



Responsible supply  
chain management



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## COMPANY POLICIES

To ensure that relations with suppliers and purchasing policies can create conditions that promote sustainable economic development and respect for human rights, Intesa Sanpaolo centralised its sourcing, regulatory guidelines, supplier qualification, and monitoring activities with the Parent Company. The Procurement Rationalisation Project carried out by the Procurement Head Office Department has brought the acquisition process and purchasing logic into line with the principles of listening, transparency, equal opportunities, and fairness espoused by the Code of Ethics and the social, and environmental responsibility criteria shared within the Group. The Group Procurement Guidelines were updated at the end of 2022, with the aim of defining roles and responsibilities in the Group procurement management process, as well as the principles and macro-processes to be observed during all phases of the management of purchases of goods and services. At the end of 2022, the Procurement Rules were also updated and published. This is the document describing the operating rules to be applied to the procurement process applicable to all Bank structures.

## MANAGING THE SUPPLY CHAIN

The Procurement Head Office Department promotes policies and shared best practices in the area of procurement for the entire Intesa Sanpaolo Group aimed at safeguarding the principles of ethical, social, and environmental responsibility shared by the Group. This Department, in charge of procurement in the area defined by the relevant Guidelines and Rules, oversees the purchasing process, guaranteeing the regularity and consistency of purchases by observing the relevant policies and internal regulations, also via an application called Supplier Gate, with a view to ethical negotiations and the competition-based comparison of the (technical and economic) characteristics of offers submitted by suppliers and sub-suppliers. Currently, the vendor management (suppliers' management) and e-sourcing (online tender management) modules of the Supplier Gate portal are also used by the main Intesa Sanpaolo Group international companies; it is planned to gradually extend these IT systems to other Group companies not equipped with similar tools. During 2023, the Procurement Head Office implemented a new application platform (Portale Qualifica 2.0) for the management of the qualification process and for the monitoring of the counterparties of interest, with the aim of automating the collection of all the information required for due diligence purposes, determining a qualification score and focusing the control activities on the most critical aspects. The new platform is integrated with Supplier Gate. Suppliers view the Intesa Sanpaolo Code of Ethics when registering with the portal and, if they sign a supply or service agreement, they pledge to respect the main relevant contents of the Code when performing their assigned tasks, also making this pledge on behalf of their representatives, employees, associates, and subcontractors. They must also view the Organisation, Management and Control Model (Legislative Decree 231/2001), the Internal Group Code of Conduct and the Diversity & Inclusion principles. The assessment of registered suppliers takes into account not only the economic-financial and technical-organisational characteristics of each one of them, but also the aspects pertaining to business ethics, respect for human rights, workers' rights, and the environment, based on the statements made through the compilation of specific questionnaires and/or the possession of certain certifications. If the outcome of this assessment is positive, suppliers are registered in the Group Suppliers' Register and can be invited to procurement events. At the end of 2023, approximately 8,400 suppliers had completed the registration procedure on the Supplier Gate portal. Of these, around 4,200 were found to be qualified and eligible to be invited to procurement events.

## QUESTIONNAIRE, REPORTING, CONTROLS

During 2023, the mapping of suppliers with regard to social sustainability (including human rights), environmental and governance matters continued through the completion of a specific questionnaire in order to strengthen the criteria for the assessment and selection of the best suppliers. All new suppliers are required to complete the questionnaire. The ESG score, which arises from completion of the afore-mentioned questionnaire and possession of certain certificates in line with the Group's criteria, expresses the supplier's quality on ESG



issues and can influence the selection of the best suppliers in relation to specific procurement needs. It follows that, in relation to specific product categories with a greater environmental or social impact, suppliers who fail to comply with the minimum requirements can be excluded from tenders.

The recovery campaign also continued for all previous suppliers used on a recurring basis to obtain a global assessment by 2025. At the end of 2023, 65% of qualified suppliers engaged by the Procurement Head Office Department completed the questionnaire and obtained an ESG score. During 2024, the Financial Market Coverage Head Office Department will also be recorded in the supplier qualification systems for all suppliers who are also customers of Intesa Sanpaolo and subject to ESG assessment.

In relation to the possession of documents certifying that the suppliers have fulfilled their obligations to pay social contributions for their employees, in 2023, the Procurement Head Office Department carried out around 15,700 compliance checks on the documents uploaded to Supplier Gate. These checks are carried out both on the direct supplier and on any sub-suppliers stated in the procurement contracts.

The functions involved in the procurement process are guaranteed the option to conduct direct checks and verification, including by obtaining further documentation certifying that the suppliers have fulfilled their obligations to pay social contributions and salaries to their employees.

During 2023, targeted audit activities were also launched on existing contracts for cleaning services aimed at reconstructing and verifying the correct management of the entire procurement chain and excluding possible violations or non-payment of social security contributions, insurance and remuneration to the detriment of the supplier's employees and its sub-contractors, as well as verifying that the contract fees were suitable to adequately remunerate the order management costs.

In addition to completing the ESG questionnaire, all suppliers are required to complete a reputational questionnaire, the outcome of which, like the previous one, may influence the selection and use of the suppliers. In addition, suppliers who provide services that impact business continuity and cybersecurity or data processing are required to complete additional specific questionnaires. To guarantee objectivity and transparency in the contract award phase and take account of ethical implications and social-environmental impact assessments, procurement events are held via the Supplier Gate portal that permits the impartial comparison of multiple offers and the tracking of all negotiations carried out. This consequently makes it possible to identify the best trade-off between the technical and administrative assessment (including social and environmental sustainability criteria) and a distinct and separate, purely economic assessment.

According to special clauses included in the contracts used by the Procurement Head Office Department, suppliers that register with Intesa Sanpaolo's Supplier Gate must respect the main content of the Code of Ethics and the Internal Code of Conduct and undertake, when fulfilling their contractual obligations, to take all necessary measures to prevent relevant conduct pursuant to Italian Legislative Decree 231/2001, the anti-money laundering and anti-corruption regulation. On request, they must also submit documentation that proves their ongoing compliance with the social and environmental obligations they have undertaken, and also the compliance of any subcontractors.

The contractual clauses impose on the supplier the obligation to guarantee that treatment of employees in terms of economic conditions, wages, regulations, pensions, insurance, and accident prevention aspects is not lower than the minimum standards outlined in applicable laws, regulations, or collective bargaining agreements (also in relation to category and geographical area). Standard contractual conditions oblige every supplier and subcontractor (if applicable) to operate in complete compliance with laws on the environment, ecology, and waste management (including laws on the circulation and disposal of waste electrical and electronic equipment) and, where requested, to document this compliance at any time.