

# Supply Chain & Procurement Policy

## Purpose of this document:

This policy outlines the fundamental principles applicable to any procurement and supply chain management activity undertaken by Colas Ltd; it has been developed to promote a responsible and consistent procurement that delivers sustainable and innovative solutions, encouraging collaborative relationships with our supply chain.

This document should be read in conjunction with other Colas policies.

## Mission statement:

The procurement & supply chain department's mission is to support Colas Ltd.'s business strategy by aiming to be our supply chain customers of choice while enhancing Colas Ltd competitiveness, transition toward a net carbon zero footprint and customers' satisfaction.

## Procurement & supply chain purpose statement:

The Procurement and Supply chain department has 3 core areas of focus: Operational Procurement, Category Management and Supply Chain Management, through which make responsible procurement in line with the ACT Group's strategy "Act and Commit Together" and by incorporating the local, economic, environmental, social responsibility, carbon emission, duty of vigilance into our procurement process.

This purpose statement also enables all Colas Ltd stakeholders, directly or indirectly involved, to understand the parameters and requirements of any procurement activity undertaken and how it contributes to the success of our Business.

Our principles and goals are linked to the end-to-end process, from identifying contract opportunities until works are completed in order to achieve our mission.



### 1. Become Supply chain customers of choice.

- Work with a Supply Chain which provides its workers with a safe environment that safeguards their health and wellbeing.
- Pre-Qualification & risk assessment of our potential supplier's capability, readiness and commitment to comply with Colas Ltd.'s requirements. Only the compliant/verified Supply Chain will be invited to participate in opportunities to supply Colas Ltd.
- Contribute to optimising the payment of our Supply Chain on time and to agreed payment terms.
- Ensure our Supply Chain's commitment to follow the Bouygues Group's "Supplier and Sub-Contractor (CSR) Charter". Our Supply Chain endeavours to attain the highest environmental protection standards.
- Assess and manage our Supply Chain's performance by integrating CSR criteria into methods of engagement as well as using external CSR audits and including contractual Management Indicators (MI) developed together with a common goal.
- Management of Supply Chain's financial health, level of economic exposure, and ability to make timely payments.

- Develop trusted and collaborative relationships with our Supply Chain by sharing best practices and listening to feedback via Supply Chain forums.
- Build sustainable relationship with our preferred and strategic supply chain based on transparency, collaboration & performance improvement with the objective to contribute reciprocal to the objectives from both businesses.

## 2. Enhancing Colas Competitiveness

- Support our Bid & Estimating departments when identifying contract opportunities and making decisions to progress to bidding.
- Simplify and digitalise our procurement & supply chain processes to make the work of internal and external stakeholder involved in the process easier.
- Encourage professionalism by aiming for better efficiency, ensuring operational proximity and expertise on the procurement categories developed within the department.
- Where appropriate, engage our wider group international procurement network (Colas group and our Bouygues group sister companies) to identify procurement opportunities and synergies across the supply chain to create additional benefits.
- Set up and monitor agreements, with our supply chain, through our internal purchasing system (Coupa) catalogues, facilitating supply of materials with the best value and within Colas Ltd standards.
- Source products, services, subcontracts, plant & equipment at the best overall value for the business units, ethically, through recognised standards, where required.

## 3. Transition to net carbon zero footprint

- Early Involvement of our Supply Chain to encourage innovative sustainable solutions and support Colas Ltd in achieving best value for money for our customers by taking into consideration the environmental, carbon footprint, social and economic impact of all their activities through design, material selection, manufacture, transportation, construction, installation, and disposal/recycling.
- Reduction of the carbon footprint and the environmental impact of our activities through the promotion of responsible innovation, low-carbon emission and eco-friendly solutions proposed by our Supply Chain and employees embracing the circular economy principles.

## 4. Enhancing customer's satisfaction

- The management of procurement-related risks, in accordance with internal auditing principles and the implementation of action plans as needed.
- Ensure our supply chain approach aligns with and where possible enhances the expectations of our customers.
- Implement a proactive approach to tackling modern slavery and eliminate these practices in our Supply Chain.
- Develop the local economy by using a diverse Supply Chain (such as SMEs, Social Value Enterprises, female owned business and start-ups.) and working with a Supply Chain that actively manage diversity and inclusion in their workforce.

### Chief Executive Officer

F. Lahmamsi

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