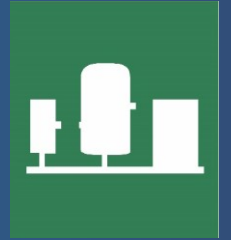




The Vendor Management platform
for industrial equipment and services



SEZIONE
PACKAGES

Sostenibilità ESG della Filiera di Fornitura - Focus sull'ambito dei Packages

Comitato Direttivo Sezione Packages ANIMP

www.supplhi.com

SupplHi©2015-2021

30 Novembre 2021

Modular Solution



SupplHi is a cloud-based and modular SaaS, covering all needs in a single platform. Clients select the APPs that they need the most and seamlessly grow over time, for additional benefits.









SUPPLIER MANAGEMENT

-  Vendor Register
-  Vendor Qualification Management
-  Vendor Performance Evaluation
-  Vendor Scouting






SUPPLY CHAIN SUSTAINABILITY & RISKS

-  Supply Chain Sustainability Monitoring (ESG Meter)
-  Scope 3 CO2 emissions (Carbon Tracker)
-  Vendor Compliance Checks
-  Vendor Risk Monitoring






PRODUCTIVITY APPS

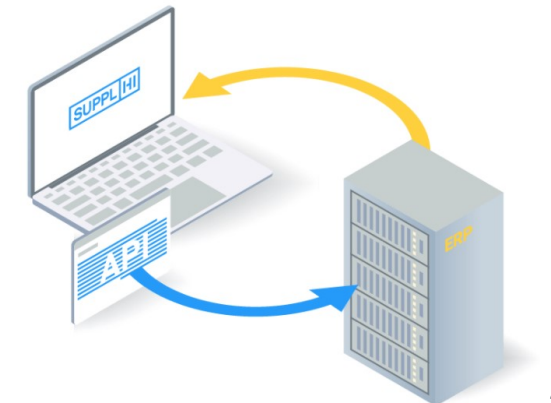
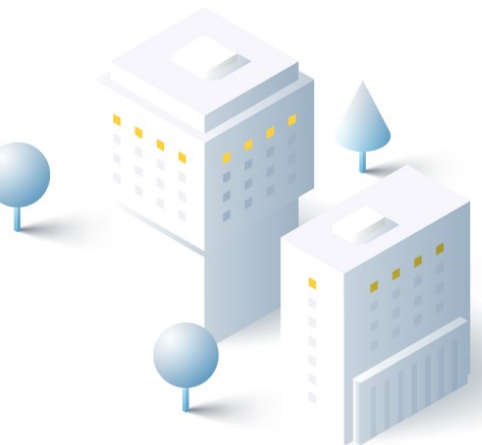
-  List of Vendors
-  Vendor Campaigns
-  Vendor Improvement Initiatives
-  Supply Chain Initiatives, Collaboration and Innovation
-  Vendor Bank Account validation
-  Vendor Assessment Visits
-  Category Spending Analytics
-  Sales & Procurement Planning for Category Management

SYSTEM INTEGRATIONS

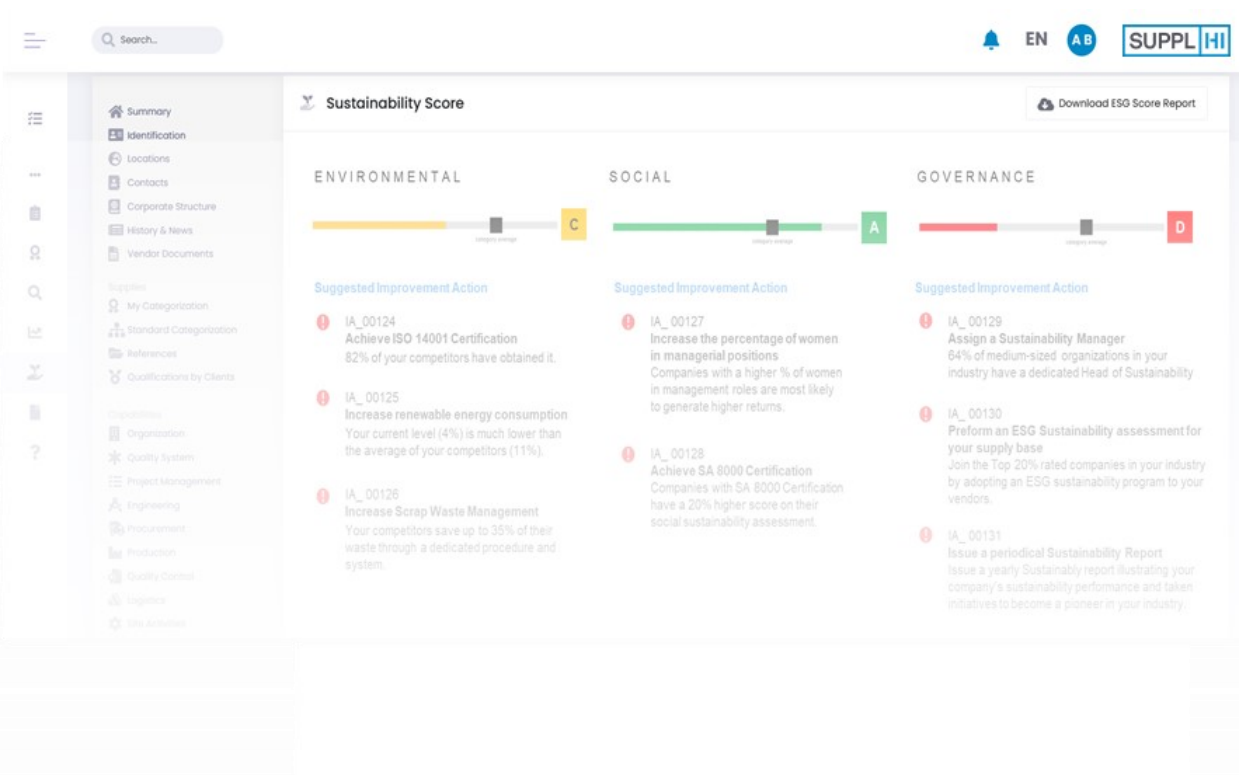
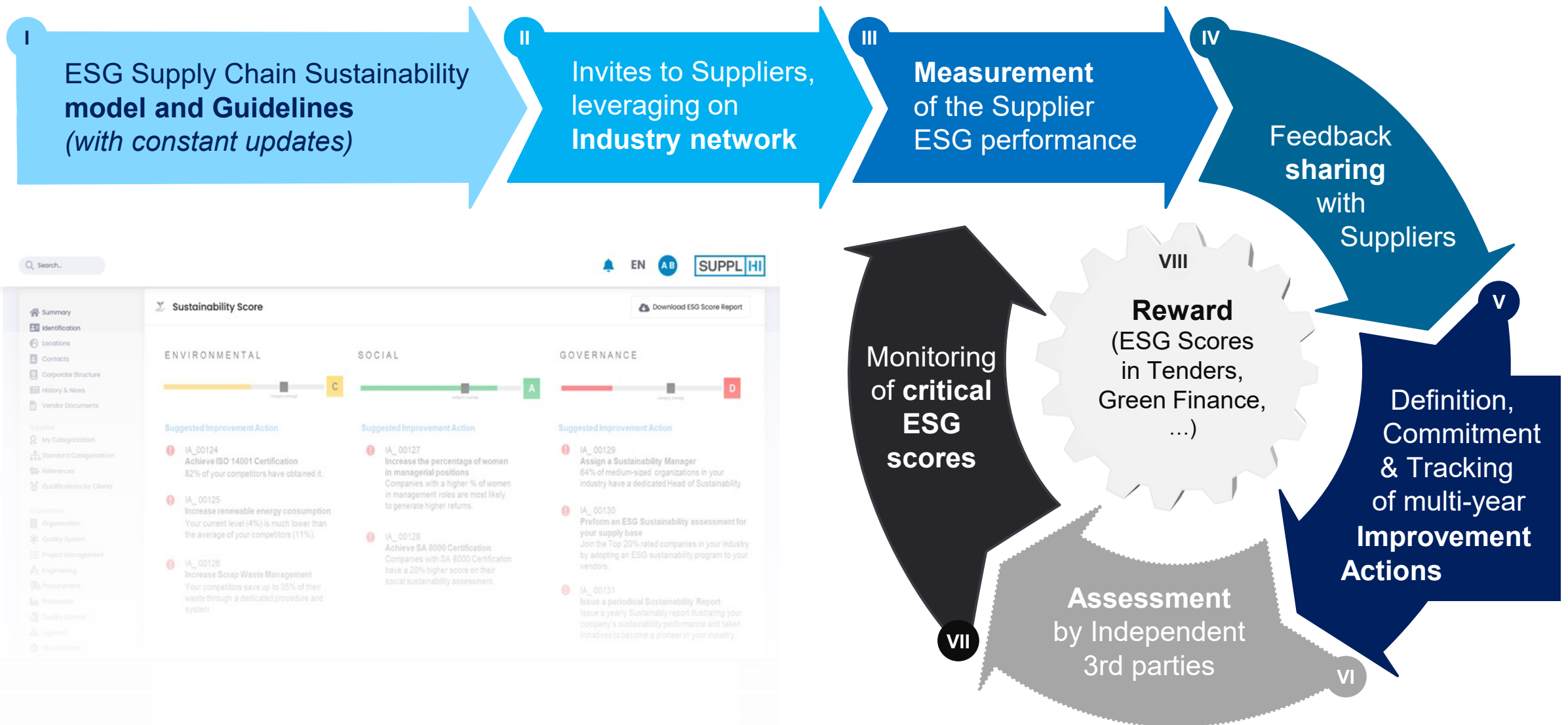
-  Vendor Master Data (VMD) and Supplier Golden Record
-  APIs for integration with ERP / P2P / other systems
-  Single-Sign-On (SSO)
-  SupplAuth for Vendor User authentication and authorization across multiple systems
-  External Data Providers (Financials, Compliance, Cyber ratings, ...)

AD HOC SERVICES

-  Platform Setup
-  Ad Hoc Service Requests
-  Categorization review
-  Project Vendor Lists' Digitalization
-  Categories' Market Analyses



Approach to Sustainable Supply Chain



A Journey for Supply Chain Sustainability



Creation of ANIMP's open and industry-wide workgroup



Jul
2019

1st release of
Guidelines

Feb
2020

Mar
2020

Guidelines **deployed on SupplHi** and invites to Vendors (part of Qualification questionnaires)

Calibration of
Guidelines

Nov
2021

Launch of
dedicated
Communication



Jan22

Extended **Sharing** of
ESG Scores and
proposed Improvement
Initiatives with Suppliers

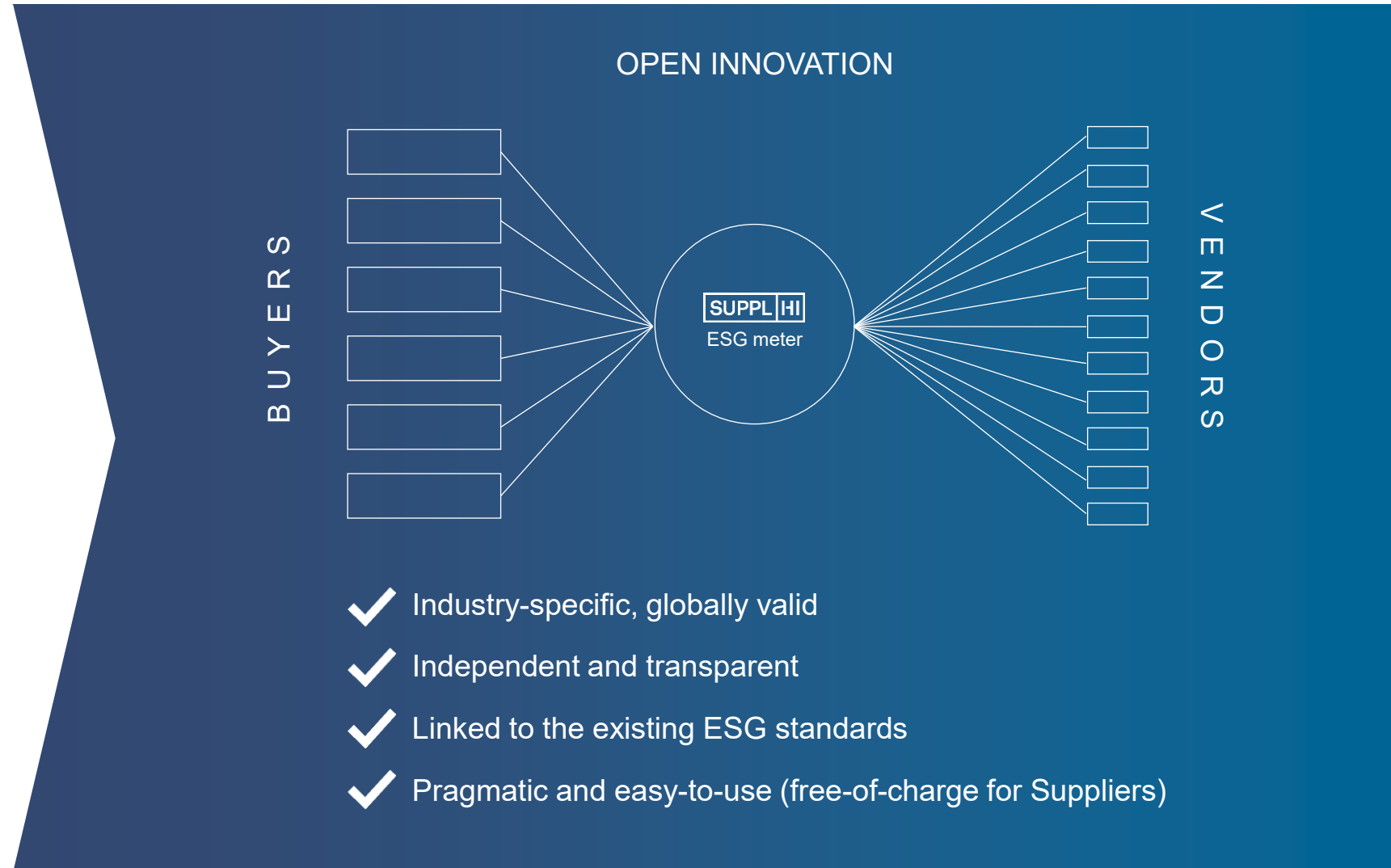
From the Industry, for the Industry

ESG Supply Chain Guidelines

2019-2021 GUIDELINES CO-CREATORS
(workgroup always open to new participants)



FINCANTIERI



Dedicated Guidelines' website

Supply Chain ESG monitoring Guidelines

The industry-shared Guidelines to collaboratively and compliantly track and improve the ESG Sustainability of our industrial Supply Chains.

14 ESG dimension, covering all needs

85 ESG-monitored indicators

110 ESG improvement initiative types

A collaborative solution to an industry-shared imperative

We are as ESG Sustainable as the last of our supplier is

ESG Sustainability in industrial B2B is a pass-through in a supply chain that can represent up to 80% of an organization's revenues, while the financial system is increasingly driven by ESG criteria.

Financial system
End-Users

THE INDUSTRY GUIDELINE

An independent answer to ESG in Supply Chain, based on a rigorous approach and calibrated with the contribution of multiple stakeholders.

10 principles that inspired the Guideline

110 existing practices analysed along 2 years of work

The objective

Information and metrics to collaboratively assess and monitor the performance in terms of Environmental and Governance (ESG) Sustainability of industrial Supply Chains, while raising the level of ESG that increase the Sustainability performance of players across all the layers of the Supply Chain.

Requirements by Lenders and End-Users, the measurement of the ESG Sustainability of Vendors to grow competitiveness and business opportunities, beyond compliance. In fact, ESG aspect relevance and are a core value for the re-start after COVID-19.

Reasons behind the Guideline

Based on B2B industrial supplies (both equipment and services) and - based on multiple templates - valid for all types of supplies level and independent of the burden for all actors of the value chain as possible - to the existing ESG standards, norms and programs - ESG Scores to drive improvements of Vendors' Sustainability - the banking system to support funding on ESG improvement initiatives - no charge to any type of Vendor - also for smaller Buyer organizations - needed to cope with the newly introduced practices, requirements and standards

Existing standards and programs, applied to industrial supplies

CDP, ISO, ELLEN MACARTHUR FOUNDATION, IPCC, GREENHOUSE GAS PROTOCOL

ESG Supply Chain Guidelines

<https://supplychainesg.com>

✓ **Free Download of the latest version of the Guidelines,**

Sustainability is a Supply Chain pass-through

We are as ESG Sustainable as the last of our supplier is

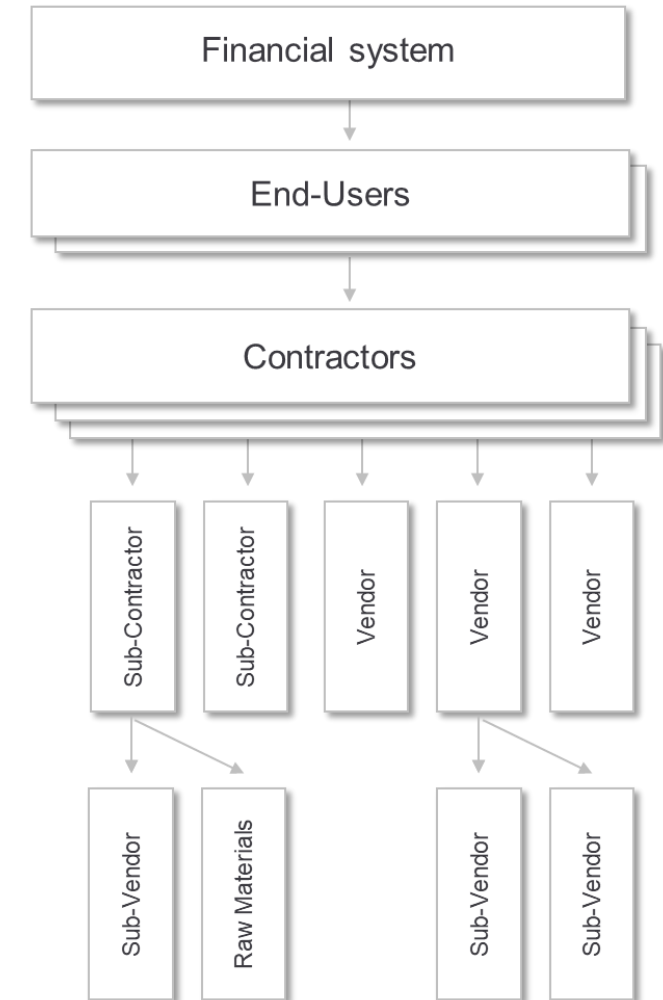
ESG Sustainability in industrial B2B is a pass-through in a supply chain that can represent up to 80% of an organization's revenues, while the financial system is increasingly driven by ESG criteria

If we can't measure it, we can't improve it

Several ESG international standards and industry-neutral solutions are present, but not all sustainability issues matter equally to each industry. The same sustainability issue can manifest differently in the supply chain of industrial B2B and we need tracking of it

Individual Supply Chain visibility is complex

Industrial Supply Chains are mainly characterized by the presence of SMEs, spread globally and with several layers of Sub-Vendors (system integrators, foundries, raw materials, ...), requiring Supplier engagement to provide constantly updated ESG information



Activities of the Workgroup

The collaboration between Sustainability Managers and Supply Chain Managers delivered, across multiple interactions, the following points:

1. Mapping of the **ESG requirements** by Customers and Financial Institutions and of the existing standards and norms available on the market
2. Definition of the **recommended practices** on ESG Questionnaires to Vendors
3. Definition of the metrics for the creation of **ESG Scores**
4. Assessment of the **benefits**
5. **Calibrations** of the metrics based on utilization



10 principles behind the Guidelines



Mapping of **Sustainability needs of End-Users** and Stakeholders (e.g. lenders)

Benchmarking of 32 existing practices on Sustainability-related information requested in Plant Engineering

Analysis of the **existing Standards, Norms & Programs**



SA8000



... and many more

- 1 **Standard** and **focused** on the **B2B industrial equipment and services**
- 2 Valid at **global level**
- 3 **Pragmatic** and **easy-to-use**, limiting the burden for all actors of the value chain
- 4 **Comprehensive** and - based on **multiple templates** - valid for all types of supplies
- 5 Linked - as much as possible - to the **existing standards, norms and programs** available on the market
- 6 **Easy to compare with ESG Scores** to drive improvements of Vendors' Sustainability
- 7 Guideline **constantly updated** to cope with the newly introduced practices, requirements and standards
- 8 **Open and free-of-charge to any type of Vendor** and accessible also to smaller Buyer organizations
- 9 **Focused at production location level**, with the possibility to evaluate the Sustainability of Sub-Vendors
- 10 **Shareable with the banking system** to support funding for investments on Sustainable improvement actions

Built on World's Most Trusted Frameworks



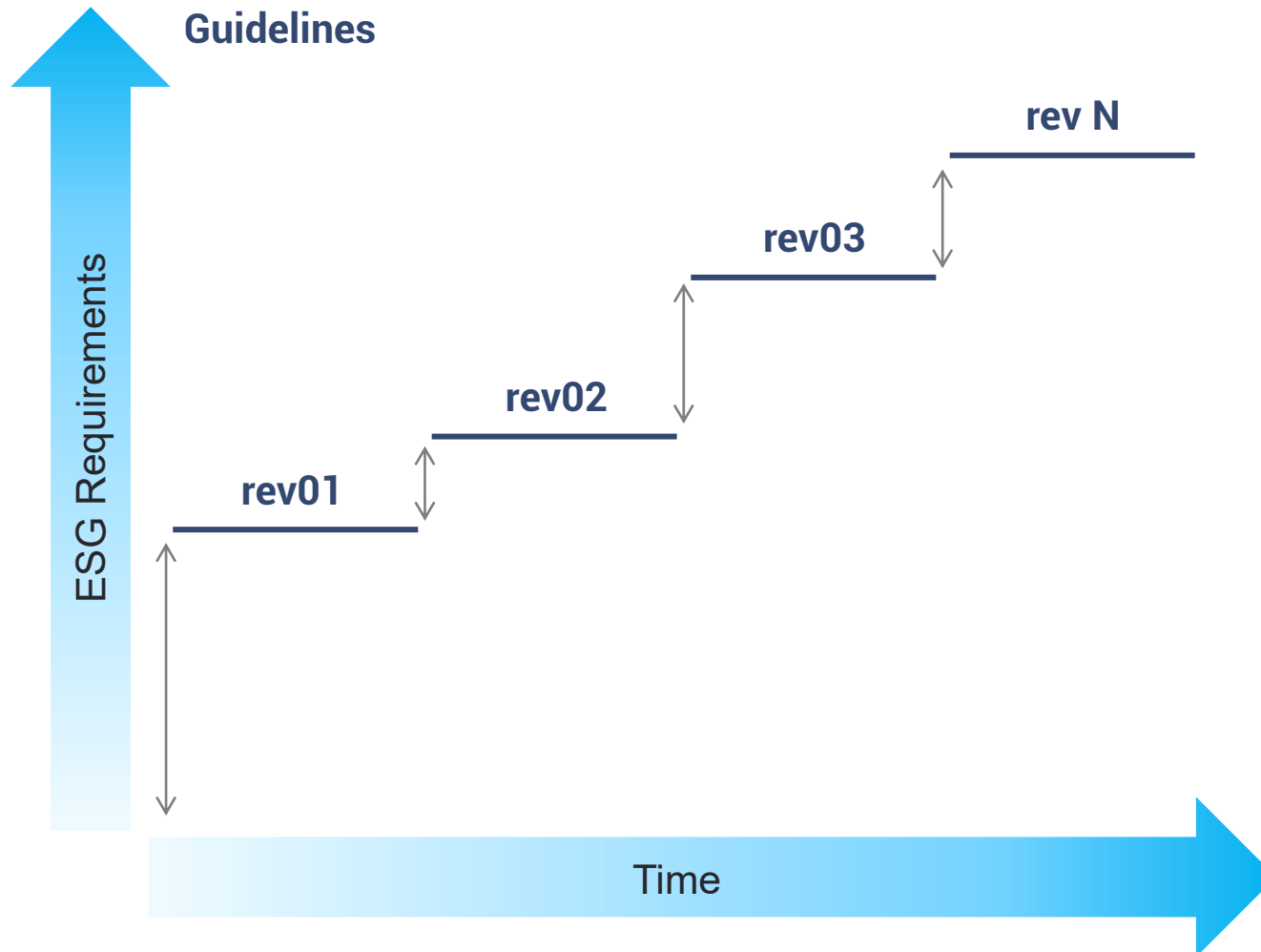
made specific for industrial B2B and its SMEs

Respect of GISR'S 12 Principles



	Process	
✓	Transparency	A rating should be transparent to those whose decisions are affected by the application of such rating.
✓	Impartiality	The design and application of a rating, whose primary users are external to the evaluated company, should be protected from undue influence by such company.
✓	Continuous Improvement	Through periodic update, a rating should track and integrate the best-available science, measurement techniques, issues and indicators.
✓	Inclusiveness	Development of a rating should identify and systematically engage those stakeholders whose decisions are influenced by the application of the rating.
✓	Assurability	A rating should be designed to allow for independent, third-party assurance that its application comports with the GISR Principles.
	Content	
✓	Materiality	A rating should assess performance based on sustainability issues relevant to the decision-making of stakeholders for which a rating is designed.
✓	Comprehensiveness	Evaluating one or more aspects of sustainability performance should systematically assess for impacts on human, intellectual, natural and social capital.
✓	Sustainability Context	A rating should assess performance in the context of science-based thresholds and limits, or, if unavailable, widely-accepted norms pertaining to long-term human and ecological well-being.
✓	Long-Term Horizon	A rating should enable the evaluation of the long-term performance of a company while simultaneously providing insights into short- and medium-term outcomes in alignment with the long-term.
✓	Value Chain	A rating should reflect all portions of a company's value chain over which the company exercises significant influence.
✓	Balance	A rating should utilize a mix of measurement techniques to capture historical and prospective performance.
✓	Comparability	A rating should allow users to compare the performance of the same company over time and of different companies within the same time period.

Guidelines constantly raising the bar in the industry



- Guidelines go through – at least an **annual – revision** to support the **constant and gradual evolution of the adoption of ESG practices** by the supplier base
- This **dynamism** is designed to **continually raising the bar** in the industry
- In fact, based on the inputs of industry workgroup, the Guidelines continue over time to:
 - **add ESG requirements**
 - **modify the weights** of the ESG requirements already in place
- With every new revision, **the Vendor ESG Scores undergo updates**, and may even decrease. Presence of constant versioning of Scores and Badges are updated accordingly

Industry-specific Network

 **28.000** Buyer Users

 **63.000** Suppliers

 **110** Geographies

 **2.600** Categories of supply

SUPPL HI

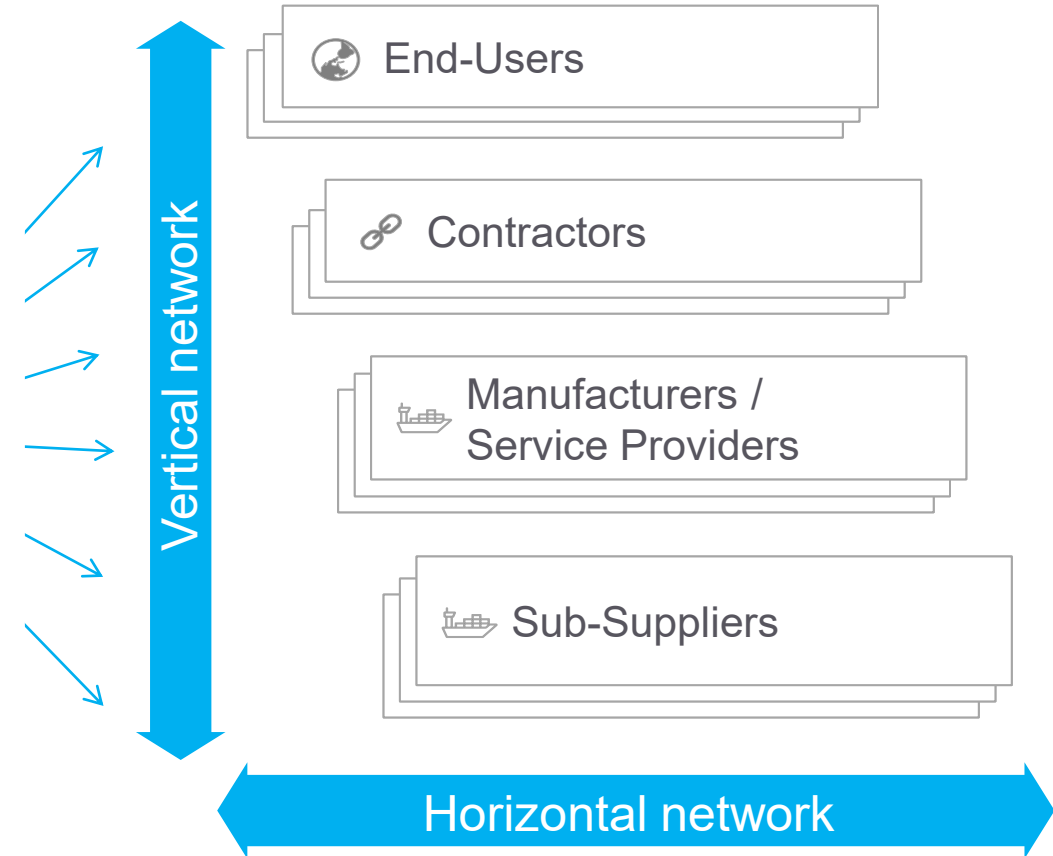
Registration one-to-many

→ collection & constant expedite of supplier info, with savings for all

One Single Supplier

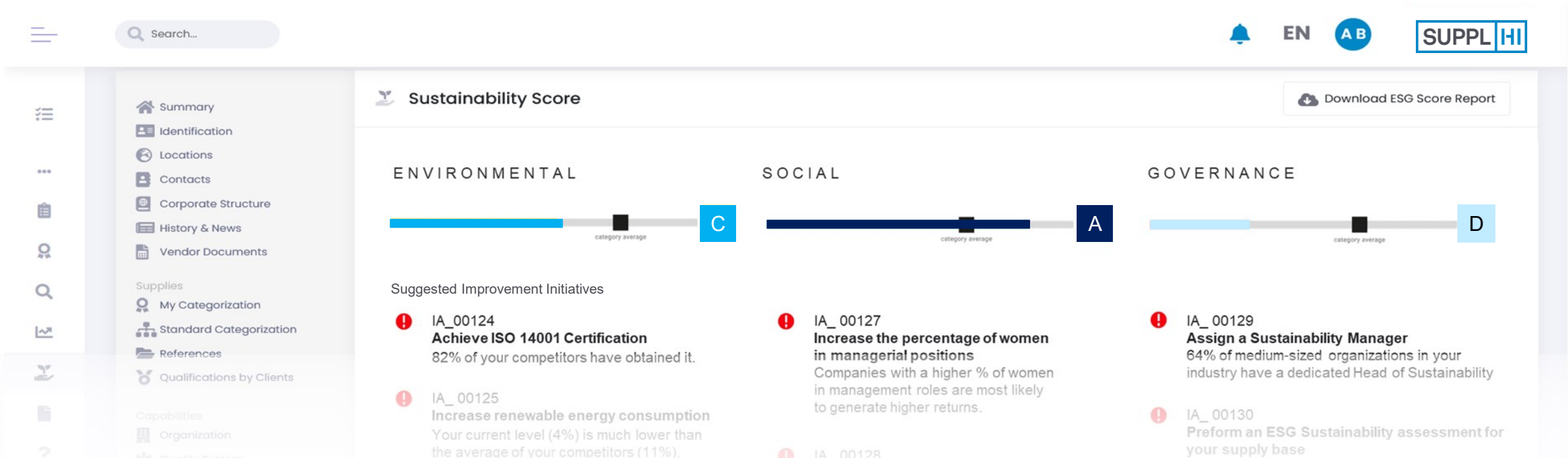
Digital Identity → further TRUST and transparency to the entire Supply Chain

Free-of-charge for Suppliers, driving fast & inclusive adoption



If You Can't Measure It, You Can't Improve It

(Sir William Thomson)



- ✓ Based on the **best international practices** (ISO, SA8000, SDG, CDP, GHG Protocol, ...)
- ✓ **Standard** scoring model, yet **highly configurable**
- ✓ Automatic ESG **benchmarking by category of supply** (raw materials, cables, valves, ...)
- ✓ **Assessment Visits** by TIC as independent 3rd parties

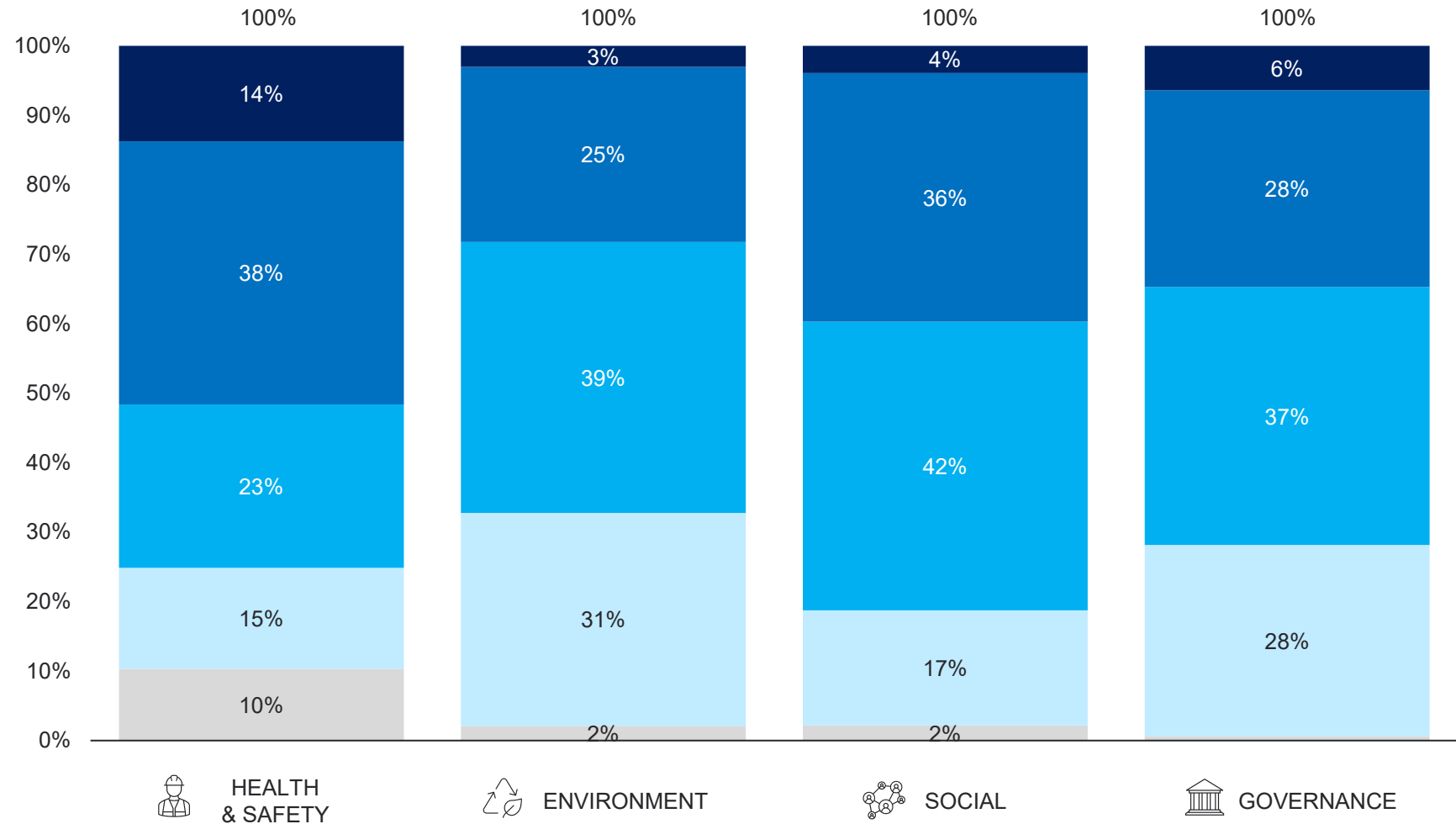
The Status of Industrial Supply Chains



3.000+ Suppliers
monitored across 7
category templates

30.000 potential
Improvement Actions

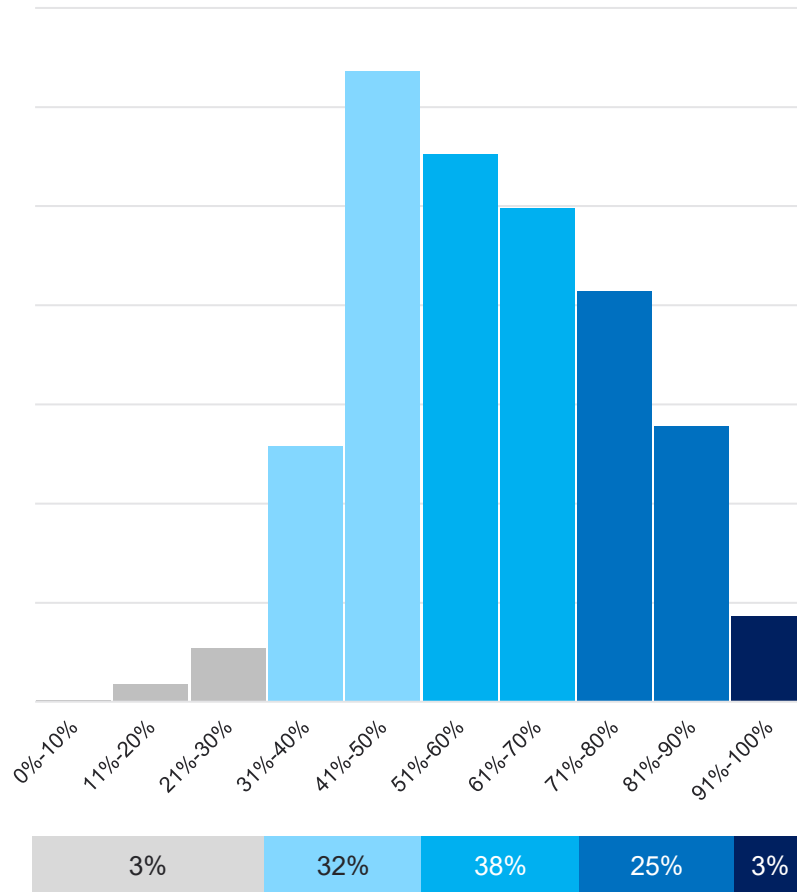
120.000
datapoints on ESG
Sustainability



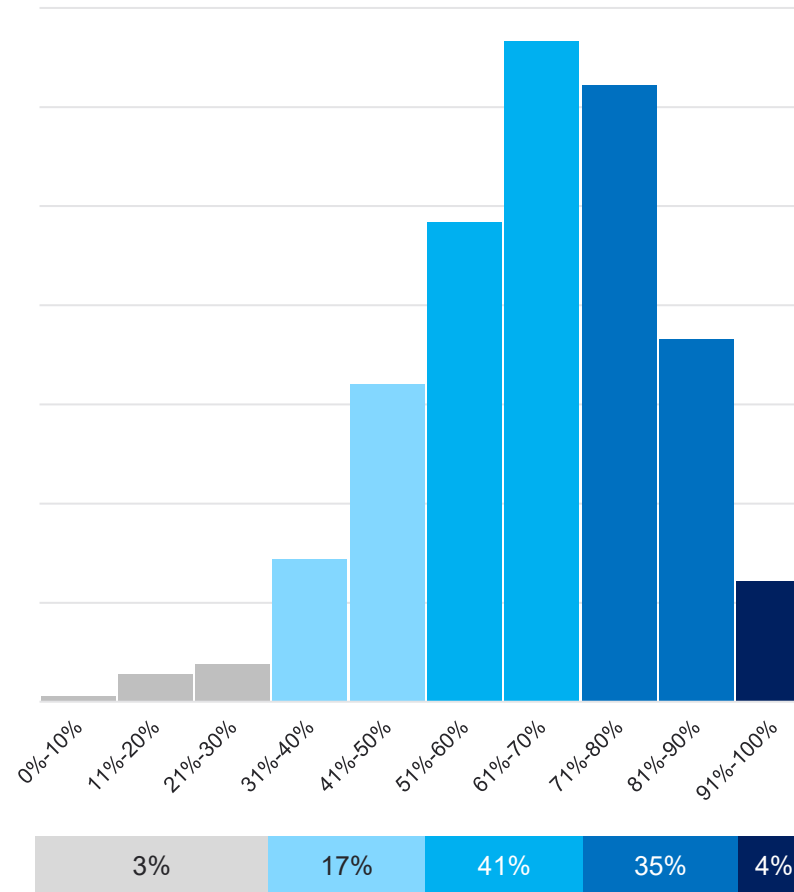
Distribution of Scores



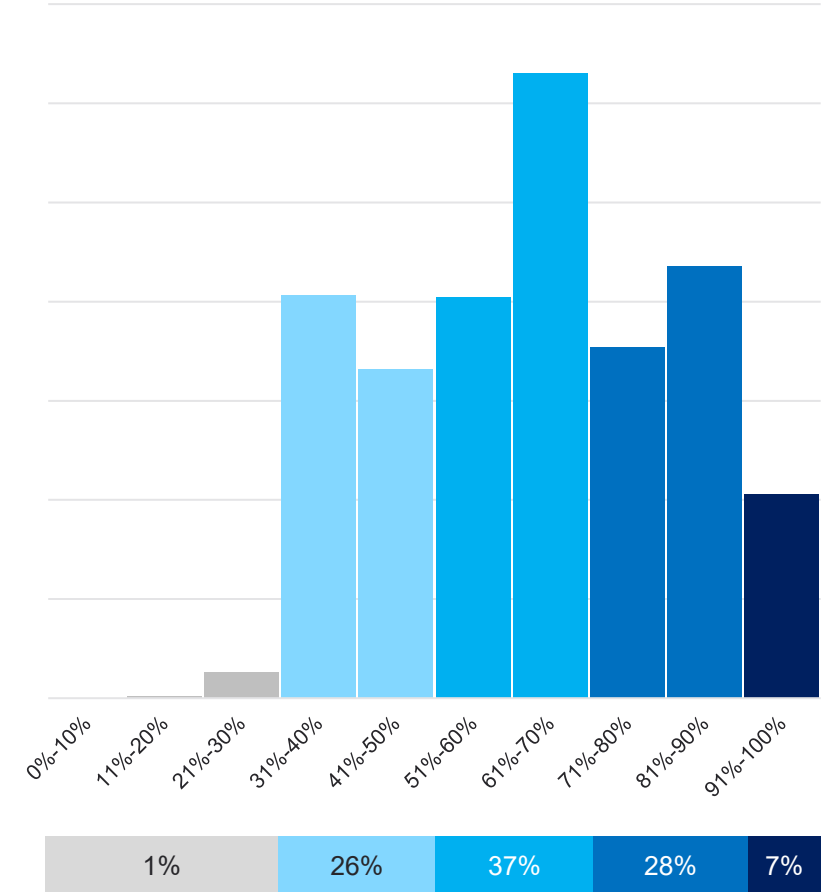
ENVIRONMENT



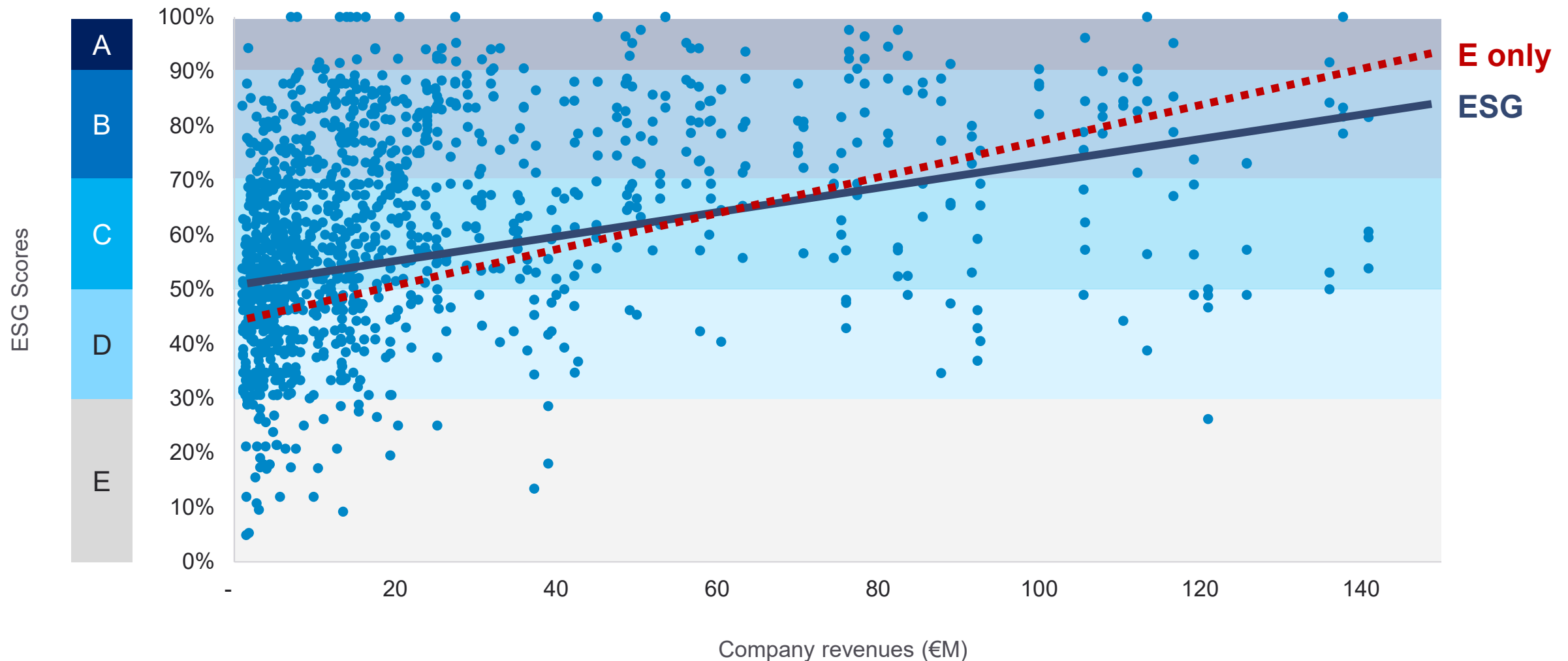
SOCIAL



GOVERNANCE



Relevant correlation with a company size



Vendors with “Low Scores”



Vendors with at least a “E” and/or a “D” Score, by Group of Supply

% of suppliers presenting Low Scores



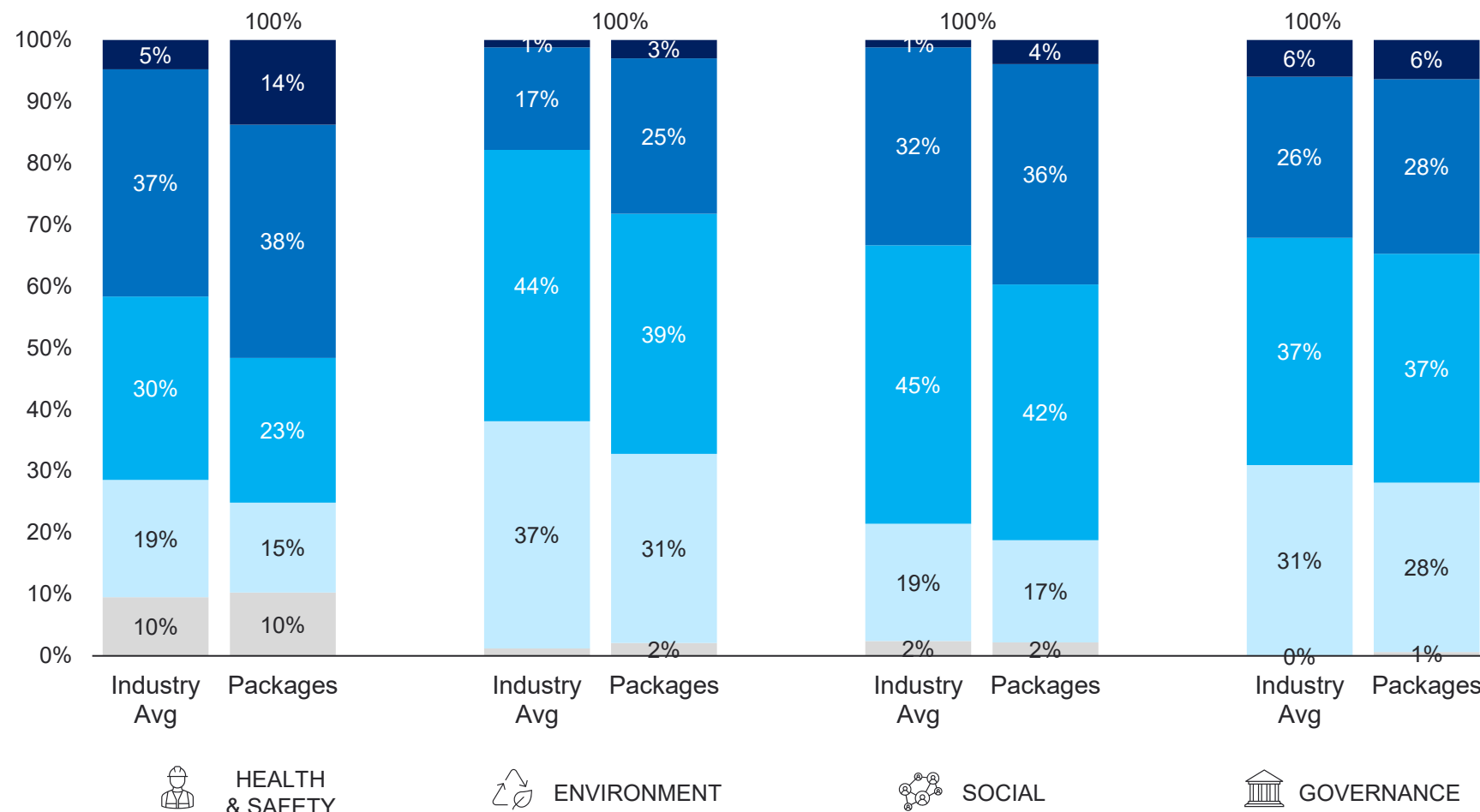
Engineering Services	89%
Civil and Structural Materials	76%
Safety Systems and Equipment	74%
Handling Systems	71%
Packages	59%
Heating Equipment and Systems	56%
Pumps	55%
Piping, Fittings and Flanges	54%
Logistics	49%
Construction and Civil Works	48%
Heat Transfer Equipment and Vessels	47%
Electrical Components and Systems	47%
Valves	44%
Fabrication	43%
Compressors	43%
Total	53%

Focus on Packages



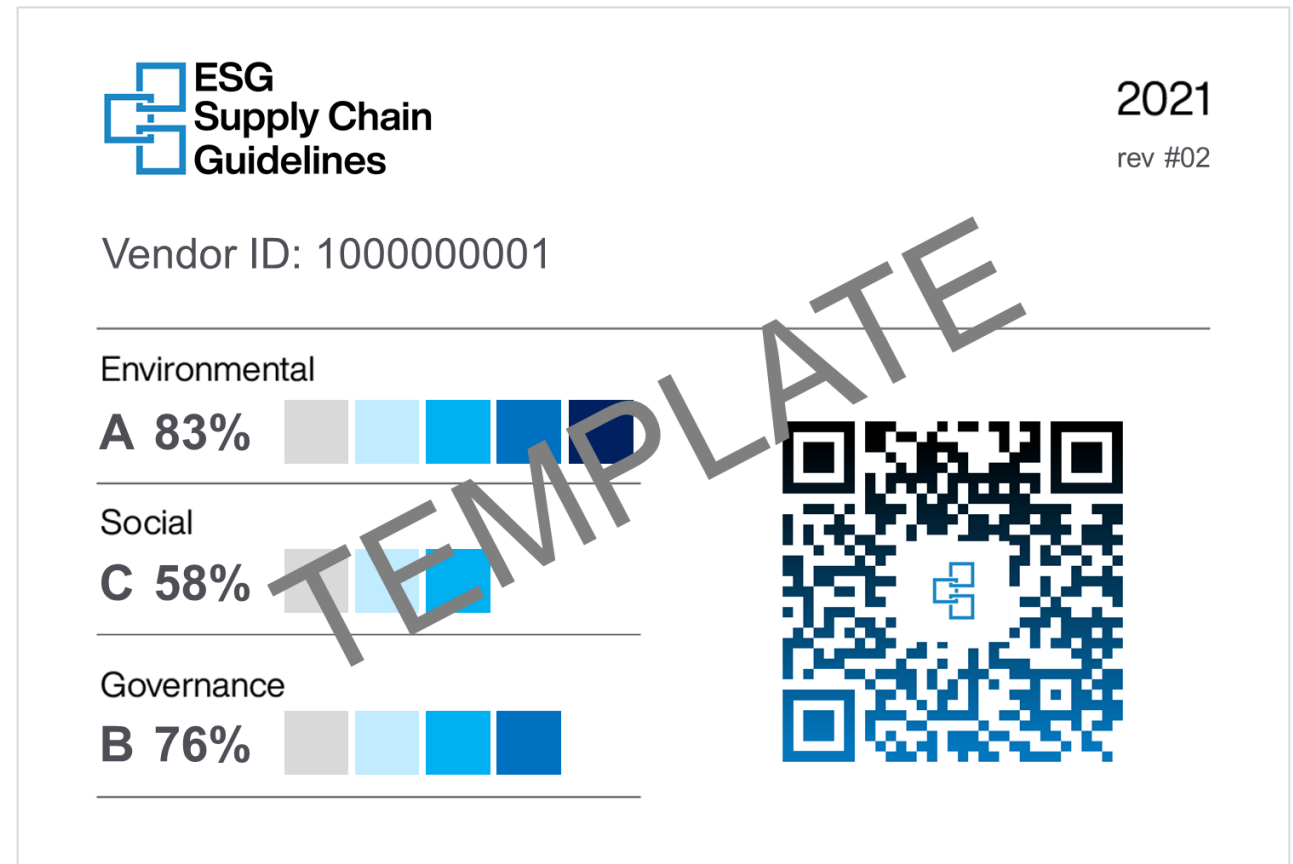
480 Suppliers of
Packages (Water,
Process, Filters, ...)

Presenting **lower**
scores than the
industry average,
across all Areas



ESG Badge provided to each Supplier (starting from Jan22)

- The “ESG Supply Chain Guidelines” provide a **rigorous**, cross-cutting and **calibrated approach** to be used for monitoring the ESG performance across the **entire B2B industrial supply chains**
- The Score is **separately calculated for each of the three pillars** (Environmental, Social and Governance) and no aggregated score is provided
- The Scores are expressed on a **scale** from A (highest evaluation) to E (lowest evaluation) and are made available on the SupplHi platform
- **Benchmark by Category of supply** (e.g. valves, cables, ...) is unique and adds real values
- Scores are released on an **annual basis** and are based on the **latest version of the Guidelines**, which are constantly updated to reflect the latest evolutions in the industrial ESG field as well as a gradual adoption of best practices



Example of ESG Scores utilization for Vendors' Funding



EXAMPLE

	SUPPLHI ID	VENDOR NAME	FINANCIAL RATING	LATEST REVENUES (MILLION EUR)	HEALTH & SAFETY	ENVIRONMENT	SOCIAL	GOVERNANCE	
Cluster 1	100000001	Vendor 1	C	81,4	A	A	A	A	Reduced cost of funding
	100000002	Vendor 2	B	24,0	A	A	B	B	
	100000003	Vendor 3	B	11,1	A	B	B	A	
	100000004	Vendor 4	B	48,6	A	B	B	A	
	100000005	Vendor 5	C	14,9	A	B	B	B	
	100000006	Vendor 6	B	66,8	A	B	B	B	
	100000007	Vendor 7	B	105,5	B	B	B	B	
Cluster 2	100000008	Vendor 8	B	25,4	B	B	C	A	Funding to improve their ESG performance
	100000009	Vendor 9	B	24,1	A	C	B	A	
	100000010	Vendor 10	B	33,1	A	C	C	A	
	100000011	Vendor 11	B	12,1	A	C	A	A	
	100000012	Vendor 12	E	8,5	B	C	A	A	
	100000013	Vendor 13	B	52,9	B	C	B	A	
	100000014	Vendor 14	B	15,2	B	C	A	A	
	100000015	Vendor 15	B	6,1	B	C	B	A	
Cluster 3	100000016	Vendor 16	C	12,2	C	C	C	A	Funding to improve their ESG performance
	100000017	Vendor 17	A	16,3	B	D	B	A	
	100000018	Vendor 18	C	29,5	B	D	B	A	
	100000019	Vendor 19	B	22,9	B	D	B	A	
	100000020	Vendor 20	B	3,9	C	D	C	A	
	100000021	Vendor 21	B	4,5	C	D	C	B	
	100000022	Vendor 22	B	9,9	D	D	C	B	

Why ESG meter for a Sustainable Supply Chain



SupplHi is a Vendor Management SaaS **focused on industrial B2B** for **large** and **global** Supplier bases, with a **comprehensive ESG model** that has been developed *“with the industry and for the industry”*



SupplHi is **always free-of-charge for Suppliers**, being inclusive and fast to adopt (“registration one-to-many”) SupplHi’s service on **information collection** frees up time of internal resources



SupplHi is based on a standard industry model that is **highly configurable to meet Customer’s specific needs** (e.g. categorization, custom ESG questions, scoring models, ...)



SupplHi is **secure** (triple ISO-certified), to be used as stand-alone or **easily integrated via standard APIs with SAP** and with Azure’s **SSO Managerial dashboards** and **fast reporting**



SupplHi is constantly incorporating the **ever-evolving industry needs** in Supply Chain Sustainability (e.g. **Suppliers’ CO2** measurement and reduction for your **Scope 3**)



SupplHi is a **best of breed solution**
for **Supplier Management** in B2B

SupplHi raises the bar of the supply chain,
while **saving time and money** to all

We Share Trust.

Two Seals of Excellence



Grant for R&D



Grant for Cybersecurity



DPW DIGITAL PROCUREMENT WORLD
The Largest Startup Pitch Competition in Procurement



Giacomo Franchini

Director

giacomo.franchini@supplhi.com

www.supplhi.com



SupplHi S.r.l. Società Unipersonale

Head Office: Talent Garden | Via A. Calabiana, 6 | 20139 Milano | Italy

Technology Centre: Parco Scientifico e Tecnologico di Udine "Luigi Danieli" | Via J. Linussio, 51 | 33100 Udine | Italy

P.IVA e C.F. IT 09721660968 | Iscritta alla C.C.I.A.A. di Milano 09721660968 | R.E.A. MI 2110015

info@supplhi.com | postmaster@pec.supplhi.com

