



SUPPLIER HANDBOOK



a coesia company

PURPOSE



FlexLink suppliers are essential to our development activities, our sustainable goals and success in delivering customer value. This handbook is intended to be a guideline for all suppliers working with us either on a global or local level.

We hope you find this handbook useful. If you have any questions, please feel free to contact the Purchasing Manager or Sustainability Manager at the Company's headquarters.



FlexLink requires all suppliers to develop systems based on the latest version of International Standards (ISO 9001, ISO 14001 and ISO 45001) aiming for continuous improvement in related performances.

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1. Purpose

The purpose of the supplier handbook is to clearly communicate our values, expectations, requirements, and the way we work to facilitate the long-term relationship with you as our supplier. This handbook is intended to be a guideline for all suppliers working with us either on a global or local level.

Our values

- Respect
- Responsibility
- Knowledge
- Passion

2. Scope

Suppliers include all companies or professionals from whom FlexLink purchase raw materials, semi-finished materials, equipment, machinery, or any other goods or services.

3. Sustainable procurement

As a company of the Coesia Group, we believe ethics is a founding element of any sustainable activity and this value inspires us in our conduct. We are constantly focused on integrity, fair competition, and compliance with applicable laws everywhere we operate.

We expect each supplier to implement the principles of the Coesia Code of Ethics

In addition, to support us in maintaining these values, we have developed our Anti-Corruption Guidelines, a concrete and helpful tool directing all our day-to-day activities. The content of the Guidelines has been shaped to ensure the creation of added-value for our stakeholders while protecting the core values of our organization and the society at large.

In relation to our suppliers, we will only establish business relationships that fulfil our principles of correctness, fairness, integrity, loyalty and professional righteousness. We will always manage our relationships with suppliers in a correct, transparent, fair, and cooperative way. Our employees are strictly forbidden to accept or offer money, benefits, or even free advantages to influence others' behavior and obtain undue benefits or favorable treatment.

Suppliers and Sub-Contractors, by acceptance of this handbook agree to uphold our Anti-Corruption Guidelines and declare:

“to conduct business activities with loyalty, fairness, transparency, and honesty, and in compliance with all laws and regulation.”

We expect each supplier to implement the principles of our Code of Ethics and Anti-Corruption Guidelines. Compliance with these documents will be verified during regular audits.

We apply our values and the following principles:

- Business with suppliers is always conducted with mutual respect and professional ethics. We aim to create high performance innovative solutions and customer value.
- We believe in being a good customer, treating our suppliers fairly and equally and building a bond of trust and respect.

- We select suppliers based upon rational and clear standards: quality, cost, delivery time, innovation, sustainability, continuous improvements and shared values for profitable growth.
- We work with all suppliers, regardless of race, nationality, size, ownership.
- We build and maintain strong and beneficial long-term relationships based on mutual trust.

We also look for sustainable suppliers who are setting objectives and targets to reduce their environmental impact by reducing their energy use, reducing waste and their water consumption throughout their facilities and processes.

4. Compliance

We are driven by integrity, fair competition and respect for the laws and regulations in the countries in which we operate. This decision is an important business prerequisite, which can promote a solid reputation, generating competitive advantages.

We also recognize that Corporate Responsibility extends beyond compliance and therefore FlexLink seeks partnerships with suppliers who share our commitment to full compliance with all applicable laws. FlexLink also considers the demonstration of responsible practices as an indicator of a supplier's long-term sustainability and we consider partnerships with responsible suppliers to be a fundamental component of our business

If problems concerning compliance with legal, environmental, health and safety demands relating to the co-operation with FlexLink occur, suppliers shall immediately inform FlexLink thereof.

Conflict Minerals

FlexLink is committed to sourcing articles and material from suppliers that share our values and commitment in supporting efforts to end the violence and human rights violations in the mining of minerals from the Democratic Republic of Congo (DRCO), adjoining countries, and other "high risk" geographic areas.

FlexLink requires all suppliers to complete a Conflict Minerals Supplier Declaration adapted from the standardized reporting template created by the Responsible Minerals Initiative (RMI), demonstrating that any products that may contain Conflict Minerals are not sourced from "high risk" geographic areas.

We expect our suppliers to adopt, implement and communicate to their own sub-suppliers, their position and policies regarding Conflict Minerals, and where possible, require their suppliers to adopt and implement similar practices and policies. FlexLink reserves the right to request its suppliers to provide further evidence of their conflict mineral supply chain, including certification as "conflict-free."

REACH

FlexLink is committed to ensuring that we are in compliance of the latest European regulation concerning the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH), as pertaining to shipments of Chemical Substances, Preparations, and Articles.

All suppliers are required to complete the REACH Compliance Declaration indicating that Supplier does not source or ship Substances, Preparations, or Articles, either directly or indirectly, from a non-EU country to FlexLink and is in compliance with all requirements stipulated by the REACH regulation. All Safety Data Sheets provided by the supplier must be in the language of the country where they supply their product(s).

RoHS 3

FlexLink is committed to ensuring compliance with all sections of the latest European Parliament Directive regarding the Restriction of Hazardous Substances in Electrical and Electronic Equipment (RoHS 3)

All suppliers are required to complete the RoHS 3 Compliance Declaration identifying any material that may be restricted by this legislation and if so, that these substances include an appropriate EU marking. As a Directive, this legislation may also be subject to country specific legislation and requirements.

GDPR

All suppliers are expected to comply with the requirements of the latest version of European General Data Protection regulation and local laws regarding the use, storage and timely deletion of unnecessary data. When requested, suppliers are required to demonstrate what data is being stored and for what the data is being used for and proof of deletion, written or by audit; if so required.

Country and Certificate of Origin

Suppliers are required to list the Country of Origin, for each line item, on their commercial invoice. If possible, also adding the COO information on the packing list is very beneficial in avoiding follow-up requests for information. When requested, suppliers must also supply an authorized Certificate of Origin, representative of the specific Preferential Trade Agreement(s).

5. Innovation

Together with our suppliers, we are committed to find and develop new sustainable technologies within the production process and its materials.

6. Intellectual Property and Confidential Information

Prior to collaborating with or disclosing any sensitive information to a supplier, including but not limited to, cases where a supplier is engaged in the development / improvement of a proprietary product / component of FlexLink, and/or R&D development and testing, they are required to return to FlexLink a properly signed Non-Disclosure Agreement (NDA).

All information and documentation provided to suppliers shall be considered FlexLink Intellectual Property. Any relevant intellectual property rights created by the supplier related to the product or component are also duly transferred to FlexLink to enable FlexLink to apply for a patent or design protection, intended for commercial use of such development or improvement without restrictions.

Use of FlexLink confidential information for unauthorized purposes and / or disclosure of such confidential information to unauthorized entities or individuals may cause FlexLink substantial harm. Any violation of the terms of an NDA or failure to sign one precludes a supplier from continuing as, or for consideration as a FlexLink supplier.

Tooling and Fixtures

Some products may require FlexLink owned assets to be consigned to the supplier. The assets shall be used exclusively for the development, production, and testing of FlexLink products only.

7. Quality Standards for Suppliers

FlexLink requires all suppliers to develop and maintain a Quality Management System (QMS) based on the International Standard ISO 9001. The QMS must satisfy the requirements defined in this manual, including communicating, identifying, coordinating, and controlling all activities necessary to design, develop, produce, and deliver (directly or indirectly) a quality product or service to FlexLink, while aiming for continuous improvement and performance in all areas of their organization.

Third-party QMS certification

Suppliers shall at a minimum be third-party registered to ISO 9001 for the appropriate scope, by an accredited third-party certification body and provide FlexLink with a copy of valid certificate. The use of suppliers not meeting the above requirement will be handled on a case by case basis.

Responsibility towards subcontractors and sub-suppliers

Primary suppliers shall ensure that subcontractors and sub-suppliers have a valid third party Quality Management System certification according to ISO 9001 if the supplied material, service, or sub-contracted operation has an impact on product quality or physical properties of the product supplied to FlexLink. If this requirement is not met, suppliers are not allowed to use sub-contractors or sub-suppliers unless granted prior approval by FlexLink.

Supplier selection

In the supplier selection process we apply our Code of ethics. We evaluate all FlexLink's potential suppliers in the following areas: financial, customer structure, quality, delivery process, management.

Supplier evaluation

We evaluate our suppliers on system, processes and product quality:

- System & processes: All suppliers (Sub-suppliers) shall allow FlexLink access to their manufacturing location in order for FlexLink to perform a Supplier Audit activities. Suppliers shall cooperate fully with FlexLink representatives and implement any changes that are agreed.
- Product quality: All suppliers (Sub-suppliers) delivering products will be evaluated on both our Advanced Product Quality Planning (APQP).
- Any environmental and social impact assessments carried out along with any CSR or GRI reports made

When a new supplier is evaluated, the following capacities are considered:

- Quality system
- Complaint handling process
- Non-conformity management and reporting
- Testing procedures
- Workplace organization (5S practices)
- Calibration

All subcontractors and components suppliers are evaluated based on criteria defined in each local unit.

Advanced Product Quality Planning (APQP)

Agreement on technical documentation

Technical documentation is provided by FlexLink in the form of specifications consisting of: drawings, material specifications, treatments, packaging, delivery, etc. These specifications will be referred to within individual purchase orders or agreements. Suppliers shall formally confirm to FlexLink their agreement on final product specifications and subsequent changes. Documented evidence shall be retained and made available to FlexLink.

FlexLink PSD suppliers – FSA (FlexLink Supplier Archive)

Documents, specifications and CAD models are published in the FSA. Suppliers are required to contact the purchasing department to obtain instructions on how to use the FlexLink Supplier Archive.

Defects and deviations

Suppliers are required to continuously monitor and document any defects to minimize any upcoming product failures. Documented evidence shall be retained and made available to FlexLink.

Risk of failure in the process

Suppliers shall perform, maintain, and document a structured activity plan to assess the potential occurrence of defects and possibility of non-detection of defects throughout the process, including sub-contracted operations and delivery. Input for such activity shall be based on existing data, as well as customer input.

The output shall quantify risk assessment in order to prioritize adequate improvement actions and finalize the process route and the supplier control plan.

Documented evidence shall be retained and made available to FlexLink.

Production Approval Process

Direct material

Definition: any product that will be converted to or used as a FlexLink finished product.

Based on product type, FlexLink will inform suppliers of specific activities required to verify the conformity to specifications. If FlexLink imposes the use of a specific source or subcontractor, as a part of a specification, suppliers shall purchase only from those indicated. In such cases, suppliers are still obliged to ensure the quality of subcontracted parts, material and services.

Indirect material

Definition: Shop supply products, equipment, or services that will not be converted into a FlexLink finished product, but that have an effect on finished products (e.g. lubricants, tools, and measurement devices). FlexLink does not have a specific procedure for the approval of indirect material. It will be on a defined case by case basis.

Product approval

Initial Sample (IS): a product which ensures that the supplier manufactures according to documented specifications.

An Initial Sample is required when:

- A new supplier is used for an existing or new product
- In connection with development of a new product
- Changes to the product involving the drawing, specification or material (including RFQs)
- When moving production, which uses tooling, machinery or installations which are to be moved to a different production plant of the supplier

- Changes to the production process
- Change of subcontractor for raw materials or purchased parts, or for services, e.g. heat treatment or coating
- New production tool
- Significant changes to production tooling or machinery (Extensive repairs)
- Significant changes to inspection or test methods
- As per FlexLink's specific request
- As per Supplier's request

Each Initial Sample shall have: (When stated in specification)

- Marked production date, in grid or clock, if present
- Item number
- Material code
- Cavity code
- Product package and label
- Surface treatment, if appropriate
- A label indicating "Initial Sample for FlexLink" prepared by FlexLink
- Measurement protocol, in which all measurements and attributes stated on the specifications are verified
- Deviation Approval Requests (DAR), if applicable.

If necessary, deviations from this can be agreed upon in connection to the order.

Initial sample shall be sent to the address stated on the purchase order to the attention of the person issuing the order.

Inspection protocol shall include:

- Item No.
- Drawing No. and revision
- Date
- Responsible for measuring
- Marked drawing that correspond to the protocol
- All other requirements (color, material, etc.) must be checked and noted
- If a gauge is used, it must be mentioned with i.d. number in the protocol.
- FlexLink order number
- Equipment used for measuring

Measurement protocol and values are preferably typed and not handwritten. Language should be English. If possible, measuring protocol in digital format shall be sent by email to responsible purchaser or other specified recipient.

Measurements that are out of tolerance must be marked in the protocol. All dimensions must be measured including geometric tolerances.

Suppliers are not allowed to send Initial Samples (IS) with dimensions out of tolerance unless this has been agreed with FlexLink and documented in a Deviation Approval Request (DAR).

Suppliers are not permitted to supply 'Production Products' until confirmation of product approval from FlexLink.

Start of production

Approval from FlexLink does not relieve suppliers of their responsibility to verify that all activities planned in APQP phase are completed and suitable for series production.

Quality meetings

FlexLink runs, on a regular basis, quality meetings with those companies that supply goods, products, and services.

FlexLink requires that our suppliers follow this supplier handbook as well as instructions and procedures given by purchasers including:

- Manage facilities, processes, quality systems and personnel to consistently and cost effectively produce products and furnish services that meet the needs of FlexLink and its customers.
- Develop and implement APQP (Advanced Product Quality Planning).
- Provide evidence that all supplied product and services are completed according to specifications.

8. Environment, Health & Safety and Energy

Suppliers shall adopt the principles of the FlexLink Environmental, Health and Safety (EHS) and Energy policies.

Suppliers are required to actively implement and maintain globally recognized Environmental, Health and Safety management systems. A robust HSE program reduces operational impact on human health and the environment in a sustainable manner.

Manufacturing facilities shall comply with all government safety and environmental regulations on prohibited, restricted and hazardous substances, and documented evidence of compliance shall be provided when requested.

FlexLink shall also consider energy performance during its selection process for procurement of services, products, equipment or energy supply.

We require suppliers to understand our energy policy and its objectives to ensure that the conditions for achieving energy efficiency are met throughout the product life cycle.

Third-party Health & Safety and Environment certification

Suppliers shall at a minimum be third-party registered to ISO 45001 and 14001 for the appropriate scope, by an accredited third-party certification body, and provide FlexLink with copy of valid certificates. The use of suppliers not meeting the above requirement will be handled on a case by case basis.

9. Continual improvement

Suppliers, in cooperation with FlexLink, shall develop and regularly review key performance indicators (KPIs) against targets, and to identify all trends that may impact quality or performance and determine strategies for improvement.

Suppliers are encouraged to continually identify improvements in process efficiency, raw materials, costs, and performance characteristics relevant to FlexLink products, helping ensure both a competitive advantage for the supplier and FlexLink.

10. Supply chain

Business Continuity

We recommend suppliers develop a Business Continuity or Disaster recover plan to enable them to maintain Supply Level Agreements (SLA 's) or other formal agreements with FlexLink.

Manufacturing

Suppliers' plant layouts should minimize material travel to, from, and between all operations facilitating a harmonized material flow.

Orderliness and cleanliness of operations and processes shall be well maintained and systematically improved.

Suppliers shall identify key process machines /equipment and develop effective total preventive maintenance such as:

- Regular maintenance by operators
- Fixed interval inspection
- Corrective maintenance
- Continuous review of performance of maintenance.

Changes affecting products and processes require prior approval from FlexLink.

A non-conforming product or suspect product shall not be shipped without prior documented FlexLink approval specifying quantity of parts, duration of the approval, and/or specific lot numbers or production period(s).

If a situation arises that may affect the scheduled delivery terms, the supplier shall immediately inform FlexLink.

Any product or service that does not meet FlexLink's acceptance criteria, whether found at FlexLink or at the final customer's premises, shall be recorded and the supplier notified.

In cases of non-conformance, FlexLink has the right to perform a quality audit to verify the effectiveness of problem-solving and corrective action activities. Effective corrective action is as important as the problem solving.

Labelling, packing, & shipping

Suppliers are required to follow specific local routines outlined in agreements or purchase orders.

Terms & conditions

Suppliers are required to follow General Terms & Conditions of Purchasing.

Invoicing

All invoices sent to FlexLink shall include the following specifications:

- Each invoice must refer to a FlexLink purchase order number.
- Each invoice must follow the fiscal and legal requirements applicable to the respective country

Invoices not meeting these requirements will be rejected and returned to suppliers.

Important Note:

The guidelines in this handbook do not override any signed agreements, purchase orders, project specific documentation, drawings, specifications, standards, or special instructions for new or unique products.



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