



ITALGAS SUPPLIERS REGULATION



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INSPIRING PRINCIPLES IN THE RELATIONSHIP WITH SUPPLIERS



TRANSPARENCY AND TRUST

We build **trusting relationships** that allow the provider to feel centered through clear, immediate and effective communication

ETHICS AND SUSTAINABILITY

We pay **primary attention** to the environment, people and work **ethics** by actively involving suppliers in the implementation of Italgas principles.

QUALITY AND INNOVATION

We work with **suppliers** in a context of experimentation with new technologies, processes and approaches and we continuously seek **advanced solutions** to ensure the highest quality

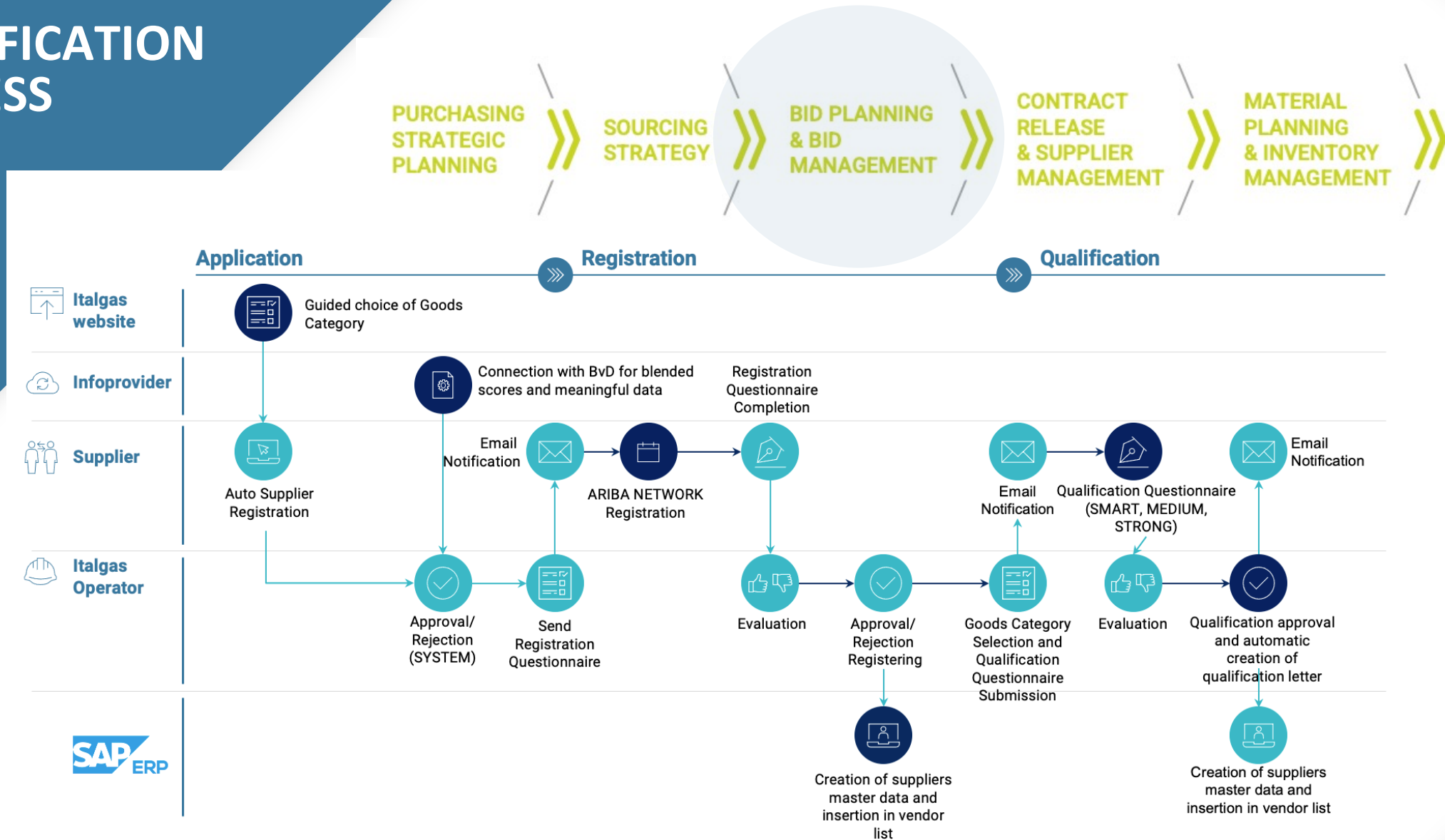
We use **fully digital, simplified and optimized** processes

DIGITALIZATION

BUSINESS TOGETHER

We work in **team**, we create and consolidate over time the partnership with suppliers in a perspective of **mutual enrichment**.

QUALIFICATION PROCESS



360 FEEDBACK VS. INTEGRATED SUPPLIER MANAGEMENT



OPERATIVE RATING Feedback (I.R.)

Supplier's operative performance
evaluation following the on-site
technical audit
→ **Monitoring report every 4
months**



ECONOMIC-FINANCIAL RATING

Economic and financial performance
evaluation and periodic monitoring

→ **Online platform** with external
provider (BvD)

periodic of the economic monitoring
index



SUSTAINABILITY RATING

Sustainability performance
assessment
and
periodic monitoring
→ **Online platform** with external
provider (Cribis)



LEGAL RATING, GOVERNANCE, COMPLIANCE

Reputational verification

→ **Constant monitoring** report and
always updated Green List



HEALTH, SAFETY, ENVIRONMENT, QUALITY RATING

On-site technical and ESG audits

→ **Monitoring reports and
corrective actions** in verification to
Italgas Teams (Qualification & HSE)

HAVE A COLLABORATION AREA WITH SUPPLIERS

Benefits:

- ✓ CONSTANT AND INTEGRATED
MONITORING
- ✓ EASE OF FINDING INFORMATION
- ✓ TARGETED AND TIMELY ACTION
PLANS

INTEGRATED SUPPLIER MANAGEMENT DASHBOARD



Report Vendor Rating

Hello **Mario Rossi**

From this page you can view the Vendor Rating of each qualified vendor.
The total Vendor Rating is given by the average of the Eco-fin, Sustainability, Operational and Reputational Rating indicators.
Click on the provider you want to monitor to access their detail.

Search supplier by name or SAP code

FILTERS

+ ADD COLUMN

Supplier	SAP Code	Eco-fin	Sustainability	Operational	Reputational	Tot. Vendor Rating	Actions
Lorem S.p.a	XXXXXXXX	B	C	70,3	OK	<div><div></div>75</div>	>
Ipsum S.r.l	XXXXXXXX	A	A	85	OK	<div><div>Excellent</div><div></div>90</div>	>
Sit S.p.a	XXXXXXXX	E	E	50	KO	<div>Not Determined minimum threshold not reached</div>	>
Dolor S.p.a	XXXXXXXX	C	D	64,2	OK	<div><div></div>68</div>	>
Amet S.p.a	XXXXXXXX	E	E	35,3	KO	<div>Not Determined minimum threshold not reached</div>	>

EXPORT TO EXCEL

<

1

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3

4

...

25

26

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Financial strength index (Eco-fin)	E 40	D 40	C 60	B 80	A 100
Sustainability Index	E 40	D 60	C 70	B 90	A 100

Accettabile	Acceptable with reservation	Not acceptable
Excellent	Good	Appropriate
Inadequate	Low	

REPUTATIONAL VERIFICATION (Due diligence)

For suppliers on the Italgas Vendor List, **compliance and reputation audits** are provided. The Italgas Evaluation Team guarantees all the necessary in-depth investigations in order to identify non-compliance with the requirements imposed by Italgas and **alignment with the Group's Code of Ethics**.

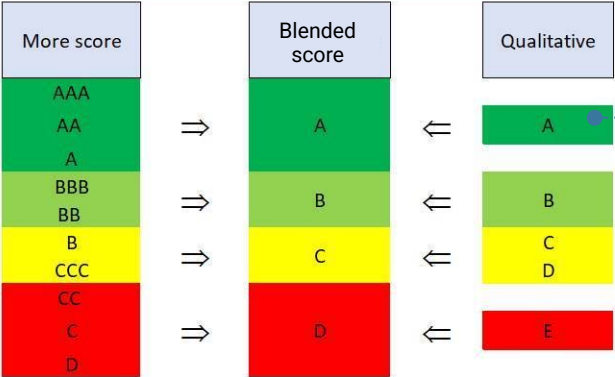


In the event of non-compliance with the reputational requirements, the Evaluation Team will prepare appropriate interventions, depending on the severity of the deficiency found by the Supplier.

ECO-FIN INDEX

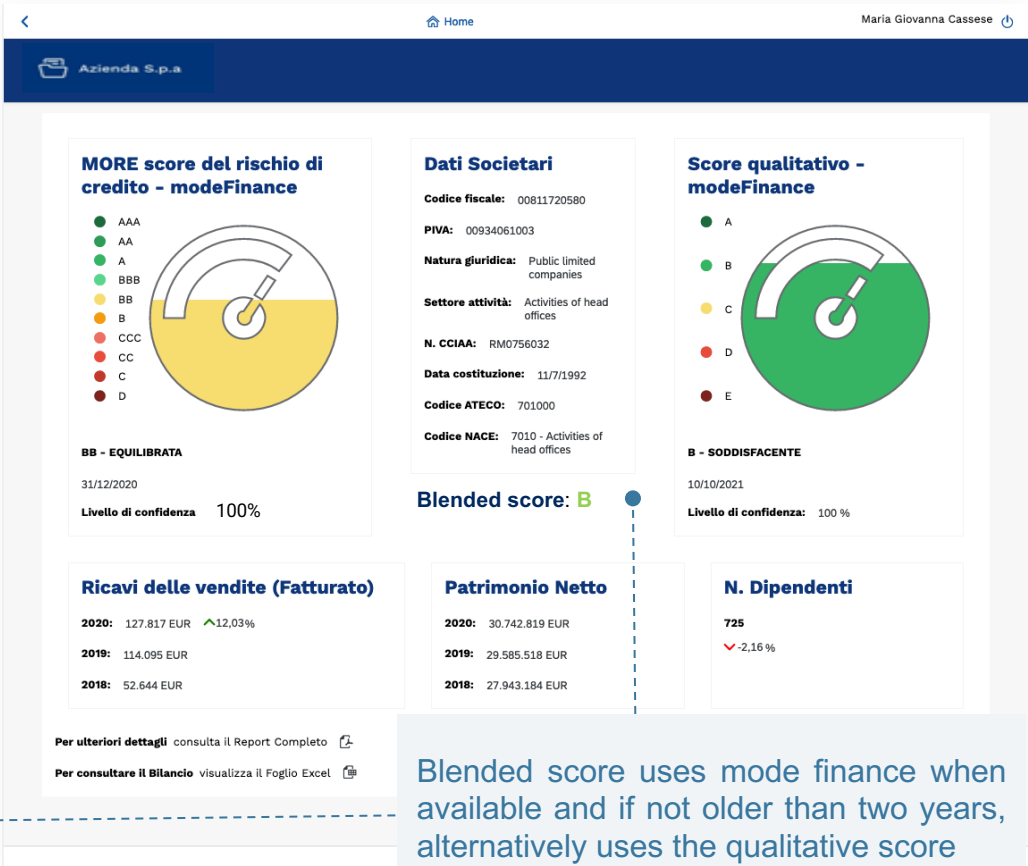
Italgas does not admit companies with *Blended* score Eco-Fin of Class D

MORE master scale		
Macro categoria	MORE classe	Assessment
Società sane	AAA	La solvibilità dell'impresa è ritenuta massima. La sua capacità di gestire il rischio è elevata.
	AA	La società ha una solvibilità molto alta.
	A	La società ha una solvibilità alta.
Società equilibrate	BBB	L'equilibrio patrimoniale, finanziario ed economico dell'impresa è considerato adeguato.
	BB	L'impresa presenta una sufficiente solidità patrimoniale e finanziaria in relazione al settore e al paese di appartenenza.
Società vulnerabili	B	La società presenta segnali di vulnerabilità.
	CCC	L'impresa mostra squilibri nella sua struttura patrimoniale, finanziaria ed economica.
Società rischiose	CC	L'impresa mostra dei segnali di elevata vulnerabilità.
	C	L'impresa manifesta situazioni patologiche considerevoli: la sua solvibilità è ritenuta molto scarsa.
	D	La società non è più in grado di fronteggiare gli impegni finanziari.



EXTERNAL PROVIDER: Bureau van Dijk (Moody's)

Receipt of balance sheet and financial stability summary indicator data



DATA UPDATE: at any time by ITG and automatically at scheduled times (end of November each year).

In case of passage below the minimum threshold established by Italgas, a **warning** email is sent to inform the supplier of the worsening of its score and invite him to recover the gap within the next deadline.

SUSTAINABILITY INDEX

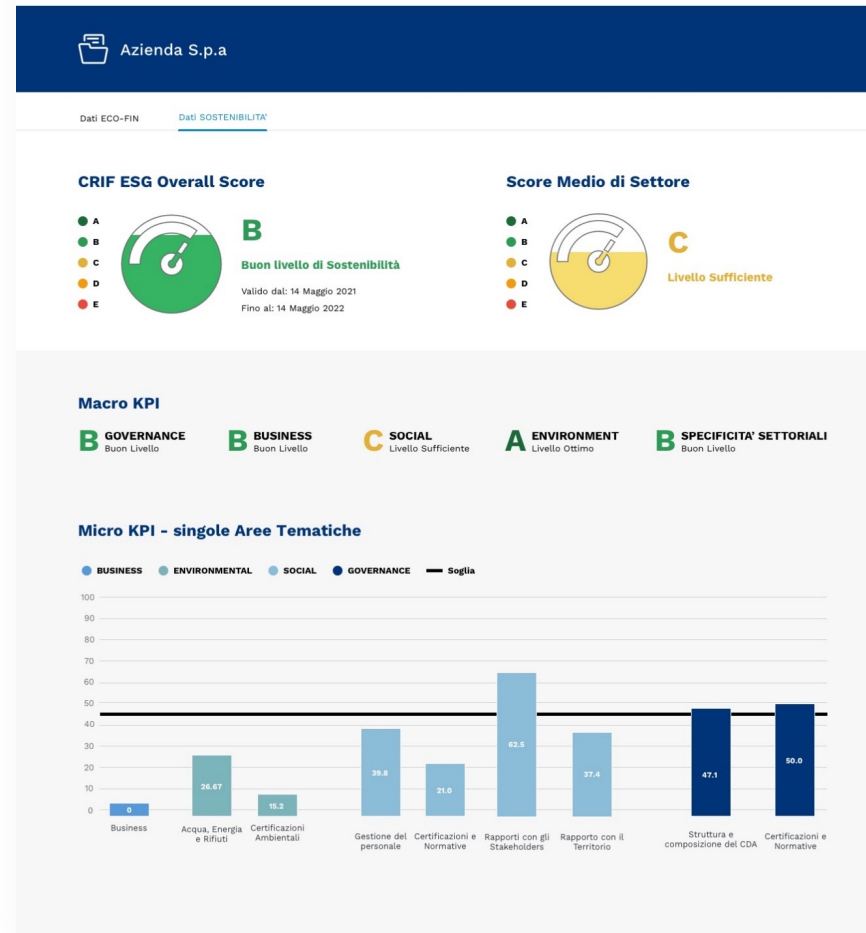
Italgas does not admit companies with sustainability scores of Class E



At the end of the questionnaire supplier will be able to download the **CRIF ESG compilation certificate**. At the end of the 12 months, the **certificate can be renewed** by filling out the questionnaire again (at a cost of 190€/renewal to be paid by the supplier).

EXTERNAL PROVIDER: Cribis (CRIF ESG)

Adding supplier to Italgas portfolio and receipt of sustainability score



DATA UPDATE: at any time by ITG and automatically at scheduled times (**end of month**).

In case of passage under the minimum threshold established by Italgas, a warning email is sent to inform the supplier of the worsening of its score and invite him to recover the gap within the next deadline.

OPERATIVE INDEX

It is the evaluation system of the suppliers on the basis of **three questionnaires**, divided by product types (**Goods, Works, Services**) that analyzes aspects of Quality, Team, Respect of Times, Propensity to digitalization and Partnership, and consequently attributes an **overall score (0-100)** to each supplier.



In addition to the evaluation through feedback, the Italgas **Technical Audit** structure constantly monitors the activity on site, through audits on quality, environment, health and safety aspects, as well as on the regular execution of the works.

QUALIFICATION CONTRIBUTION

Italgas asks suppliers to pay a qualification contribution that varies on the type of qualification process and the turnover of the Supplier.

Qualification Process	Fee Amount for Qualification	Fee Amount for Renewal
STRONG	1.500 €	1.500 €
MEDIUM	1.000 €	500 €
SMART	500 €	250 €

In the case of **STRONG Qualification Processes** the payment of the contribution is expected for all suppliers and does not consider the company turnover.

For the **MEDIUM and SMART Qualification Processes** the contribution is requested **only to Large and Medium Enterprises with turnover over 10M€**.