Update of the general content.



stricker-europe.com

