

# 6. Our suppliers and strategic partners





# Our suppliers and strategic partners

## Allies in our cause



**Our supplier relationships are based on close collaboration and mutual trust, and we have continued to streamline and make our processes more efficient in 2020.**

## Our supply chain

Our supply chain has three categories:

Suppliers
Healthcare and prosthetic pharmaceutical products
Medical equipment
Services

We currently have six supply catalogues:

- Medical consumables
- Pharmaceutical products
- Instruments
- Other supplies
- Clothing and footwear
- Food

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

Prosthetics, medical material and drug suppliers are managed and coordinated by the Group’s Corporate Purchasing Centre.

With regards to service providers, “Servicios, Personas y Salud” (SPS - Services, People and Health) is the Group company where General Services are centralised, and represents a non-healthcare support service at our centres. SPS subcontracts services such as laundry, waste management, pest control and disinfection, and security at corporate level.

Meanwhile, medical device supplier relationships are managed by the Corporate Healthcare Quality Department.

Our procurement practices focus on local suppliers.

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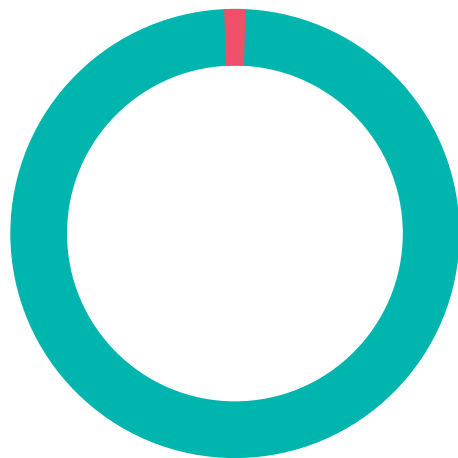
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**98% of our medical and pharmaceutical suppliers are registered in Spain.**

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Only **2% of healthcare and pharmaceutical purchases** made at corporate level are from foreign suppliers, which are mainly Spanish branches of international companies.



■ Espanoles ■ Extranjeros

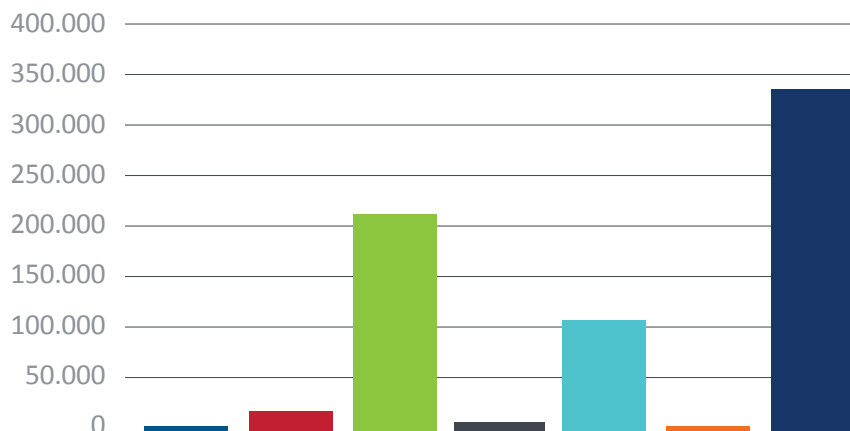


# CPC: Quirónsalud Group Corporate Purchasing Centre

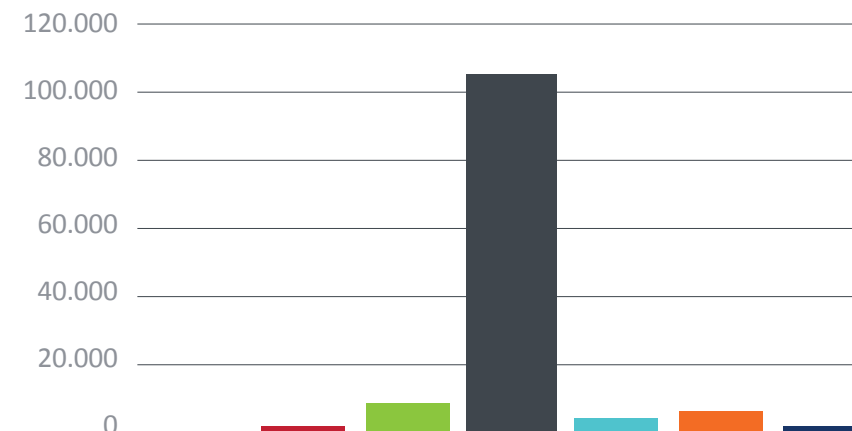
**In 2020, we have continued to optimise the hospital supply process, and have increased the volume of purchases managed by the CPC by 5% compared to 2019.**

**116,537 references** are enabled for traceable centralised orders

PURCHASE VOLUME € PER CATEGORY / 2020



ARTICLES CATALOGUED PER CATEGORY / 2020



- FOOD
- MEDICAL CONSUMABLES
- PHARMACEUTICAL PRODUCTS
- OVERALL TOTAL
- INSTRUMENTS
- OTHER SUPPLIES
- CLOTHING AND FOOTWEAR

- ROW TAGS
- INSTRUMENTS
- OTHER SUPPLIES
- CLOTHING AND FOOTWEAR
- FOOD
- MEDICAL CONSUMABLES
- PHARMACEUTICAL PRODUCTS

## EDI (Electronic Data Interchange)

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

#### Increase of 11% vs 2019

Suppliers are classified based on the type of material they sell. The purchasing and distribution process depends on this classification, and the **quality and safety of supplies** is guaranteed at all times by electronic transaction certificates.

Continuing with the optimisation process by electronically managing P2P transactional operations within the Group, the number of suppliers that go through EDI (Electronic Data Interchange) is increasing. 46% (1,080) of the total number of suppliers have now been added to the system.

In 2020, 53 more suppliers were added, representing an increase of 11% compared to the previous year.

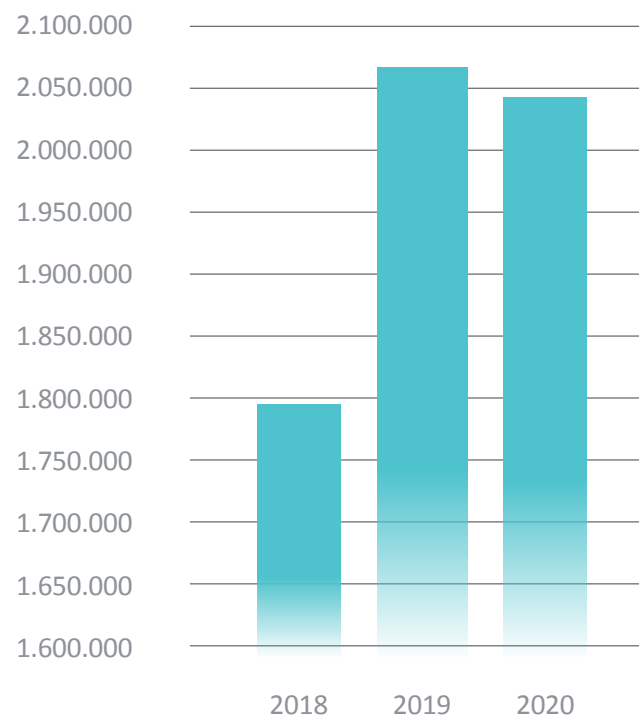
With regards to automating documents, orders and invoices via EDI, the figure reached 1,166,496 in 2020. This represents a major saving from going paperless in transactional purchasing operations (invoices, purchase orders, delivery notes), which has a significant positive environmental impact.

During the last quarter of 2020, we have implemented the **centralised supply of pharmacological products**.

After parameterising and organising the various ERPs used by our hospitals in coordination with the logistics operator and suppliers, by the end of 2020, five of the major pharmaceutical suppliers were providing services under this model.

This allows us to send and manage orders to each supplier in a consolidated way, thus managing the many orders that leave our hospitals on a daily basis in a more efficient and standardised manner. This in turn improves the administrative management of the P2P transactional process (order/invoice), ensuring compliance with the requirements of the current legislation and improving medicine supply traceability.

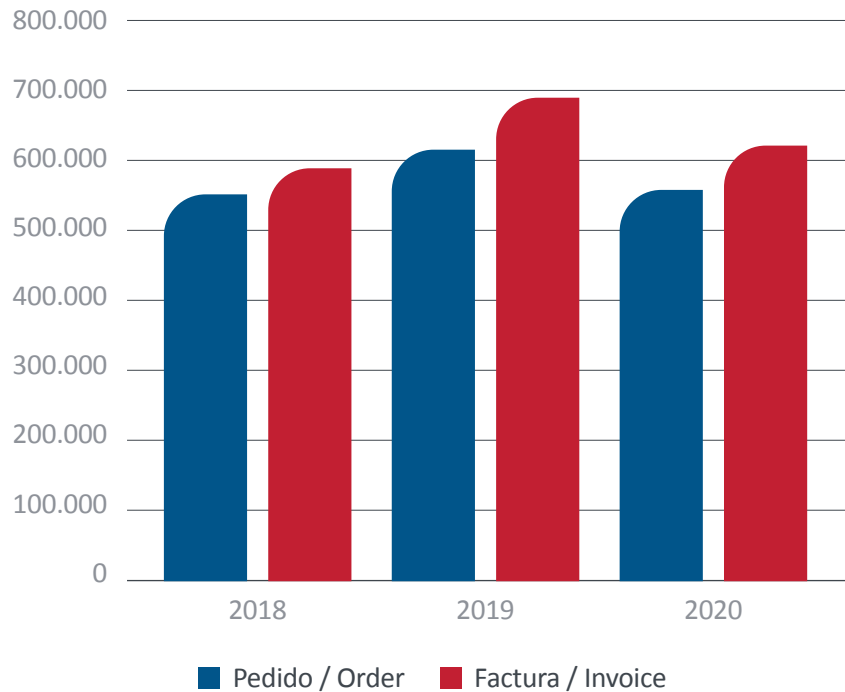
AVERAGE DOCUMENT VOLUME BY EDI



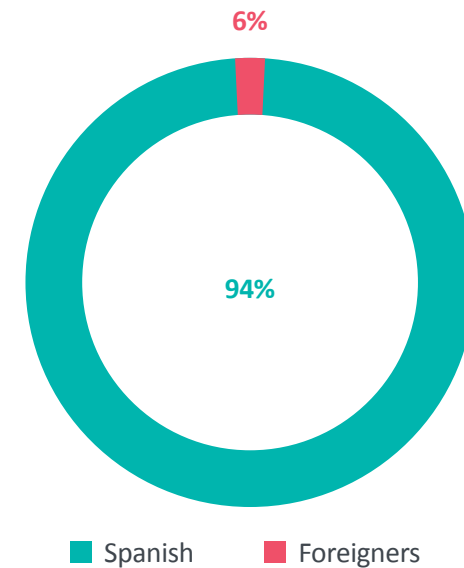
6. OUR SUPPLIERS AND STRATEGIC PARTNERS

CPC: Quirónsalud Group Corporate Purchasing Centre

ORDER VOLUME / INVOICES VIA EDI



SUPPLIERS INTEGRATED IN EDI ACCORDING TO GEOGRAPHICAL AREA



The number of documents exchanged by EDI represents a substantial saving from going paperless in transactional purchasing operations by not creating invoices, purchase orders and delivery notes, which has a significant **positive environmental impact**.

Although only 2% of purchases come from international medical and pharmaceutical suppliers, this figure increases to 7% if all EDI-integrated suppliers are taken into account.



## Responsible purchasing and contracting

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

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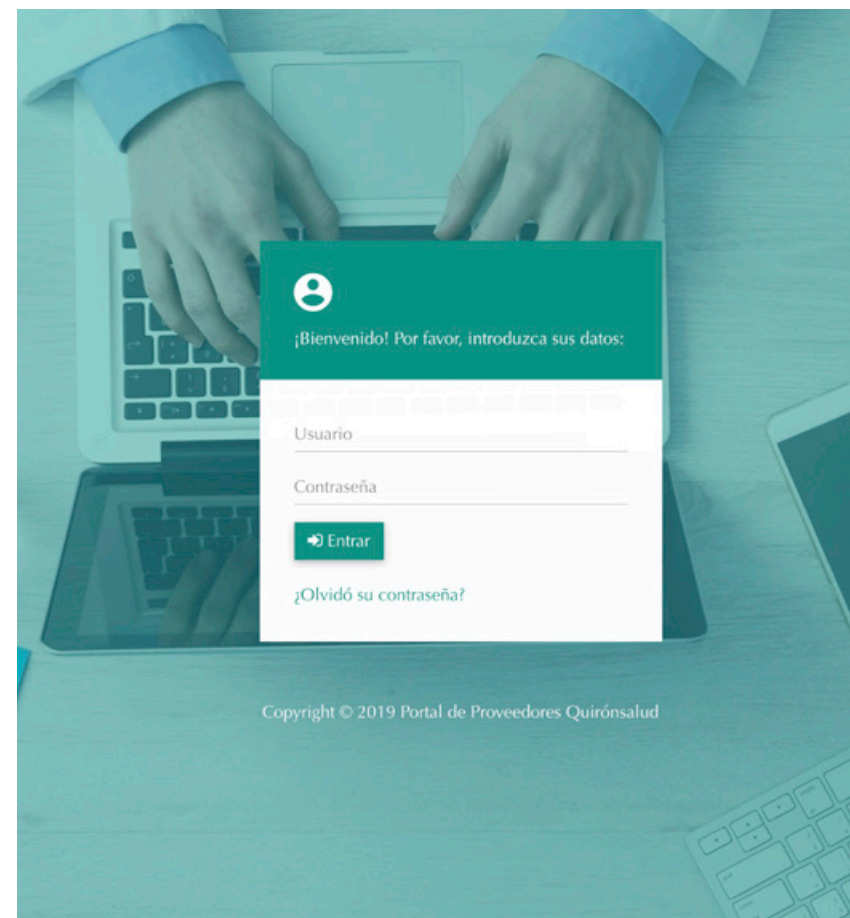
Another of the Group Corporate Purchasing Centre's objectives is to look after supplier relations and create responsible relationships within the framework of Compliance and Corporate Social Responsibility.

In 2020, the functionality and IT architecture required to carry out this process has been designed, with the aim of using it to gradually connect with all our suppliers in the first quarter of next year.

### El portal de proveedores de Quirónsalud

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Comunicación fluida y relación de máxima transparencia con nuestros proveedores, generando confianza mutua y objetivos comunes.



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The established processes aim to improve supplier company selection by using a **standardised 360º evaluation** that considers general, financial and quality aspects; social and environmental responsibility; criminal responsibility and compliance; data protection and cybersecurity, as well as more specific aspects decisive in guaranteeing a good service in certain areas of contracting, such as assessing food safety, medication, works or equipment.

This procedure follows a series of principles that also ensure suppliers' knowledge and acceptance of the **Supplier Code of Conduct required by Quirónsalud**, and responds to the **Employee Code of Ethics**, in order to provide quality and transparency in the supplier contracting process.

This platform will be linked to other functionalities, allowing our Corporate Purchasing Centre to have an efficient management system by improving communication with suppliers, managing tenders and awards, and establishing and controlling framework agreements.

**Quironprevención** has its own purchasing and contracting procedures and protocols.

Its Environmental Policy expressly states a commitment to include environmental considerations when making purchasing decisions and designing new products, wherever technologically possible, as well as when selecting suppliers and subcontractors, whenever their activities may have an impact on the company's environmental performance.

Likewise, it requires suppliers to sign the **Supplier Responsibility Commitment Letter**, in accordance with the procedure implemented as part of its Management System.

In the case of some Quironprevención suppliers, such as the supplier of office materials, furniture, technology, cleaning and safety 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 its carbon footprint, as well as from a social approach, as it promotes child education initiatives in developing countries.

Supplier audits have not been carried out in 2019 or 2020. These will be implemented if deemed appropriate, depending on the type and situation of each supplier.

As a lever of guarantee with our suppliers, we maintain our purchasing policy in establishing **framework agreements** that stipulate the guidelines for acquiring different products for our centres (deadlines, price, guarantees, etc.), always in compliance with the legal framework established by Quirónsalud.

In the framework agreements, we establish guidelines for acquiring different products for our centres, specifying economic, quality and safety aspects. All these agreements make up our **single general catalogue** for all our hospitals, a project that began in 2015, aiming for greater **standardisation and transparency**.

With regards to **infrastructure-related** procurement and contracting, since 2016, we have also been standardising the management processes of the Infrastructure Division in order to properly plan, monitor and control building and renovation work, as well as the decision-making process that underpins the implementation of new projects.

## Strategic partners

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**For Quirónsalud, mutual insurance companies, insurers 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.**

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The relationship with these stakeholders is managed by Quirónsalud's Corporate Operations Division, which sets management guidelines that are channelled through ongoing direct communication with our Regional Offices.



We have **framework agreements with the sector's main insurance companies**, which define the contractual model, addressing not only price agreements, but also volume commitments and key healthcare quality indicators.



