

**Our partners
and suppliers:**
Allies in our
mission

Description of our supply chain

Quirónsalud's commitment to sustainability entails ensuring a responsible, sustainable value chain that shares our principles.



Since 2015, our company has been immersed in a dynamic procurement process of hospital groups that have guided the purchasing processes to be managed based on the repercussions arising from these integrations.

Our suppliers are classified into three broad categories:



Suppliers of prosthetics, medical material and medicines are managed in a coordinated way from the Group's Purchasing Centre.

As for the service providers, "Servicios, Personas y Salud (Services, People and Health)" (SPS) is the group's company where the General Services are centralised and forms part of the non-healthcare support in the centres. SPS outsources services at the corporate level, such as External Laundry, Waste Management, Pest Control, as well as Security.

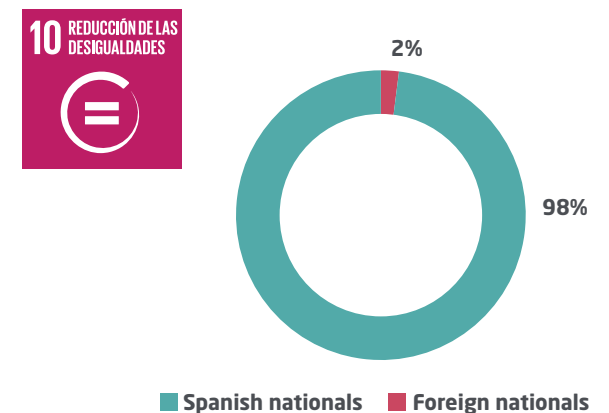
In turn, the relationship with the suppliers of medical equipment is managed by the Healthcare Quality Corporate Department.

Our purchasing practices are focused on **national suppliers**.

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Only 2% of purchases made at the corporate level, belonging to the pharmaceutical or healthcare sector, correspond to foreign suppliers, and they are mainly from Spanish branches of foreign companies.

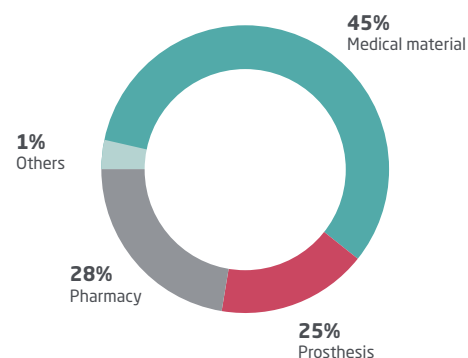


Corporate Purchasing Centre

In 2018, we achieved an increase of 11% over the previous year of suppliers integrated electronically in our EDI (Electronic Data Interchange) system.

We continue to optimise the **Corporate Purchasing Centre** and we continue in the process of integrating our suppliers into the **EDI (Electronic Data Interchange) system**, managing to improve coordination and the relationship with our suppliers of prosthetics, medical material and medicines, homogenising our conditions and guaranteeing greater traceability and control, as well as the incorporation of continuous improvement processes.

We currently have 670 active suppliers, of which 450 were already electronically integrated at the end of 2018, representing 46% of the total.



EDI (Electronic Data Interchange)

Electronic certificates that guarantee the security and quality of supplies

Suppliers are classified according to the type of material they sell. According to this classification, the purchase and distribution process varies, guaranteeing the **security and quality of supplies** with electronic certificates of transactions at all times.

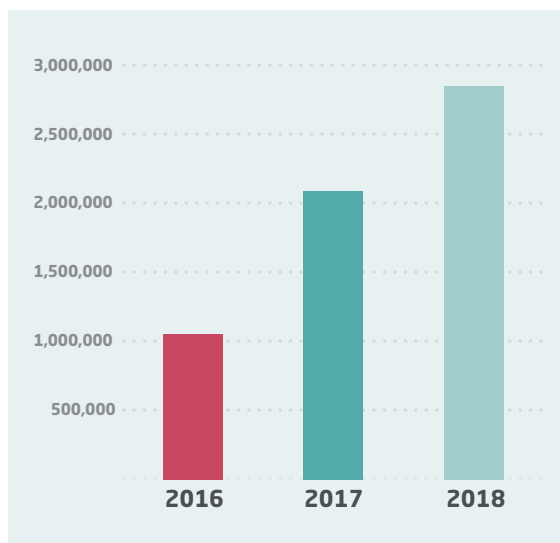
EDI is a communication system that enables electronic documents to be sent and received, in a standardised format, between the computer systems of those involved in a business relationship. This work model means electronic, paperless commercial actions, using a specific structure and an international standard (GS1).

This system has the following goals:

- Improve communication between the Corporate Purchasing Centre, hospitals and suppliers.
- Send and receive information precisely

- To be able to visualise the status of the stocks, shorten the order cycle, achieve greater synchronisation with suppliers and more control over delivery notes and invoices.
- Improve transaction tracking.
- Reduce errors and administrative costs of information processing, as well as archiving and documentation loss costs.
- Electronically control batches, certificates and other relevant data, thus avoiding handling errors.

AVERAGE VOLUME OF DOCUMENTS THROUGH EDI I

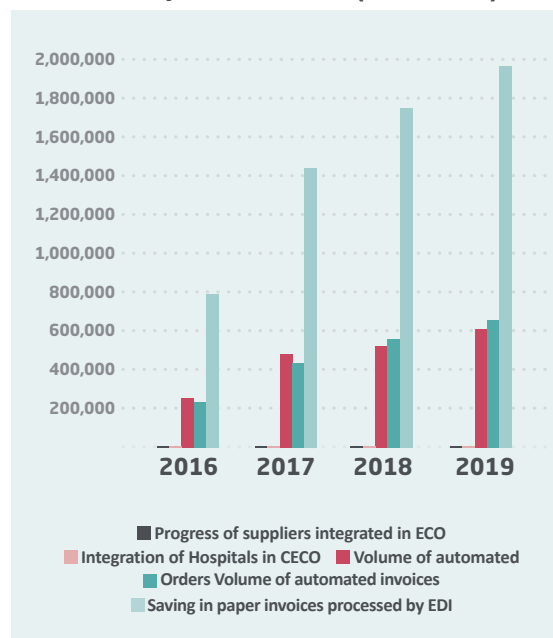


* The savings from processing invoices through EDI (in paper and related expenses) are estimated at 3 euros per invoice.

The annual volume of EDI at the Purchasing Centre in 2018 was 2,026,966 documents (a monthly average of 168,913 documents), thus avoiding the need for printing on paper, signifying a very important saving both financially and environmentally.

Below is a graph showing the development of this project since 2015, achievements in 2018 and forecast for 2019, highlighting the savings in paper this has enabled, thus having a direct action on minimising the environmental impact.

EDI PROJECT DEVELOPMENT (2016-2019)



Responsible purchasing and contracting

From the Corporate Purchasing Centre we base our policy on the establishment of framework agreements that make up our collective general catalogue.

In our Corporate Social Responsibility Policy, the group's commitment to the transmission of the values set out in this policy to the entire supply chain was established, based on the following principles of action:

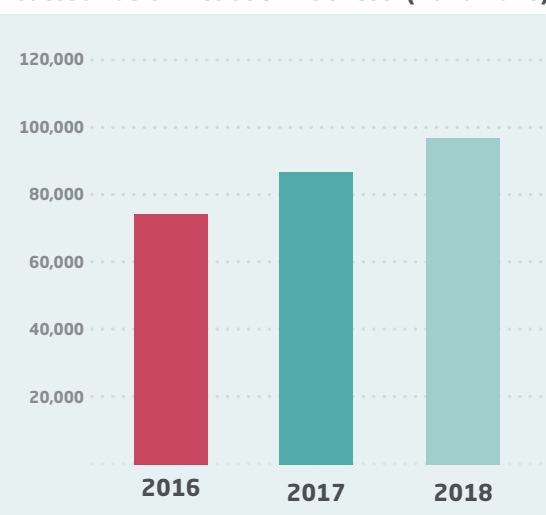
- Incorporating social, environmental and ethical criteria in purchasing decisions, looking for formulas to make them compatible with other critical approaches such as profitability and quality.
- Encouraging the suppliers to follow the guidelines contained in the rules of the company's corporate governance system.
- Maintaining a fluid, transparent dialogue with suppliers, in order to optimise supplies and contracting.
- Basing allocation processes as well as goods-purchasing or services-contracting processes on the principles of equity, transparency, equal treatment and objectivity, guaranteeing the total absence of any personal, family or economic ties.



In 2018, the number of commercial references included in the corporate catalogue grew by 11.04%.

In the framework agreements, we establish the guidelines to follow when acquiring the different products for our centres, detailing economic, quality and safety aspects. This set of agreements shapes our **collective general catalogue** for all our hospitals, a project in which we have been moving forward since 2015, aiming for **greater standardisation and transparency**.

COLLECTIVE CATALOGUE PROGRESS (2016-2018)



Regarding the economic value of the purchases managed by the central office, it amounted to 282 million euros in 2018 compared to 222 million euros in 2017, representing an increase in the volume of purchases of 21%.

As for **service** providers, they are selected as corporate at a national level and will be considered mandatory in all centres, with justifiable exceptions.

Regarding purchases and contracting related to **infrastructures**, already in 2016, the Infrastructure Area management processes were also standardised for the proper planning, monitoring and control of the works, as well as the decision-making process that supports the implementation of new projects.

In 2018, an analysis process was carried out



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regarding other criteria in the environmental and social fields to be included in the framework agreements.

Currently, the company is raising awareness among suppliers on social responsibility, requesting the inclusion in their framework agreements of their social, work and environmental certificates as an added value to the quality of products and services.

The supplier portal

Fluid communication and maximum transparency in relationships with our suppliers, generating mutual trust and sharing common goals

Already in 2017, we launched the **Supplier Portal** to facilitate communication with our suppliers, guaranteeing common goals, alignment in interests and actions, encouraging more fluid communication, while building trust and loyalty.

It is a showcase where the provider can observe and review, in real time, the transactions and products registered in our central corporate catalogue, as well as the prostheses. These can be negotiated with the insurers, regardless of whether they are registered in the catalogue, which is B2B – EDI connected.

Suppliers access the Portal through a personalised username and password.

Work is in progress on a new computer system that enables the offers to be managed and related processes, such as cataloguing, modifications of codes, extensions of references, etc., to be automated both by the supplier and the team that makes up Servicios, Personas y Salud (SPS), (Services, People and Health), in an interactive and dynamic way.

Our goal is, through our Supplier Portal, to attach a document on compliance with the Code of Ethics, so that it is accepted and signed by the supplier, thus stating that they follow a right approach and good practice, in short, everything involved in the acceptance of the criteria to be established within the framework of our corporate social responsibility.

As a company goal for 2019, we will begin in this line of work with suppliers of medical devices, pharmacy and prostheses, developing a map of suppliers based on criteria such as whether they are manufacturers or distributors, nationality, volume of

purchase or units of consumption, and serving the most critical first.

Information regarding aspects of Good Governance and transparency, labour practices, environment and social action will be requested.

In the medium term, it is expected that a list of suppliers classified by level of risk will be available, in order to undertake with those deemed necessary actions focused on their adaptation to the requirements of Quirónsalud regarding Social Responsibility.

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Our strategic goal for 2020 is to promote best practices among all our partners and have indicators for their assessment in the selection and evaluation processes.



Strategic partners

Strategic partners
Public administrations
Insurance
Companies
Medical associations

Quirónsalud has strategic partnership alliances with **insurance companies and medical associations** that allow it to reach as many patients as possible, providing a quality service with high satisfaction rates.

The Corporate Operations Area of Quirónsalud manage the relationship with these groups, setting the management guidelines that are channelled through permanent communication with our regional branches.

We maintain **framework agreements with the main insurance companies in the sector**, in which the contractual model is defined for the coming years, addressing not only price agreements, but also volume commitments and key indicators of healthcare quality.

