



The purchasing policy of Hidral s.a. aims to build a solid base of suppliers and collaborators that facilitate the acquisition of goods and services in the best possible conditions. In all areas and levels of action, current legislation must be strictly complied with.

In its relationship with suppliers, Hidral will objectively and in a balanced way the following characteristics according to the service / product in question:

1. Price
2. Product reliability - contracted service
3. Delivery period
4. Communication and collaboration
5. Service level (Flexibility and response to emergencies)
6. Technical and productive capacity
7. National and international geographic coverage
8. Payment method
9. Integrity
10. Financial responsibility

The Purchasing Department is the entrance door for all suppliers and channels relationships with all company departments, guaranteeing a procedure based on the following points:

- a. Hidral's relationships with its suppliers will be governed by the principles of objectivity, transparency, non-exclusivity and equal opportunities.
- b. All suppliers involved in any award process will receive complete information on the product or service to be supplied.
- c. The information provided will be identical for all providers, so that none have any initial advantage, promoting legitimate competition.
- d. No supplier will be invited to participate in an award process to cover formalities.
- e. Any supplier may have the right to an evaluation for approval.
- f. F. All requests will receive a response along with a comment on their acceptance or rejection. The negative answer does not disqualify the applicant from submitting new applications once the cause for rejection has been resolved.
- g. The result of the approval process will be communicated in writing to the supplier, as well as the decision criteria used.
- h. Continuous improvement plans will be established with suppliers that result in an increase in quality and therefore to the benefit of both parties. The supplier is expected to make as many suggestions as it deems appropriate to improve relations between both parties.

### **Acquisition processes**

As a general rule, Hidral's procurement processes will begin by sending a request for an offer to approved suppliers that meet the required profile. The supplier will receive the notification and will proceed to make its offer. Once all the offers have been received, from the Purchasing Department, negotiating rounds will be launched with those suppliers that have offered the most favorable conditions, until the final award agreement is reached. Therefore, to participate in any procurement process, it is essential to be approved and to be part of the supplier catalog.