

V – RELATIONS WITH SUPPLIERS

48. Definition of the supplier

Suppliers are persons and businesses which, in various different ways, whether individually or as part of a chain, supply the goods, services, labour and resources necessary for the carrying out of Hera activities and the supply of service and who in this way participate in the achievement of Hera's objectives.

They are all requested to adopt the goals and principles of this Code.

49. Relations with suppliers and social responsibility in tenders

The conduct of Hera in the phases of supply of goods, services or labour is focused on the search for quality and cost containment and the recognition of equal opportunities for each supplier.

Hera is committed to developing relations of cooperation with suppliers founded on communication aimed at the mutual exchange of skills and information to favour the creation of shared value.

Situations of subordination, either for the group or the supplier, are to be avoided.

Hera is committed to implementing and promoting specific social responsibility initiatives in its tenders.

50. Suppliers and the image and reputation of Hera

The suppliers contribute in building the image and reputation of Hera. The quality of relations with the company therefore also depends upon their ethical conduct.

51. Social and environmental policies of suppliers

Suppliers must be able to provide Hera with details of their social and environmental policies and of their results in relation to the assignments given.

52. Protection of supplier health and safety

Hera is committed to carrying out monitoring activities, in the forms and ways expressed in its contracts, to safeguard the health and safety of the employees of its supplier companies. Hera checks that the requisites of these companies conform over time with those required by company procedures and qualification systems.

53. Supplier selection and qualification criteria

The selection and qualification of suppliers are based on the principles of objectivity and fairness, and implemented in accordance with specific regulations and procedures. Selection issues from an evaluation of the quality and cost of the service, technical-professional suitability, respect for the environment and social responsibility.

Written acceptance of this Code on the part of the supplier represents one of the qualification criteria and becomes an integral part of the contractual relationship.

54. Supplier evaluation

Supplier evaluation is based on the criteria outlined in the previous article. Hera adopts specific procedures to assess:

- their conduct;
- their expertise;
- their efforts to adapt and improve their performances;
- their willingness to accept and facilitate Hera's acquisition of information, also in line with corporate certification systems.

55. Calls for tender

Hera's commitment is to reconcile the search for the most advantageous offer with due consideration for the supplier's expected earnings and cost limitation plans.

Hera allows anyone in possession of the minimum requirements to participate in tenders, and handles them with adequate conditions of competitiveness, transparency and cost.

56. Correctness in the handling and formulation of contracts

Handling of contracts with suppliers is founded on correctness and the rejection of each and every form of abuse. This means that Hera will:

- during the contract stipulation phase, inform the supplier in an exhaustive manner of the characteristics and risks of production, of methods and times for payment, and of other features of the relationship deemed to be of major importance for the supplier;
- use complete, clear and comprehensible information that eliminates potentially ambiguous interpretation.

In relations with suppliers, Hera does not exploit its positions of strength or advantage, especially in cases in which contracts have to be renegotiated.

57. Gifts and perks

Hera avoids giving and receiving gifts, which could be interpreted as going beyond normal practices of commercial courtesy.

Those who receive gifts or other benefits of more than modest value as part of ordinary commercial courtesy practices must inform their line managers, who will arrange their return or donate them to charity in accordance with the specific company provisions in this area.