



PURCHASING WITH YOU

**BOUYGUES
CONSTRUCTION**

Shaping a Better Life

PURCHASING

A SOURCE OF COMPETITIVENESS FOR OUR BUSINESSES AND A PARTNER WORKING ALONGSIDE OUR SUPPLIERS

Entirely focused on Bouygues Construction's businesses, the Purchasing division offers them solutions that increase their competitiveness and help them achieve better social and environmental performance.

Permanently seeking to improve its service, it creates sustainable partnerships with its suppliers and subcontractors based on its demand for the highest levels of quality and safety. It is fully committed to a process of continuous progress with them, with the focus on innovation and sustainable construction.

A major division



€3 BN
of purchases managed
by the division in 2013



350 employees
of **23** nationalities
in **35** countries



Breakdown of volume of
expenditure:
65% France and
35% International



Approximately **2,400**
suppliers subject to CSR
evaluation



30 purchasing
categories
covering all the Group's
activities



More than
500 framework
agreements



Franck Le Guillou,
Purchasing Director
Bouygues Construction

Editorial

A global player in construction and services, Bouygues Construction has grown very fast over the past ten years, and its business has doubled in size. This performance has to a large extent been achieved by optimising the management of our expenditure, which accounts for 70% of our sales. With some 350 closely coordinated employees operating directly on the sites of our projects, the Purchasing division is a Group-wide function serving all the Group's businesses. With specialist skill sets in a range of diverse yet complementary areas, our professionals create value at each step of the purchasing process. With such know-how and expertise at our disposal, we are able to devise innovative solutions what help to make the Group more competitive and give our entities a competitive edge. On our construction sites, ensuring the

full commitment of our suppliers and subcontractors is essential if we are to respect our obligations to our customers and meet their expectations. Both in France and in our operations all around the world, our suppliers and subcontractors partner us with common objectives of optimising quality and safety, technical solutions and economic performance. The high standards we expect from our partners is the first step in a relationship of trust that we seek to establish with them over the long term so that we can advance together and focus on meeting the challenges of sustainable construction in all our businesses. Because maintaining our position of leadership on our markets depends on our capacity to innovate, we are always receptive to the innovative ideas of our suppliers, and we offer them support in rolling them out throughout the entire value chain of construction.



◀ In Mozambique, Bouygues Energies & Services is constructing a high-voltage power line for Vale, a Brazilian mining company. This outstanding achievement, 45 kilometres long including 1.6 kilometres suspended above the Zambezi river, required all the expertise of the Purchasing network to source and qualify the best suppliers capable of meeting the challenging technical specifications.

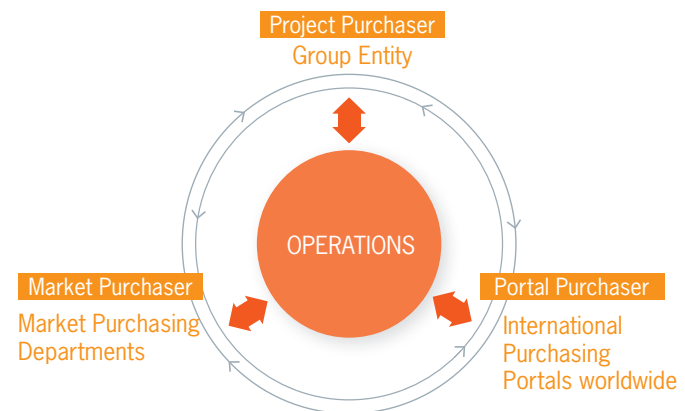
“ As soon as we launched the Ziegelwasser operation in Strasbourg, we turned to the Purchasing team for the choice of suppliers in exterior joinery. The Project and Portal purchasers remained focused on the matter throughout the entire development phase, with very positive results both financially and in terms of quality. I would also mention the high quality of the submissions made by the suppliers that were shortlisted and the fast response of the partner that was chosen. A great experience in teamwork! ”

Arnaud Wendling, senior site engineering at Pertuy Construction, manager of the Ziegelwasser project

PROFESSIONAL EXPERTISE SUPPORTING THE PERFORMANCE OF OPERATIONAL TEAMS

The force of a worldwide network of experts built on three complementary profiles

At the service of all the Group's businesses, there are more than 350 people around the world employed in the Purchasing division, whether as part of Bouygues Construction Purchasing or integrated into the entities. In direct contact with the Group's projects and markets, they work in close cooperation with each other as members of a worldwide network.



Project Purchaser: head of the team

Organisation and monitoring of site procurement

- > In close proximity to operational teams
- > Anticipation et adaptation to the changing needs of construction sites
- > Reports directly to a Group entity

Market Purchaser: the specialist

Expertise in one of the Group's purchasing categories

- > Detailed knowledge of markets and market trends
- > Responsible for the economic and logistical performance of his products
- > Creates global synergies and undertakes Group-wide commercial negotiations
- > Member of one of the Market Purchasing Departments

Portal Purchaser: the "sourcer"

Expertise in international sourcing in a geographical area

- > A comprehensive service: sourcing (CSR, technical and financial auditing) and qualification of suppliers, regional purchasing on the basis of detailed requests formulated by Project or Market Purchasers, support through to delivery on-site
- > Management of a panel of suppliers on every continent



◀ The Brittany-based company Delta Dore won its first international contract with BYME* International for the Singapore Sports Hub: a 20-year management contract for 6,500 online terminals. Once it had this reference to its name, Delta Dore subsequently signed two contracts in China and the Philippines.

* A subsidiary of Bouygues Bâtiment International specialising in technical packages.

“ I greatly rely on the Purchasing division, which is our contact with suppliers, especially to ensure that the framework agreements that are negotiated offer products that meet the expectations of our customers at the right price, but also to ensure that they offer us site management facilities, particularly with regard to the supply chain, which will serve to boost our competitiveness. ”

Lionel Deveaux, project manager,
DV Construction

A high added value service

The internationalisation of purchasing, the development of framework agreements and the creation of standardised product ranges all contribute to the performance of Group businesses and to that of its suppliers. The strategy relies on the network's negotiating strength, its detailed knowledge of markets and its proximity to suppliers throughout the world.

Internationalisation

€180 million of international sales with French partners who support the Group in its major projects

- > Obtain the most skilful local suppliers for all Group businesses in all parts of the world, at the best price and with the best guarantee of quality
- > Encourage and support the Group's suppliers on its markets, outside their domestic regions

Framework agreements

More than 500 framework agreements, worth approximately €600 million

- > Allow the Group's businesses to benefit from effective contracts
- > Give suppliers long-term visibility, securing their order books through mutual commitment
- > Optimise the management of contracts through detailed monitoring of suppliers, a product catalogue for each supplier, a website dedicated to framework agreements

Standardisation

2 catalogues of standardised products: housing, energies and services

- > Offer a range of standardised products, through collaborative work with the Technical Departments, in order to optimise costs
- > Enable suppliers to benefit from high-volume orders

The Group supports the development of its partners ▶ and enables them to benefit from its network and its international opportunities. This has happened to Unitech*, a business based in the south of France specialising in industrial kitchens and market leader in France. Following an initial shared experience in Morocco in 2006, the company has been involved in other Group projects in Africa and Asia.

* Subsidiary BOS Equipement





◀ The cooperation agreement signed in October 2014 with BASF, the world's leading chemicals company, is intended to encourage the joint development of innovative products and services for the construction sector and to contemplate future challenges.

“Since 2010, Bouygues Construction has been helping us to bring to market our new prefabricated insulating wood panel system, Panobloc®. Following several pilot operations, we are working together to launch the product in new markets by means of a joint contract.”

François Pelissier, Chairman of Techniwood, an SME that won the IE-Club prize* in 2013 for its partnership with Bouygues Construction.

* An organisation that promotes relations between large corporations and innovative SMEs

BRINGING INNOVATION FASTER

Purchasers involved further and further upstream of projects

Suppliers are breeding-grounds of expertise. As the interface between the Group and its suppliers, the Purchasing division is a driving force in discovering and spreading innovations, some of them the work of in-house teams and others proposed by suppliers.

Serving all the Group's businesses, the Purchasing division is increasingly involved in project development and Bouygues Construction's innovation strategy, seeking to strengthen its competitive edge and back up its support for expansion in new markets.

A source of added value for the Group and its suppliers, this dynamic covers the entire value chain, from operational businesses and processes through to end-products and services. To support such development, the Purchasing division establishes partnerships based on collaborative work, a joint quest for competitiveness and the sharing of risks.

A pivotal role in innovation from which Group businesses benefit

- > Identify the needs of operational teams with regard to innovation
- > Coordinate internal teams, technical departments and R&D to encourage innovation
- > Provide operational teams with innovations available on the market
- > Anticipate market trends

A proactive approach to suppliers

- > Encourage suppliers to develop innovations required by operational teams
- > Discover innovative businesses and start-ups
- > Support them by providing technical validation for their products and helping them bring their products to market more quickly and expand internationally
- > Organise collaborations (partnerships, framework agreements, etc.) with suppliers

▶ The Purchasing division is playing its part in modernising Group businesses, particularly in the far-reaching changes brought about by BIM* for designing, constructing and managing buildings and structures. The standard products favoured by purchasers are progressively being incorporated into digital modelling, which makes it easier to employ them and to take decisions on construction sites.

* Building Information Modeling





**GLOBAL
FOREST
& TRADE
NETWORK**

◀ Through a partnership with WWF*, the Group is extending the purchasing of eco-certified timber products. Purchasers responsible for procuring timber products have received specific training covering this category.

* World Wide Fund for Nature

“ We have been working with Bouygues Construction on a continuous basis for about five years and we have forged a relationship of trust with the Purchasing division. When they visited our plant, it gave them a clear picture of the volumes we are capable of handling and they take care to match their needs with our production capacity to ensure that they don't give us more business than we are able to cope with. Our SME can really rely on them to function. ”

Laurent Tressens,
Director of Stavemarne,
a precast concrete manufacturer
based in Eastern France

SUSTAINABLE PARTNERSHIPS WITH SUPPLIERS

From design through to operation, Bouygues Construction factors sustainability into all its projects. By choosing high-performance solutions and materials which are eco-responsible and produced under good social conditions, the CSR Purchasing strategy contributes to the Group's sustainable development policy. The Purchasing division believes that performance is established by a relationship of trust, and works with its suppliers in complete transparency, respecting local legislation and the fundamental conventions of the International Labour Organization.

Through partnerships and joint developments, the Group works alongside them to face the challenges of sustainable construction and imagine the solutions, technologies, materials and equipment of tomorrow. This is an opportunity for the Group's partners to develop in the context of a process of continuous improvement.

3 operational applications

1

SUSTAINABLE CONSTRUCTION

> Offer products and services to respond to the various sustainable construction challenges that face our operations in the commercial and construction phases

2

LIFE CYCLE COST

> Depending on purchasing families and operations, taking account of total costs of acquisition or ownership throughout the life cycle of the structure (construction, operation and maintenance)

3

SOCIAL AND SOCIETAL CRITERIA

> Take all stakeholders into consideration (local purchasing, disability-friendly companies, sheltered companies, etc.)

70% of sales are generated by operating units that have incorporated into their contracts the CSR Charter for suppliers and subcontractors covering ethics, compliance with labour standards, health and safety and environmental protection

Approximately **2,400** suppliers subject to CSR evaluation

Bouygues Construction promotes purchasing from companies operating in the sheltered sector. In support of this policy, purchasers compile directories for internal teams, giving references to the organisations that should be approached. In particular, the sheltered workshop Handiprint printed this brochure.



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