



SUPPLIER HANDBOOK

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1. Scope

The Supplier Handbook regulates and establishes the relationship between Stricker and its direct materials suppliers, describing the commitments and general requirements applicable to their qualification.

The supplier qualification should answer Stricker's needs, focusing on competence, price, and quality, based on principles of responsible conduct in the ethical, social, and environmental dimensions.

When a request for quotation is sent, this manual is shared with the supplier and the acceptance of the commitments and requirements stipulated, which are essential for qualification, is confirmed by the supplier upon sending the quotation or supply proposal.

The supplier is responsible for transmitting the commitments established for suppliers' qualification throughout its supply chain. When subcontracting, the supplier agrees to end any relationship with the subcontractor who fails to comply with the commitments established in the present manual.

Any deviations from this document must be signaled by the supplier to the Product Department and must be confirmed and accepted in writing by Stricker.

2. Commitments for supplier qualification

2.1. Sustainability commitments

Stricker and its suppliers are firmly committed to promoting the principles of sustainable development, with a view to continuously improving their activities, processes, and products.

2.2. Legal and Compliance commitments

The supplier ensures the conformity with all applicable statutory and regulatory requirements and, within the scope of the business relationship with Stricker, undertakes to comply with current legislation on

human rights, environment, health and safety, the processing and protection of personal data, anti-corruption, the prevention of money laundering and terrorism financing, competition, the separation of activities in the sector and intellectual property rights. Restrictive business practices and the abuse of any dominant market position are also rejected.

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

2.3. Human Rights and Labour commitments

Stricker and its suppliers are committed to act following the highest standards of dignity and individual integrity, guaranteeing equal opportunities and 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 origin, or any other identity characteristic.

Stricker and its suppliers undertake to observe the Conventions of the International Labour Organization (ILO) and to ensure that their employees fully enjoy all the rights and duties established in the respective national laws and in the International Conventions, and do not tolerate the practice of any type of abuse or violation of fundamental human rights.

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

- Effective abolition of child labour ;
- Compliance with the labour legislation in force in the country where the activity is being carried out, with regard to the minimum age for admission to employment and any specific legal requirements applicable;
- Rejection and prevention of slavery or forced labour and non-voluntary working situations;
- Rejection and prevention of inhumane treatment or threats of inhumane 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 environmental protection, namely through the compliance with the applicable environmental legislation, the promotion of a rational use of natural resources, the reduction of energy consumption and of emissions and waste originated from its activities, and through the identification, monitoring, and mitigation of the environmental risks and impacts of its activities and products.

2.5. Occupational Health and Safety commitments

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 during their activity.

Stricker and its suppliers undertake to ensure that workplaces are safe and do not cause harmful effects or pose a risk to employees' health. They undertake to monitor risks associated with employees' activities and to ensure adequate resources and training in the field of occupational safety. They also undertake to have 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 action, avoiding situations that may lead could 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 supporting and respecting the principles of business ethics, namely:

- Comply with the applicable legislation, regulations and standards in all its activities;
- Comply with all relevant laws to avoid bribery, fraud, and all types of corruption;
- Carry out all business transactions transparently and reflect them clearly and accurately in its records;
- Prevent any situations that may result in conflicts of interest for employees or any stakeholders;
- Refrain from offering and reject bribes, sponsorships, or any other offers, in order to avoid any undue influence or advantage in decision-making;
- Always ensure strict compliance with data protection legislation in each location where activities are carried out, and ensure the effectiveness of the rights arising therefrom for the persons involved, as well as ensure that confidential information is not disclosed to third parties without Stricker's prior authorization.

3. Supplier qualification

3.1. Cooperation, communication, and support requirements

Stricker and its suppliers are committed to promoting a partnership based on values of mutual trust, justice and impartiality.

Stricker and its suppliers are also committed to fostering clear communication between the parties by promoting the sharing of information and the dissemination of results.

Stricker is committed to defining and previously communicating to its suppliers the methodology for their qualification and evaluation, clearly identifying objective and measurable criteria. Stricker also undertakes to communicate the results of the evaluation of its suppliers regularly and systematically.

The supplier commits to:

- 1 Identify and inform the contact people to Stricker;
- 2 Inform Stricker in advance of any new contact people in case of change;
- 3 Confirm willingness and capacity to support Stricker's projects and their volumes;
- 4 Ensure the product supply (and availability of raw materials) for the total supply of the contracted purchasing orders;
- 5 Ensure relevant documents preservation within the scope of the established contracts;
- 6 Undertake to ensure the control of its upstream supply chain and grant Stricker access to it;
- 7 Provide support and develop its own suppliers by promoting the adoption of best practices in the supply chain, as well as the control of the documentation.

3.2. New supplier requirements

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

- 1 Commercial license;
- 2 Certifications (if existent and/or applicable, or if demanded by Stricker);
- 3 New supplier form (PCR.FORM.01);
- 4 Risk assessment (Stricker's minute to be filled in by Stricker);
- 5 Non-Disclosure Agreement (NDA)(PCR.FORM.04);
- 6 Audit of supplier facilities (carried out by Stricker or by a third part);
- 7 Tool/cutting agreement, if applicable (PCR.FORM.03).

Other agreements:

- 1 Quality agreement (defined in the purchasing order and confirmed by the supplier with its acceptance);
- 2 Commercial agreement (defined in the purchasing order and confirmed by the supplier with its acceptance).

3.3. Quality requirements

In compliance with the requirements defined by Stricker in the purchasing orders sent to suppliers, namely:

- 1 AQL¹ – Acceptable Quality Limit (defined in the purchasing order and confirmed by the supplier with its acceptance);
- 2 Other requirements previously required by Stricker must be considered and complied with at the time of delivery (defined in the purchasing order and confirmed by the supplier upon acceptance).

3.4. Logistic and Commercial requirements

Ability to answer all quotation requests, including the following:

- 1 **General Information:**
 - Quotation number;
 - Quotation date;
 - Description;
 - Images and drawings (if available).
- 2 **Product specifications/Technical sheet, including material safety data sheet (if applicable);**
- 3 **Commercial:**
 - Payment conditions;
 - Product price;
 - Price of tools or cutters (if applicable);
 - Packaging price;
 - Number of samples free of charge.
- 4 **Logistic:**
 - Packaging detailed specifications;
 - Product origin and production place;
 - Incoterms² ;
 - Leadtime³ ;
 - Minimum Order Quantity (MOQ);
 - Other.

¹Acceptable Quality Limit – corresponds to the lowest level of quality that is considered acceptable according to ISO 2859-1.

² International Commercial Terms – standardized rules that regulate the allocation of risks, costs and obligations associated with the international transport and delivery of goods between the buyer and seller.

³ Leadtime – corresponds to the period between the start of a given activity, whether productive or not, and its end. It can be the production time, the transportation time, the duration from placing the purchasing order to delivery of the goods, etc.

5 Tools or cutters.

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

The supplier must also show availability to evaluate and establish (if possible) agreements on annual prices and/or pluriannual and cost reduction initiatives.

4. Supplier evaluation

The evaluation of suppliers is based on the weighting of the following performance indicator criteria, both quantitative and qualitative, according to their potential impact/risk and relevance to Stricker's business.

Criteria	Indicators	Weighting
Competitivity	Price	35%
Reliability	Leadtime (OTD)	20%
Quality	% of defects	20%
	Non-conformity management	15%
Communication	Cooperation and behaviour	5%
Sustainability	Environmental, Safety and Social Responsibility Management	5%

Table 1 – Supplier Evaluation

The quantitative indicators are calculated using data from the system. The qualitative indicators are ensured through documental verification and, in the case of “communication” criteria through a subjective evaluation.

4.1. Supplier Performance Index (SPI)

The Supplier Performance Index (SPI) corresponds to the ranking of suppliers based on their overall score in the set of indicators assessed for the previous calendar year, as described below.

When defining the supplier evaluation matrix, each of the indicators can be assigned a score on a scale from 0 to 5, with 0 (zero) being the minimum, corresponding to non-compliance, and 5 (five) being the maximum, corresponding to optimum performance.

Intermediate positions can be defined in the matrix (which will also correspond to intermediate scores), considering the following rationale of the conditions to be verified:

- 5** Full compliance or exceedance of requirements;
- 4** Predominant compliance with requirements; minor non-conformities admissible;
- 3** Partial fulfilment of requirements;
- 2** Unsatisfactory compliance with requirements;
- 0** Non-compliance with defined requirements.

The supplier's overall score results from the calculation of the indicators and their respective weighting, based on the score assigned to each indicator, in accordance with the following matrix:

	Price	Leadtime	% of defects	Non-conformities management ⁴	Cooperation and communication	Environmental, Safety and Social Responsibility management
"Score" Conditions to check	"5" Best price in the tenders received	"5" 100% compliance with delivery dates for POs	"5" 100% of parts ordered with the AQL defined in the PO	"5" Immediate response; immediate action and appropriate solutions to definitively resolve NCs	"5" Proactive collaboration; good communication skills	"5" Certification(s) according to international environmental and/or safety and/or social responsibility standards
	"4" One of the best prices in the tenders received	"4" Compliance with at least 97% of PO delivery dates; Delays of up to 7 calendar days	"4" At least 97% of parts ordered with the AQL defined in the PO	"4" Regular feedback and effective solutions provided to resolve NCs	"4" Reactive collaboration; good communication skills	"4" Evidence of the implementation of good practices or ongoing certification process(es)
	"3" Price within the average, in the tenders received	"3" Compliance with at least 90% of PO delivery dates; Delays of up to 7 calendar days	"3" At least 95% of the parts ordered with the AQL defined in the PO	"3" Partial answer and partial solutions to solve the NC	"3" Regular collaboration; regular communication skills	"3" Evidence of actions to resolve NCs. Absence of major NCs without a complete response
	"0" Worst price, in the tenders received; expensive	"0" Fulfilment of less than 90% of PO delivery dates; Delays of more than 7 calendar days	"0" Less than 95% of parts ordered with the AQL defined in the PO	"0" Delay or lack of response to resolve the NC	"0" Difficult to contact	"0" Evidence of NCs with an impact on Stricker (e.g. non-compliance with legal requirements)
Weighting	35%	20%	20%	15%	5%	5%

Table 2 – Supplier Performance Index

⁴ Non-compliance with legal or product compliance issues 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 classification

Depending on the score obtained, the supplier is given a "traffic light" classification in three classes, as detailed in the table below:




Overall score		Supplier classification	Need for action
≥ 80%		Good	No
≥ 70% e < 80%		Medium	Yes. Actions to develop the supplier
< 70%		Low	Yes. Short-term structured action plan to improve their classification or gradual plan to disqualify the supplier

Table 3 – Supplier Classification

The classification allows suppliers to be categorized according to their performance and their need to develop and implement improvement actions.

4.3. Periodicity and communication

The frequency of supplier assessment is annual. The results of the evaluation should preferably be communicated to suppliers during the first quarter of the following year. To this end, all the information needed to calculate the annual indicators and SPI must be collected and verified, with the aim of drawing up the Annual Supplier Assessment Report.

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

5. Exclusions and exceptional character

In situations of exceptional character, duly substantiated reasons (such as emergency situations, monopolies, patents, or other situations of a strategic nature), it is possible to qualify the supplier even if full compliance with the requirements of this procedure is not verified. To this end, after consideration and consultation with other Stricker stakeholders, validation of the qualification decision by Product Management is mandatory.

6. Revisions

Revision number	Modifications
1.0	–

Table 4 – Revisions



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