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## Collaboration with suppliers



Logista manages the supply chain responsibly, establishing business relationships with reputable, trustworthy suppliers that have professional and ethical business practices.

Logista's General Principles of Conduct set out the minimum standards and basic rules of conduct that must govern the activities of suppliers in their dealings with the Group, with their own employees and with other third parties involved in carrying out their activities.

These principles of conduct must be understood and accepted by all the Group's suppliers, and compliance is mandatory. To ensure they are public knowledge, they are published on the Group's corporate website and translated into the official languages of the countries in which the Group operates.

Logista's Procurement Policy also sets out Logista's guiding principles on ethics, labour, sustainability, quality and client focus, and form the basis for supplier tendering and selection through an objective and rigorous process.

Under the Group's Procurement Guidelines, tendering must also be governed by the Principle of Ethical and Professional Conduct.

To evaluate the degree of compliance with standards of quality, safety and professionalism, and with all other standards required by the Group, Logista carries out regular evaluations to assess its suppliers' capacity.

In 2020 financial year, Logista carried out 845 audits of suppliers, and did not identify any significant shortcomings in any of them.

The checks form part of the control systems in operation in each of the businesses. The regular checks include the evaluation of certified quality control systems, a review of the degree of compliance with regulatory strategies, and the monitoring and evaluation of area directors and other commercial representatives by means of unannounced inspection visits.



## Resource optimisation

All significant purchases of goods and services corresponding to general purchases, supplies, maintenance services and information and communications technologies, as well as CAPEX, are centralised, in order to optimise and streamline resources.

There is also procurement of goods and services that, due to their nature or low cost, are not suitable for centralised management. In these cases, the established procurement process is followed, to comply with the general procurement guidelines set out in the Procurement Policy and to ensure transparency, efficiency and equity in those purchases.



**OBJECTIVES**

**AREA**

**SCOPE**

<p><b>Principles of Ethical and Professional Conduct. Code of Conduct</b></p>	<p>Establishes ethical values and other guidelines and principles of responsible conduct, applicable to the Group's management</p>	<p>General. All Logista employees</p>	<p>Criminal activities, theft of products by clients/suppliers, bribery, fraud, falsification of company accounts or records, facilitating incorrect data or information, theft of company information, breaches of security/health and safety/environmental rules, discrimination</p>
<p><b>Procedure and Rules for Reporting Malpractice</b></p>	<p>The Code of Conduct created a whistleblowing channel for reporting conduct, facts, omissions or non-compliances (Malpractice) that constitute Infringements of the Code of Conduct</p>	<p>General. All Logista employees</p>	<p>n/a</p>
<p><b>Procurement Policy/Guidelines</b></p>	<p>i) Optimising and streamlining the use and availability of resources through centralisation (synergies, economies of scale)</p> <p>ii) Highlighting the importance of the procurement process (duties and responsibilities of those involved in the process)</p> <p>iii) Preventing risks of fraud in procurement processes</p> <p>iv) Establishing basic principles of procurement:</p> <ul style="list-style-type: none"> <li>1- competition</li> <li>2- publicity</li> <li>3- non-discrimination</li> <li>4- preventing conflict of interest</li> <li>5- ethical and professional conduct</li> <li>6- reasoned decisions</li> <li>7- separation of roles</li> <li>8- General principles of supplier conduct</li> </ul> <p>v) Creating a register of suppliers</p>	<p>Procurement Activities</p>	<p>Purchases included, purchases excluded</p>
<p><b>General Principles of Supplier Conduct</b></p>	<p>Minimum standards and basic rules of conduct that must govern the activities of Logista suppliers. Not just in relation to Logista, but also in terms of suppliers' relationships with their workers, third parties and the environment. Logista's principles are also principles that we expect of our suppliers</p>	<p>Suppliers</p>	<p>Compliance with laws, transparency in dealings with public authorities, freedom of competition, prevention of money laundering, compliance with tax and social security regulations, principles of honesty and transparency, confidentiality of information, respect for intellectual property rights, respect for personal and family privacy, compliance with labour obligations, respect for employees, safe and healthy working environment, protection of the environment</p>