


## Responsible Purchasing



**Aim 5: Establish balanced, long-term relationships with partners, suppliers and subcontractors**

 **Entity:** Bouygues Construction – GIE Achats

 **Operational Unit:**

## Overview of the initiative

> **Objective:** To implement a Responsible Purchasing approach.



> **Description:**

The GIE Achats Responsible Purchasing approach is essentially organised around 3 principles:

- 1. Foster and disseminate a culture of Sustainable Development;
- 2. Reference socially responsible and environmentally efficient products;
- 3. Review supplier relationships in a partnership framework.

### 1. Foster and disseminate a culture of Sustainable Development

#### **Purchasing and Sustainable Development Working Party**

Since February 2006, a working party made up of distributed buyers has been meeting on a quarterly basis to share and capitalise on innovations made in their respective subsidiaries, disseminate good practice and initiate action plans.

#### **Information e-mail**

##### **- ECOMAIL**

Every fortnight since February 2007, a brief statement, information and a product related to Sustainable Development has been sent out to all employees in GIE Achats. On 1 December 2008, 34 ECOMAILS had been distributed.

##### **- Special Sustainable Development Purchasing E-mail**

Every quarter since January 2007 there has been an update on an action, a contract and a product adopted. As at 1 March 2009, 5 Purchasing E-mails had been distributed.

#### **Awareness and involvement of buyers**

A round of awareness sessions is provided by the Sustainable Development (SD) team to involve buyers in the GIE Achats SD approach. These awareness sessions also provide the opportunity to relaunch and explain the "responsible buyer guide".

At the end of September 2008, **13 sessions** involving **123 employees** had been conducted.

#### **Responsible Buyer Guide**

A responsible buyer guide, which gives recommendations in terms of responsible day-to-day purchasing, was handed out to **225 employees (including 140 buyers)**.

It sets out in particular:

- A list of Social and Environmental Responsibility criteria to be included when selecting products and suppliers
- Questions to ask suppliers and main considerations in terms of the products to be purchased

### **Systems modification**

Since February 2008, tenders for contracts of national scope have automatically included a questionnaire aimed at assessing the degree with which the supplier has formalised its SD policy.

Similarly, an SD questionnaire is a mandatory attachment to frame agreement contracts. The note formalising the supplier's SD policy is recorded in a Summary Sheet.

SD criteria are also included in comparative tables specific to a product family. Reports on Carbon Products may also be included in comparative tables for tenders.

### **REACH Regulations**

Regulatory monitoring is provided by GIE Achats and by Bouygues Construction group companies. To this end, in 2008, GIE Achats focused on REACH regulations to identify its regulatory obligations in terms of the recording of chemical substances. Following production of an inventory of product imports in the European Community's customs area, a procedure is going through the approval process such that each import is the subject of particular attention on traceability and the nature of the chemical substances imported.

### **Security Data Files (SDF)**

In parallel with this, GIE has been involved for the past 2 years in the administration of a database to catalogue Security Data Files (SDF) and products purchased.

As at 5 December 2008, **the SDF database contained 359 SDFs.**

### **Waste management**

This involves coordination to harmonise the contractual clauses of frame agreement contracts in terms of waste removal, to ensure that each regional contract includes regulations such as the request for administrative documents from service providers (local authority authorisations, etc.). Contracts also include a requirement for reporting.

## **2. Reference socially responsible and environmentally efficient products**

### **Social audits in developing countries**

In order to guarantee the seriousness of the company with which it is intended to work, a supplier audit is carried out to gain assurances of the factory's sanitary and social conditions as well as its production capacity. If an Asian solution is selected, before any order is placed, a social, ethical and environmental audit is always conducted by an independent third party organisation (TÜV Rheinland).

This audit assesses 3 basic criteria to guarantee the quality of our work and the seriousness of the prospective companies:

1. Social responsibility in line with the SA 8000 benchmark (social responsibility standard that upholds decent working conditions)
2. Health and safety conditions in line with the OHSAS 18001 benchmark
3. Environmental conditions in line with the ISO 14001 benchmark

**Between 2007 and 2008, 33 social audits were conducted by GIE Achats.**

Furthermore, BI Purchasing department carried out audits on 163 suppliers in 2008.

### **"Disability" policy: use of disability employment**

**22 shared "Purchasing and HR" jobs** have been created within Bouygues Construction operational units to stimulate the market for adapted enterprises (Entreprises Adaptées - EA) and work assistance establishments and departments (Etablissements et Services d'Aide par le Travail - ESAT).

The objective for financial year 2009 is to increase subcontracted purchasing by 300% for target services, whilst still retaining efficiency.

### **Work function in penitentiary centres**

In the context of forthcoming responses to tenders related to penitentiary centres (AOT3), GIE is supporting Exprimm and Idex in preparing the "work function" to:

- Target products to be made by prisoners
- Establish the Group's purchasing potential from its suppliers, direct or through third parties
- Establish the prices at which the Group is currently supplied to create an alternative competitive proposal

The work function consists in setting up "industrial production" in penitentiary centres, enabling professional training know-how to be put into practice for occupying and remunerating prisoners. This involves contributing to the rehabilitation project of the penitentiary administration system.

### **Recycled paper**

GIE Achats encourages the use of recycled paper. Between 2005 and 2007, the recycled paper share of the Bouygues Group's overall paper consumption went up from 1% to 18%, reaching 100,000 reams (representing 250 tonnes of paper).

At the Bouygues Construction level, statistics for 2008 show use of recycled paper at 50% (126,000 reams), which represents savings of up to:

- 173 tonnes of CO<sub>2</sub>
- 2,520 MWh of energy
- 15,750 m<sup>3</sup> of water
- 315 tonnes of waste

### **Work outfits in fair trade cotton**

Since the beginning of 2008, GIE Achats has been offering Max Havelaar and Öko Tex Standard 100 certified cotton work clothing; these 2 labels respectively certify the fair trade criteria and the harmlessness of the fabric, in terms of the use of chemical products required in its manufacture.

At the end of July 2008, **9,400 items of clothing had been ordered.**

### **High visibility work clothing**

In compliance with the NF EN471 class 1 standard, these new high visibility outfits referenced by GIE Achats, aimed at improving the visibility of employees, have broad fluorescent and retro-reflective stripes and can be protected from the shoulders to the knees. Their fabric is Öko Tex certified, a label that guarantees the harmlessness of fabrics and cotton in these work clothes and that they are sourced from fair trade, with the Max Havelaar label.

### **Portable electric equipment**

Given that portable electric equipment causes 25% of workplace accidents, QSE (Quality Security Environment) departments have listed equipment that is compatible with their requirements in terms of safety and ease of use.

GIE Achats frame agreement contracts only reference this equipment; training in its use has been incorporated into the contracts.

### **Policy for reducing CO<sub>2</sub> emissions in the vehicle fleet**

In the absence of a technological breakthrough, Bouygues Construction's strategy to reduce CO<sub>2</sub> emissions in the vehicle fleet is to make small steps in each area that affects CO<sub>2</sub> emissions.

In order to encourage responsible choices, the table of vehicles sets out models according to a colour code (green, orange and red) depending on the pollution level within their segment.

**70% of the fleet uses Diesel Excellium**, which has enabled emissions by the on-road fleet to be reduced by **2,000 tonnes of CO<sub>2</sub>**.

Initiatives on driving behaviour will be carried out in 2009, including an e-learning eco-driving training module and a partnership with MICHELIN for tyre maintenance.

### **Remote conferencing**

Structis and Bouygues Construction purchasing have set up two frame agreement contracts for remote conferencing so as to reduce business trips:

- Since 2007, a contract for **telephone conferencing** has been in place with Orange Business Services. This service is used for up to **250 hours of communications per year**.
- Since 2006, a contract for **videoconferencing systems** has been in place with Tandberg, a brand that enables us to have the highest level of quality in this technology and so to facilitate greater inclusion for our employees.

At the present time, Bouygues Construction has a pool of **142 videoconferencing facilities**.

### **Eco-products catalogue**

In line with 2008-2009 R&D, GIE Achats is helping to create a catalogue of products that have low environmental impact, structured around three principles:

- Environmental efficiency;
- Price;
- Technical features.

The objective of this catalogue is to:

- Facilitate the proposal of products that have low environmental impact (eco-variant) in production and commercial phases;
- Provide users with the necessary information to make their decision (in presenting a commercial proposal, for example).

### **National frame contract for hazardous waste**

- Standardisation of the order processing procedure;
- Minimisation of regulatory risks and legally-binding supply of administrative documents;
- Up to 50% of savings;
- Control over the waste removal chain and guarantee of traceability.

## **3. Review supplier relationships in a partnership framework**

### **Evaluation of suppliers against CSR (Corporate Social Responsibility) criteria**

During 2007, a survey aimed at measuring the degree with which our 125 leading suppliers have formalised their SD policy was conducted. Out of the 86 suppliers who replied to the survey, 44 were considered as being "out of touch" according to the analysis methodology developed with the research agency ECOEFF, representing a turnover of €140 million.

Following this research, 10 suppliers were selected to begin a process of dynamic consultation aiming to reduce the environmental impact of the commercial relationship and make progress against the evaluation criteria.

Following working meetings with suppliers, it was noted that 8 out of the 10 suppliers made progress against our methodology for recording the degree of formalisation of their

SD policy. Amongst initiatives carried out in common, we can mention implementation of the waste recovery procedure.

### **Testing of a scoring system for supplier CSR performance**

Faced with the requirement to make CSR evaluations both professional and commercial, the supplier CSR performance scoring system, ECOVADIS, is undergoing development in 2009. In particular, it will enable supplier CSR performance reports to be prepared; suppliers will also have the opportunity to be benchmarked within their business sector.

### **GTB Construction and Losinger Supplier Convention**

On the initiative of GTB Construction Purchasing department, a supplier convention allowed the 45 suppliers who were there to review their track record with GTB Construction: from issue of requirements to selection, through order execution, payment and results.

The process of reviewing these stages enabled us to raise supplier expectations on the basis of the survey to which they had previously responded and to define the principles for improvement by proposing concrete solutions, step-by-step, in an interactive mode.

Losinger Suisse Alémanique copied this approach and organised its own convention on 10 September 2008.

Following Losinger and GTB Construction, the idea now is to continue this initiative in other regions, complementing it with a national convention bringing together our major frame agreement suppliers.

 **Potential partner(s):** Not given

 **Launch date:** Not given

 **Cost of the initiative:** Not given

 **Indicators:** See text

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