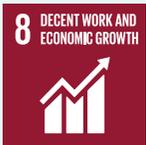


# 5

## Our suppliers and strategic partners

Allies in our mission





# Our supply chain



**Fluid communication and maximum transparency in supplier relationships, building mutual trust and sharing common goals.**

In 2019, progress has been made in our plan to centralise the supply of pharmaceutical products, a concept focussed on strategic sourcing, in which we form alliances with our partners, develop business with key suppliers, consolidate purchasing and develop an integrated supply chain by incorporating corporate social responsibility criteria.

Our supply chain is formed of three supplier categories according to product/service:

## Suppliers

Prosthetic, medical and pharmaceutical products

Medical devices

Services

**Suppliers of prosthetics, medical supplies and drugs** are managed and coordinated by the Group's Corporate Purchasing Centre.

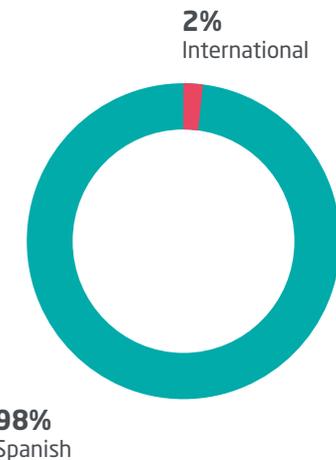
With regards to **service providers**, "Servicios, Personas y Salud" (Services, People and Health (SPS)) is the Group company where General Services are centralised, forming part of the non-healthcare support at the centres. SPS outsources services at corporate level, such as external Laundry, Waste Management, Pest Control and Disinfection, as well as Security.

Meanwhile, **medical device supplier** relationships are managed by the Corporate Management of Quality of Care.

Our purchasing practices focus on **local suppliers**.

**98% of the medical and pharmaceutical suppliers with whom we have business relationships have Spanish tax ID numbers.**

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



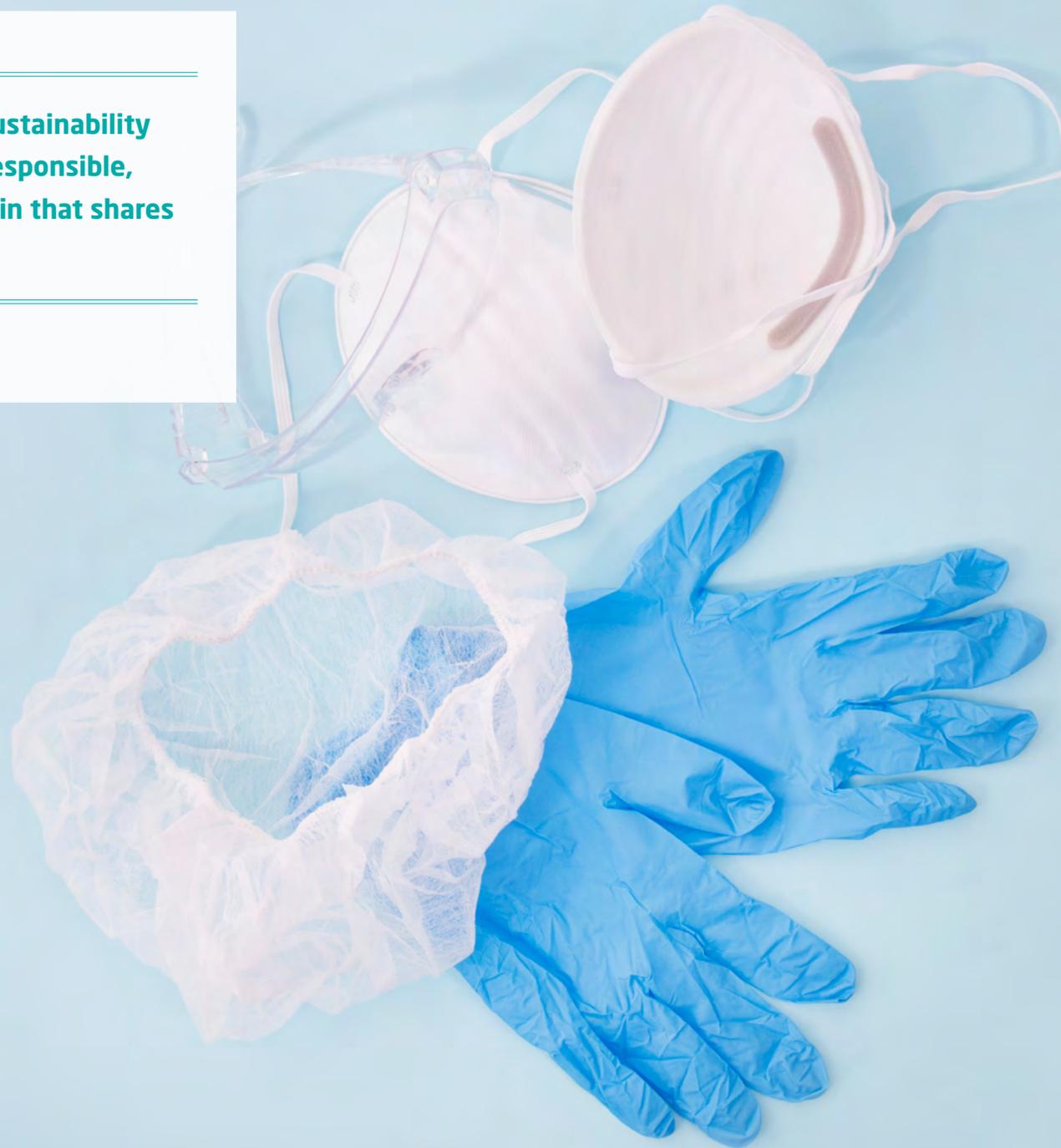
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**Our commitment to sustainability  
involves ensuring a responsible,  
sustainable value chain that shares  
our principles**

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# CPC: Quirónsalud Group Corporate Purchasing Centre

In 2019 we have continued to optimise the hospital supply process, achieving a 14% increase in the volume of purchases managed by the CPC.

119,871 authorised references to place orders in a traceable, centralised manner.

10% increase compared to the previous year.



After the maelstrom of hospital group acquisitions over the last three years, the **CPC (Quirónsalud Group Corporate Purchasing Centre)** has focussed on streamlining and making the transactional management process (P2P, Procure to Pay) for supplying materials to hospitals as efficient as possible. 6 supply groups are currently managed through catalogues:

- Consumable medical supplies
- Pharmaceutical products
- Instruments
- Other supplies
- Linen, clothing and footwear
- Food

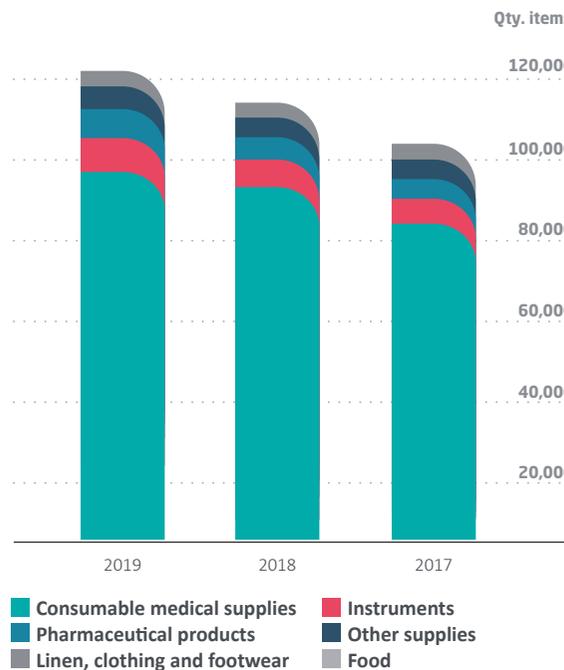
Medical supplies and pharmaceutical products represent 93% of all purchases.

The **economic value** of the purchases managed by the **Quirónsalud Group Corporate Purchasing Centre** in 2019 was **321.5 million Euros**, representing a 14% increase in purchase volume compared to the previous year's value.

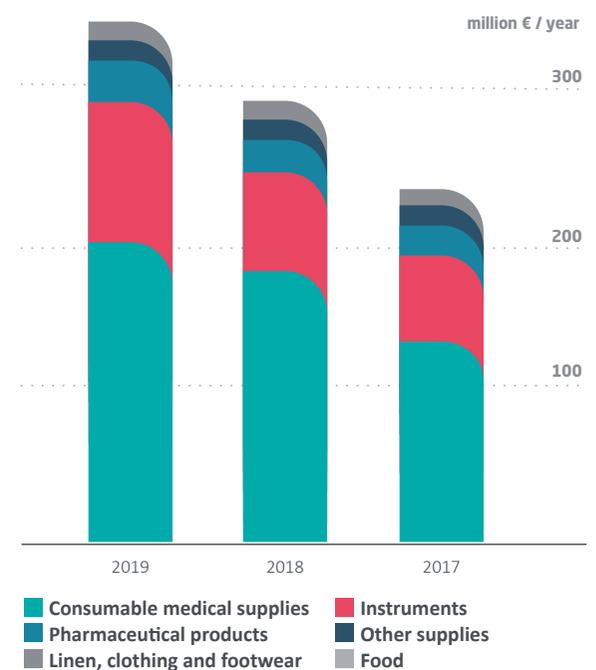
In 2019, we had a total of 119,871 authorised references, allowing hospitals to place their orders with suppliers in a traceable, centralised manner, representing a 10% increase compared to 2018.

Likewise, the volume of purchases managed by the CPC in 2019 increased by 14% compared to 2018.

CATALOGUED ITEMS PER YEAR / CATEGORY



PURCHASE VOLUME € / YEAR / CATEGORY



## EDI (Electronic Data Interchange)

### Electronic certificates that guarantee the quality and safety of supplies

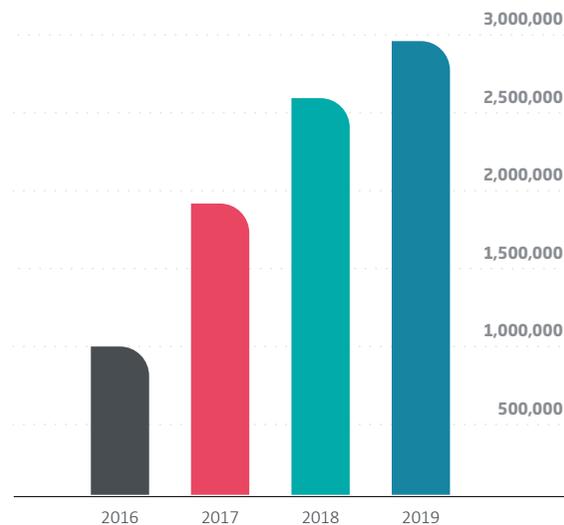
Suppliers are classified according to the type of material they sell. The purchase and distribution process varies according to this classification, and the **quality and safety of the supplies** is guaranteed at all times by the electronic certificates of the transactions.

With continued optimisation through the electronic management of P2P transactional operations within the Group, the evolution in the number of suppliers that go through EDI (Electronic Data Interchange) remains positive, since of the total number of suppliers (1,060), 49% are already integrated in the EDI.

In 2019, 35 more suppliers were added, representing a 7% increase compared to the previous year.

With regards to the automation of documents, orders and invoices via EDI, in 2019 we reached the figure of 1,306,000, which is 13% more than in 2018.

AVERAGE DOCUMENT VOLUME BY EDI



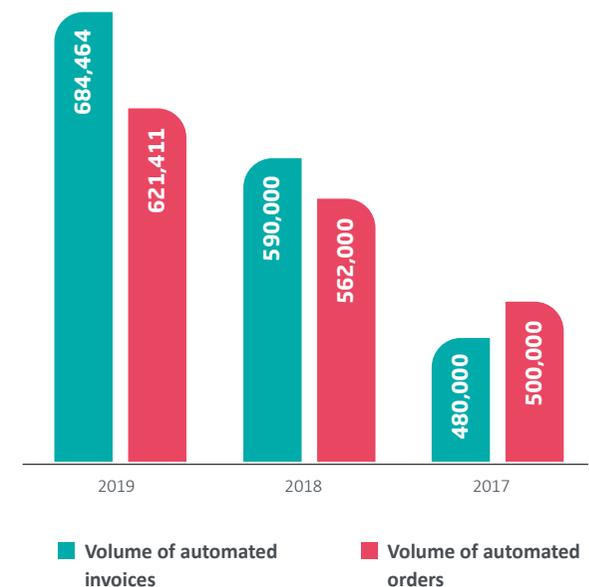
\* The savings resulting from invoicing through EDI (in paper and related expenses) are estimated at 3 Euros per invoice.

The data on the volume and evolution of the quantity of messages exchanged by EDI at the Corporate Purchasing Centre compared to 2018 was

2,096,000, which equates to a monthly average of 173,122 messages.

These figures represent significant savings resulting from going paperless in the transactional operation of purchases by avoiding generating invoices, purchase orders and delivery notes, which has a significant **positive impact on the environment**.

RDER VOLUME / INVOICES VIA EDI

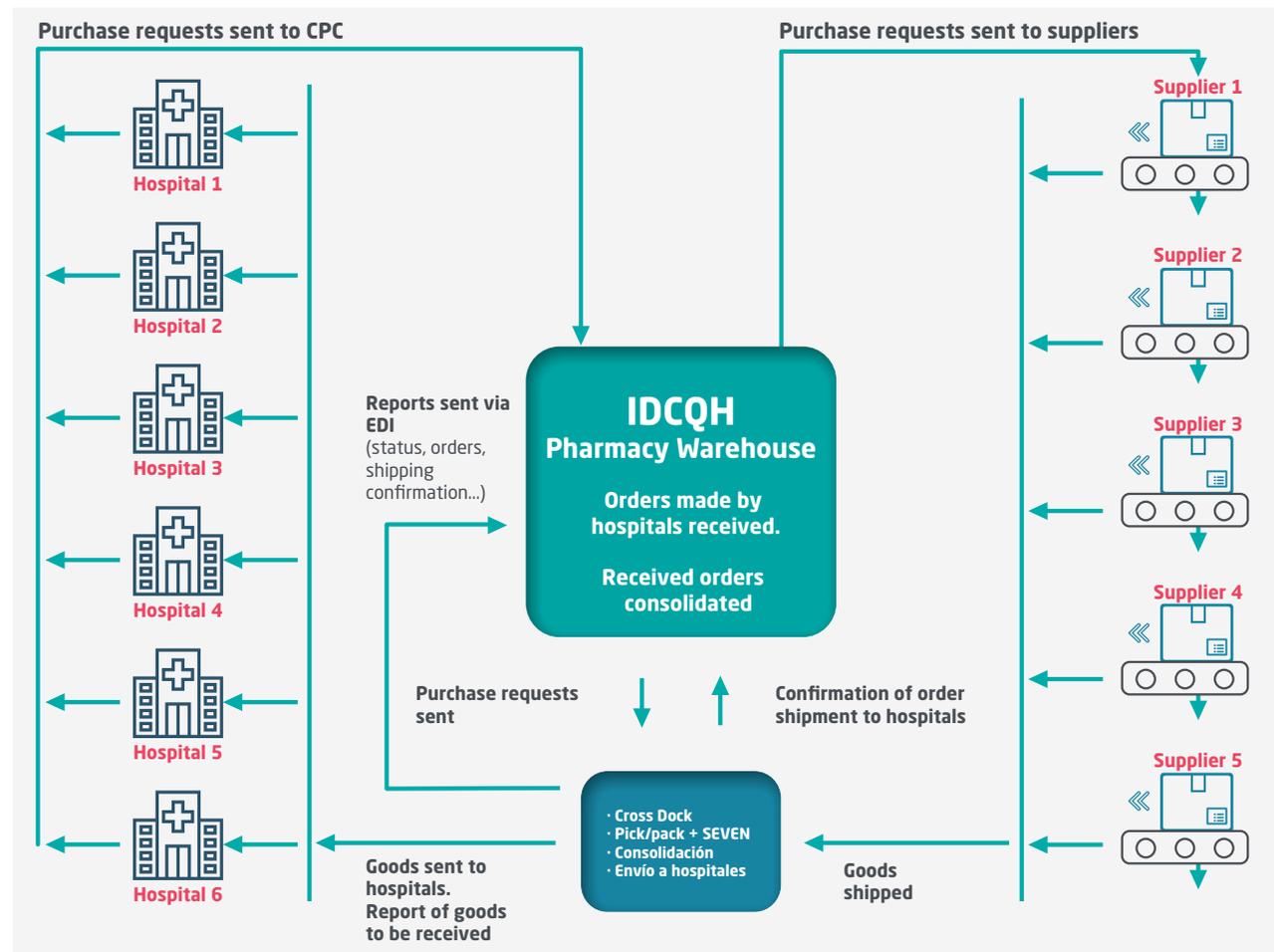


### Plan to optimise the supply of pharmacological products to hospitals

In order to continue optimising the service to our centres and hospitals, we are working on a model where all requests for **pharmaceutical products** from our hospitals are received and consolidated through a **single logistics point**, organising daily deliveries, even with dedicated routes, without minimum orders and considerably reducing the administrative burden.

We propose subdividing the management of the entire pool of suppliers through **two models**:

- **“Centralised”**, focussed on the TOP 40 suppliers, which essentially represent the highest turnover, with the highest level of transactions but with fewer suppliers.
- **“Back-up”**, focussed on the suppliers that essentially represent the lowest turnover and their outsourcing brings an economic and operational improvement to hospitals.



This supply model represents better management, ensuring:

- Strict compliance with the requirements of current legislations, minimising risks in supply processes.
- Guarantee of supply to hospitals in time and type.
- Optimisation of processes and stock at hospitals by decreasing the administrative burden, as well as stock, and reducing multiple request channels.
- Improvement in drug supply traceability.
- Improvement in the administrative management of the P2P transactional process (order/invoice), including the centralised management of incidents.



# Responsible purchasing and contracting



The Quirónsalud Group Corporate Purchasing Centre bases its purchasing and contracting policies on establishing long-standing relationships with its suppliers on the basis of trust, mutual respect and transparency.

Supplier relationships must be based on professionalism, mutual respect and recognition of the **legitimate benefit for both parties**, ensuring the **fulfilment of the agreed commitments** and other conditions established at the time of negotiation.

The CPC aims to design a procedure that establishes guidelines for taking care of and improving its supplier management, evaluating various aspects of their **capabilities and values as a company**, in accordance with guidelines based on experience, requirements and methodology.

This procedure will follow a range of principles to ensure that suppliers are aware of and accept the **Code of Conduct** required by Quirónsalud, to provide transparency and quality in the purchasing and contracting process.

Quirónsalud will approve companies that comply with the basic essential requirements demanded of its suppliers of goods and services, with regards to a range of specific issues that are considered to be of vital importance:

- Financial and administrative management aspects: being up-to-date with tax and social security obligations.
- Aspects of **Compliance**, legal compliance in all areas.
- Aspects of Occupational Risk Prevention.
- Aspects of Data Protection.
- Aspects of Quality, Environmental and Health and Safety management, related to ISO standards.
- Other aspects of Corporate Social Responsibility.

The methodology will be based on scoring criteria for the aspects being evaluated in each section. Using an approval form and a weighted scoring scheme, it will be possible to automatically evaluate supplier responses and assess their suitability to be approved by Quirónsalud, a necessary condition to be able to supply products or services.

After completing the process, a key indicator will

be assigned to each supplier to identify the risk level of a relationship with them.

As a guarantee lever with our suppliers, we base our purchasing policy on establishing framework agreements that stipulate the guidelines to follow when acquiring different products for our centres (terms, price, guarantees, etc.), always in compliance with the legal framework established by Quirónsalud.

In the framework agreements, we establish the guidelines to follow when acquiring the different products for our centres, detailing economic, quality and safety aspects. All these agreements form our **unique general catalogue** for all our hospitals, a project that began in 2015, seeking maximum **consolidation and transparency**.

With regards to purchasing and contracting related to **infrastructure**, in 2016 the infrastructure management processes were also standardised in order to properly plan, monitor and control the



work, as well as the decision-making process involved in implementing new projects.

## The Supplier Portal

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

In 2017, we launched the **Supplier Portal** to improve communication with our suppliers, ensuring common goals, aligned interests and actions, promoting more fluid communication, while building trust and loyalty.

At **Quirónprevención**, the company has its own purchasing and contracting procedures and protocols.

Its Environmental Policy expressly indicates a commitment to include environmental considerations in purchasing decisions and when designing new products, wherever technologically possible, as well as when selecting suppliers and subcontractors, whenever their activities may affect the environmental performance of the company.

Likewise, they are required to sign the **Supplier Responsibility Commitment Letter**, in accordance with the procedure implemented as part of its Management System.

In the case of some Quirónprevención suppliers, such as the supplier of office materials, furniture, technology, cleaning and security equipment, a company has been selected that has environmental recognitions and sustainable products/services, both from an environmental point of view and in terms of reducing their carbon footprint, as well as from a social approach, promoting child education initiatives in developing countries.

# Strategic partners

For Quirónsalud, insurance companies and medical associations are strategic partners that allow us to reach as many patients as possible, providing a quality service with high levels of satisfaction.

The relationship with these stakeholders is conducted by Quirónsalud's Corporate Area of Operations, where management guidelines are set, which are channelled through ongoing direct communication with our Territorial Delegations.

We hold **framework agreements with the main insurance companies in the sector**, which define the contractual model by covering not only price agreements, but also volume commitments and key care quality indicators.



