

## V – RELATIONS WITH SUPPLIERS

### **51. Definition of the supplier**

The suppliers are the people and companies that individually or as part of a chain comprising all subcontractors supply goods, services, supplies and resources necessary to carry out the activities and to provide the services, contributing to reaching Hera's goals. They are all requested to adopt the goals and principles of this Code.

### **52. Relations with suppliers and social responsibility in tenders**

Hera's administrators, employees and collaborators work with the actual and potential suppliers with integrity.

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.

### **53. Suppliers and the image and reputation of Hera**

The suppliers contribute in building the image and reputation of Hera.

The quality of Hera's relationships with the stakeholders is therefore also dependent on the behaviour of the suppliers.

### **54. Social and environmental policies of suppliers**

Hera, both in the qualification stage and in identifying selection criteria, promotes the social and environmental policies of the suppliers keeping the areas of shared value creation identified by Hera as reference.

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.

### **55. Supplier qualification criteria**

The qualification of suppliers is based on the principles of objectivity and fairness, and implemented in accordance with specific procedures. Qualification 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.

### **56. Selection criteria and tenders**

Hera's commitment is to reconcile the search for the most economically 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, and guaranteeing rotation of the qualified suppliers in the private negotiations.

### **57. Work conditions and occupational health and safety of suppliers**

Hera is committed to carrying out monitoring activities, in the forms and ways expressed in its contracts, on the conditions in which the work of the suppliers is performed and to safeguard the health and safety of the employees. Hera ascertains that the requisites of the suppliers match those demanded by law, the policies and the corporate procedures.

### **58. Supplier evaluation**

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

- performance,

- conduct,
- skills,
- impact on the environment,
- occupational health and safety and, in general, the work conditions,
- commitment to adapting and improving performance,
- willingness to accept and facilitate the acquisition of information by Hera, also consistent with the corporate certification systems.

#### ***59. Correctness in handling 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.

#### ***60. Gifts and perks***

Hera administrators, employees and collaborators avoid 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.