

12th UIC Sustainability Conference



SNCF Sustainable Procurement & Global Performance

Olivier MENUET

Vice President, Sustainable Procurement

SNCF (French Railways)



Sustainable Procurement & Global Performance at SNCF (French Railways)



Agenda

- Organization of Sustainable Development
- Strategic objectives for Sustainable Procurement (SusPro)
- Organization of SusPro
- Key Performance Indicators (KPI's) of SusPro
- Results of SusPro after 4 years of implementation
- SusPro operational implementation
- Value of SusPro :
 - Global value
 - Value for the Business
 - Value for the Environment
 - Value for the Society
 - Value for the Suppliers and other Stakeholders
- Conclusion



Sustainable Procurement & Global Performance at SNCF (French Railways)



Agenda

- Organization of Sustainable Development
- Strategic objectives for Sustainable Procurement (SusPro)
- Organization of SusPro
- Key Performance Indicators (KPI's) of SusPro
- Results of SusPro after 4 years of implementation
- SusPro operational implementation
- Value of SusPro :
 - Global value
 - Value for the Business
 - Value for the Environment
 - Value for the Society
 - Value for the Suppliers and other Stakeholders
- Conclusion



Who we are ?



30 000 railways km

15 000 trains per day

3029 stations in France

245 000 employees

Presence in 120 countries

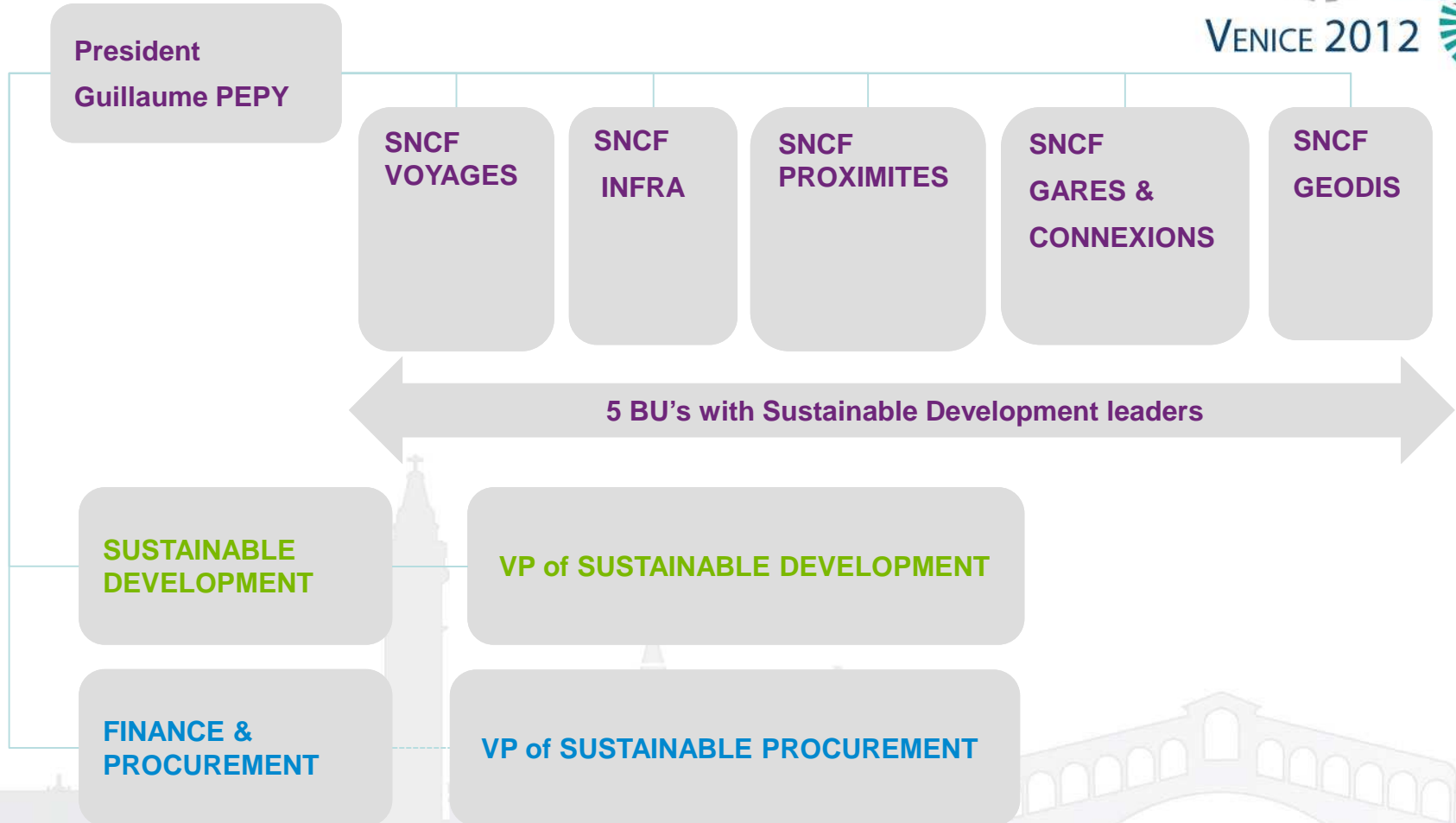
136 million passengers every day

4th European Freight operator and 7th in the world

Turnover : 32,6 Billion Euros



Organization of Sustainable Development



Sustainable Procurement & Global Performance at SNCF (French Railways)



Agenda

- Organization of Sustainable Development
- Strategic objectives for Sustainable Procurement (SusPro)
- Organization of SusPro
- Key Performance Indicators (KPI's) of SusPro
- Results of SusPro after 4 years of implementation
- SusPro operational implementation
- Value of SusPro :
 - Global value
 - Value for the Business
 - Value for the Environment
 - Value for the Society
 - Value for the Suppliers and other Stakeholders
- Conclusion



Sustainable Procurement: 6 strategic objectives

Reduce our environmental footprint

(taking care of products lifecycle)

Reduce our Greenhouse Gas Emissions

(buying less energy consuming products, reducing the carbon footprint of our upstream supply chain)

Control the impacts on health & society

(selecting suppliers addressing these impacts)

Integrate a broader responsibility

(reducing CSR risks and improving our suppliers' CSR performance)

Contribute to social value creation

(developing solidarity sourcing and fair trade procurement and enhancing business with SME's)

Lead the transformation towards a Responsible Performance

(developing collaborative relationships with our suppliers)



Sustainable Procurement & Global Performance at SNCF (French Railways)



Agenda

- Organization of Sustainable Development
- Strategic objectives for Sustainable Procurement (SusPro)
- Organization of SusPro
- Key Performance Indicators (KPI's) of SusPro
- Results of SusPro after 4 years of implementation
- SusPro operational implementation
- Value of SusPro :
 - Global value
 - Value for the Business
 - Value for the Environment
 - Value for the Society
 - Value for the Suppliers and other Stakeholders
- Conclusion



Procurement organization



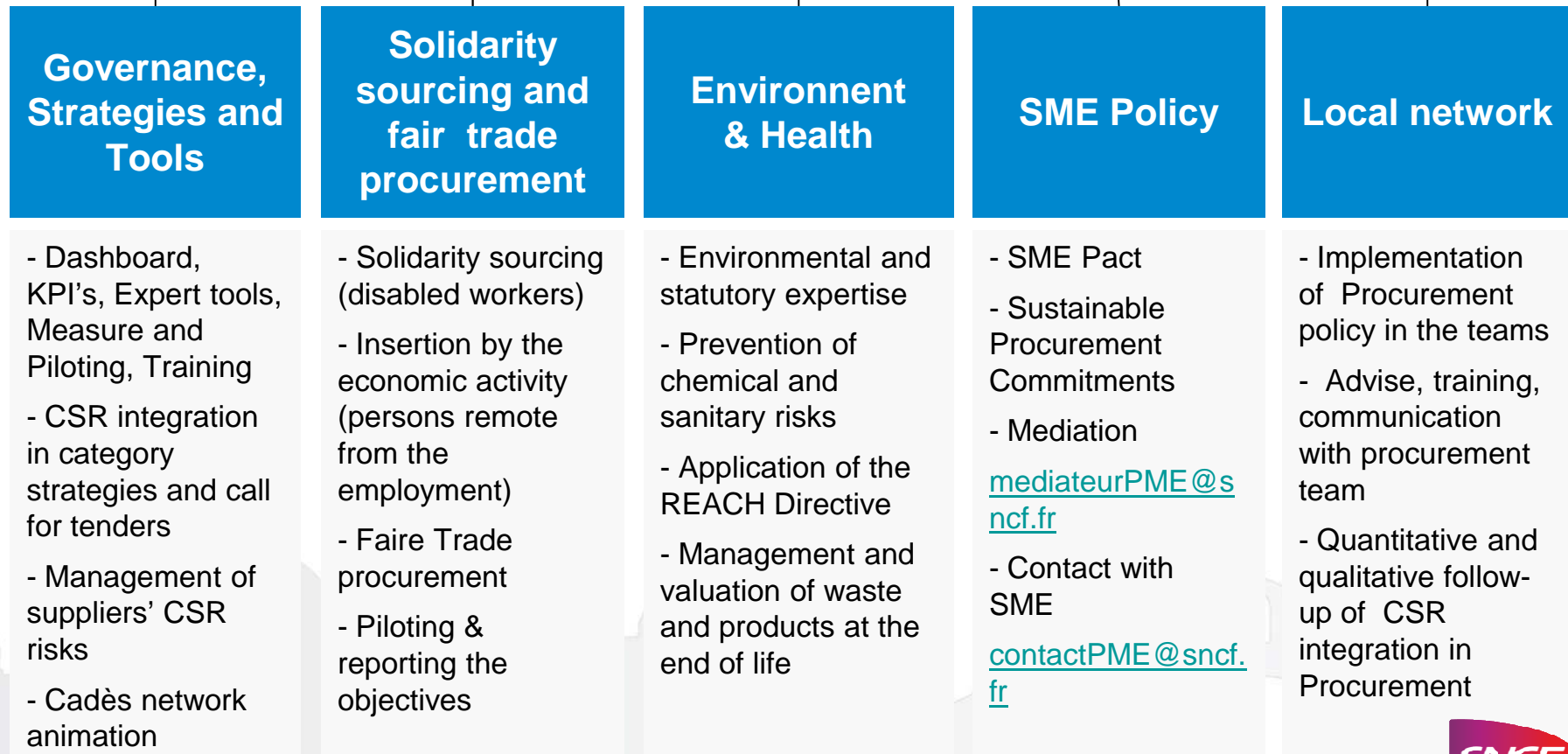
CPO



Sustainable Procurement: organization



VP SUSTAINABLE PROCUREMENT
Olivier Menuet



Sustainable Procurement & Global Performance at SNCF (French Railways)



Agenda

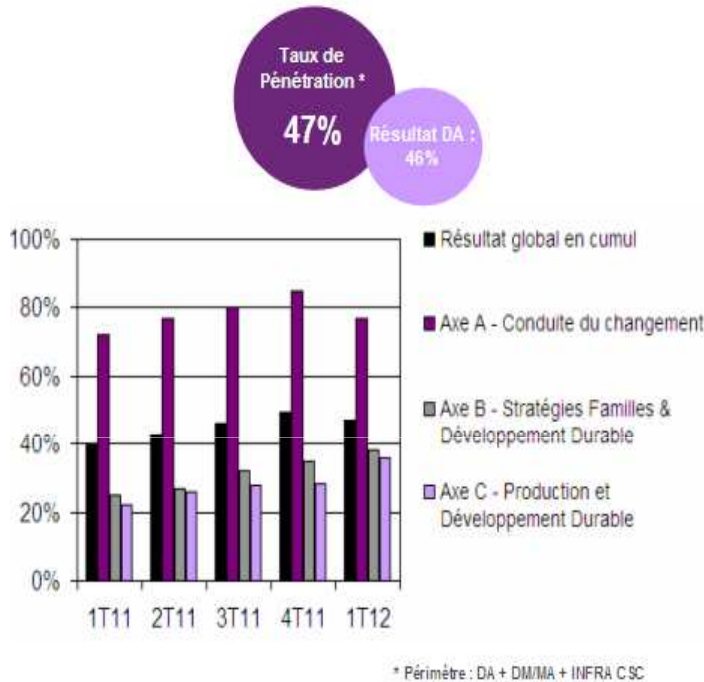
- Organization of Sustainable Development
- Strategic objectives for Sustainable Procurement (SusPro)
- Organization of SusPro
- Key Performance Indicators (KPI's) of SusPro
- Results of SusPro after 4 years of implementation
- SusPro operational implementation
- Value of SusPro :
 - Global value
 - Value for the Business
 - Value for the Environment
 - Value for the Society
 - Value for the Suppliers and other Stakeholders
- Conclusion



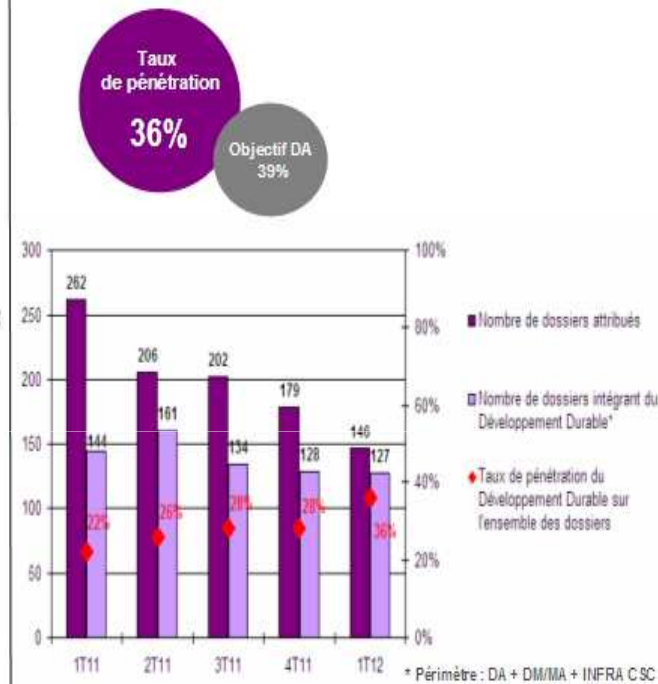
Sustainable Procurement KPI's



Baromètre global



Taux de pénétration du développement durable dans la production achats (Axe C)



4 KPI's:

- Change management
- % of Procurement Category strategies complying with CSR stakes
- % of call for tenders including CSR criteria
- Solidarity sourcing procurement (€)

Achats solidaires



Sustainable Procurement & Global Performance at SNCF (French Railways)

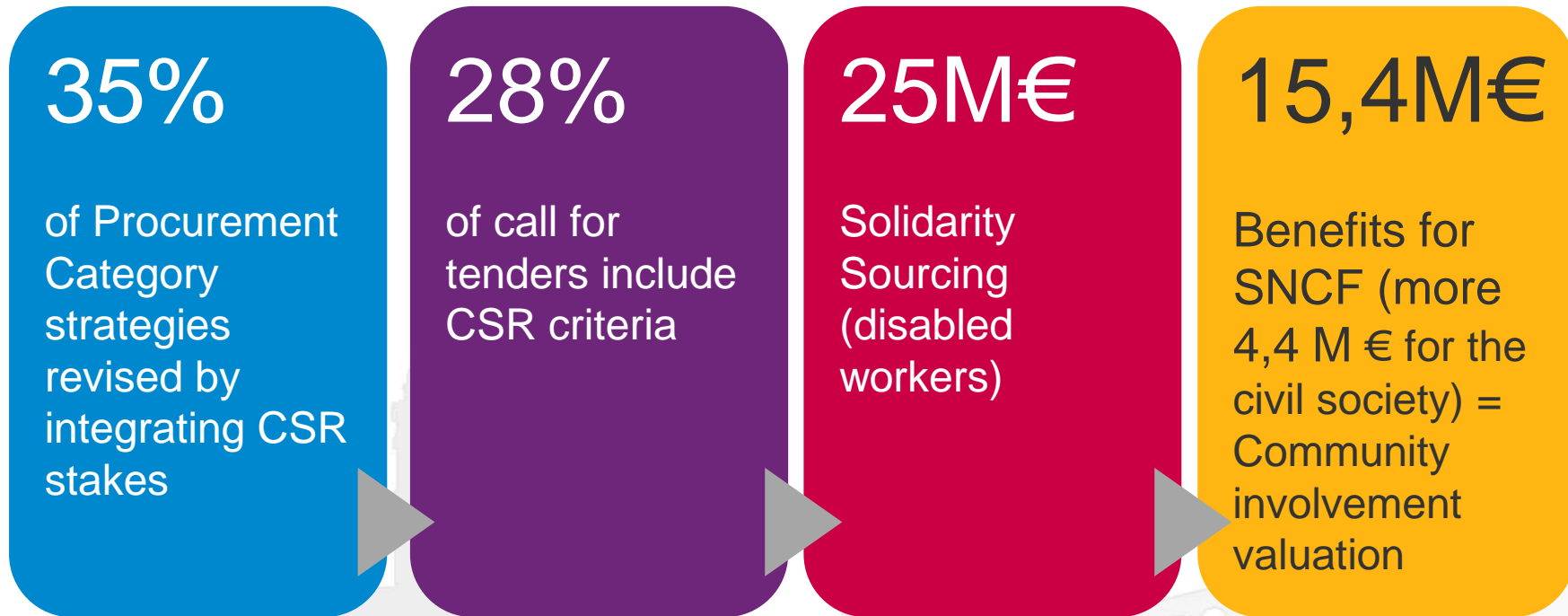


Agenda

- Organization of Sustainable Development
- Strategic objectives for Sustainable Procurement (SusPro)
- Organization of SusPro
- Key Performance Indicators (KPI's) of SusPro
- Results of SusPro after 4 years of implementation
- SusPro operational implementation
- Value of SusPro :
 - Global value
 - Value for the Business
 - Value for the Environment
 - Value for the Society
 - Value for the Suppliers and other Stakeholders
- Conclusion



Sustainable Procurement: 2011 Results



Sustainable Procurement & Global Performance at SNCF (French Railways)

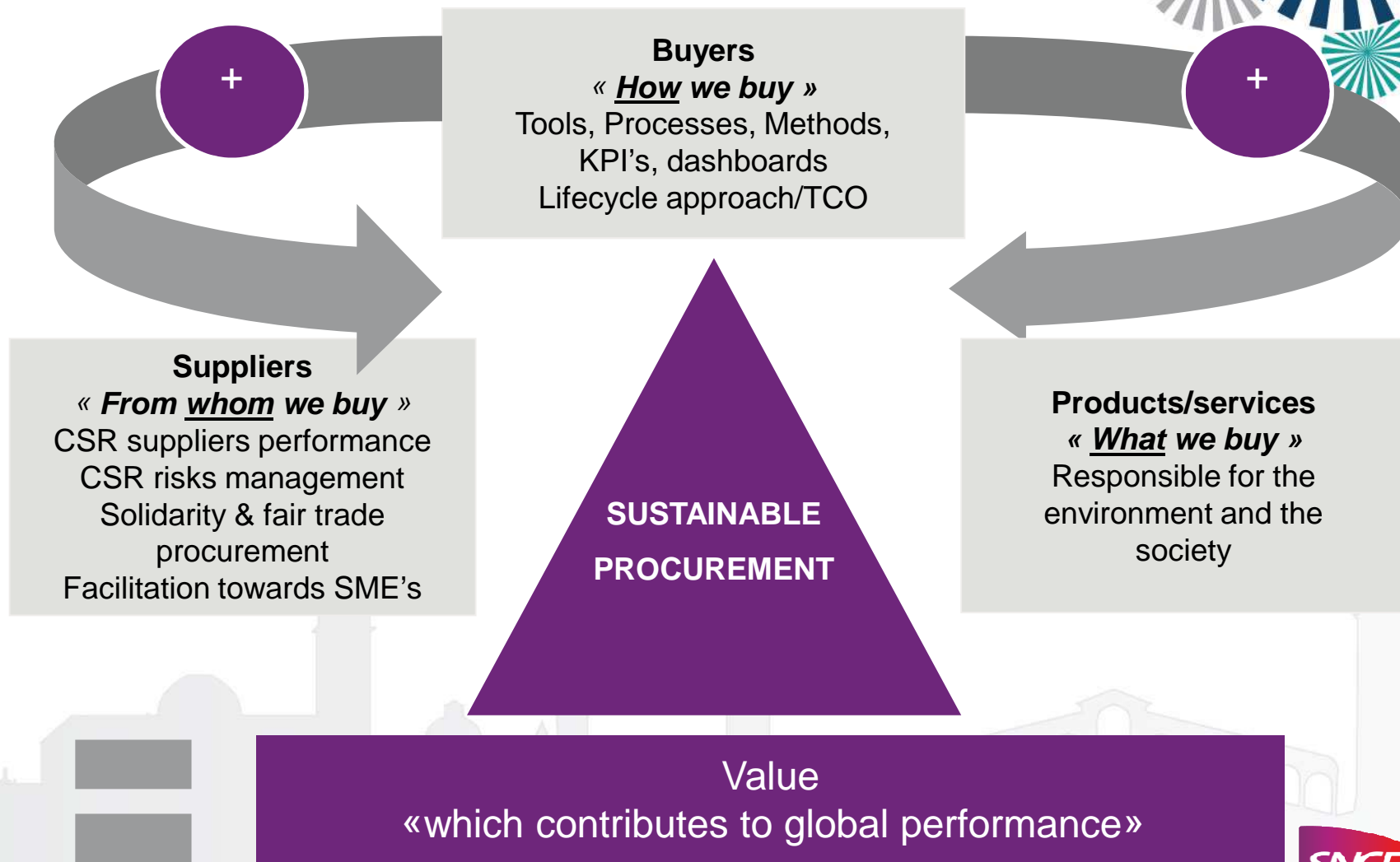


Agenda

- Organization of Sustainable Development
- Strategic objectives for Sustainable Procurement (SusPro)
- Organization of SusPro
- Key Performance Indicators (KPI's) of SusPro
- Results of SusPro after 4 years of implementation
- SusPro operational implementation
- Value of SusPro :
 - Global value
 - Value for the Business
 - Value for the Environment
 - Value for the Society
 - Value for the Suppliers and other Stakeholders
- Conclusion



Sustainable Development stakes in Procurement



Sustainable Procurement & Global Performance at SNCF (French Railways)



Agenda

- Organization of Sustainable Development
- Strategic objectives for Sustainable Procurement (SusPro)
- Organization of SusPro
- Key Performance Indicators (KPI's) of SusPro
- Results of SusPro after 4 years of implementation
- SusPro operational implementation
- Value of SusPro :
 - Global value
 - Value for the Business
 - Value for the Environment
 - Value for the Society
 - Value for the Suppliers and other Stakeholders
- Conclusion



Sustainable Procurement: Global value creation



- Mutually beneficial relations with our stakeholders and suppliers
- Better risk management
- Differentiation and development of innovative projects
- Limitation of negative impacts on the society and the environment
- Better adequacy of products to new market requirements
- Better resource management in raw materials and energy
- Guarantee of long-term competitiveness

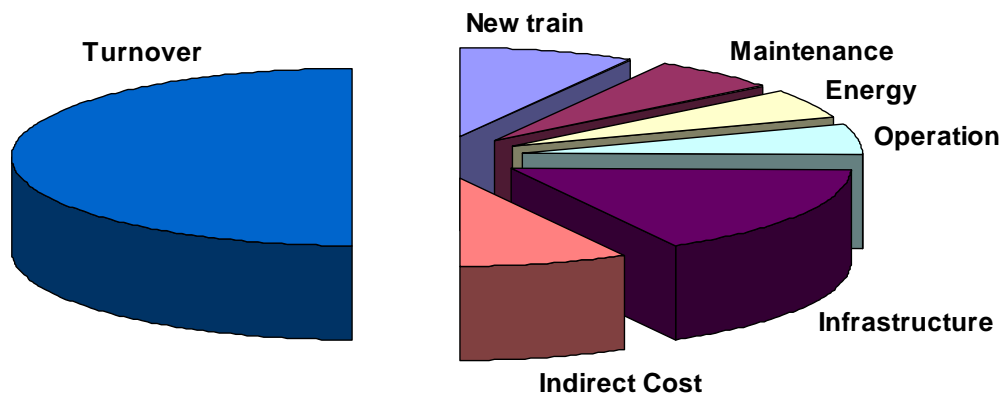
SUSTAINABLE PROCUREMENT = Contribution to a Responsible Performance



Sustainable Procurement: Value for the Business



- Bidders TCO/TVO evaluation (in €) to choose the best offer considering lifecycle
- Additional technical criteria



Analysis of life cycle & TCO/TVO calculation to identify the key cost and value drivers → SNCF & Suppliers shared value



Sustainable Procurement: Value for the Environment



➤ New project: bidders will be evaluated on their upstream carbon footprint



Improvement action plan ➔ SNCF & suppliers carbon footprint improvement & energy consumption



Sustainable Procurement: Value for the Society



- Call for tenders to purchase the maintenance of shock absorbers was opened to solidarity sourcing
- Selected supplier employs 80 % of disabled workers
- Commitment over a 3-years period with the supplier, representing 15 % of SNCF's needs
- The positive impact is the creation of approx. 40 jobs for disabled people



Developing SNCF's contribution to social value creation



Sustainable Procurement: Value for the Suppliers & Stakeholders



- High level of trust in the relationship between SNCF & the suppliers
- Development of win / win relationships
- Elaboration of shared improvement plans (quality, costs, competitiveness, CSR...)
- Better involvement in innovative projects and co-development
- Better synchronization of experiences and resources
- Clear and open communication
- Shared value with long term ROI opportunity
- More attractive products as key factor of success



A new spirit and attitude in the relationship between SNCF & his suppliers
COLLABORATION= Responsible Performance driver



Sustainable Procurement & Global Performance at SNCF (French Railways)

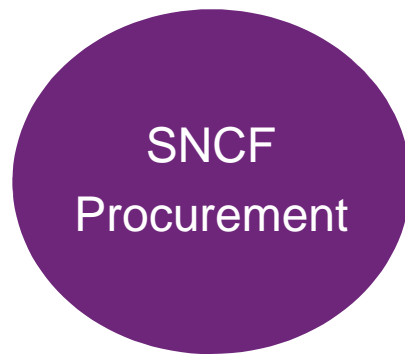


Agenda

- Organization of Sustainable Development
- Strategic objectives for Sustainable Procurement (SusPro)
- Organization of SusPro
- Key Performance Indicators (KPI's) of SusPro
- Results of SusPro after 4 years of implementation
- SusPro operational implementation
- Value of SusPro :
 - Global value
 - Value for the Business
 - Value for the Environment
 - Value for the Society
 - Value for the Suppliers and other Stakeholders
- Conclusion



Sustainable Procurement: a common objective



Sustainable Procurement could not be possible without a strong involvement of SNCF and its suppliers in the whole Rail network

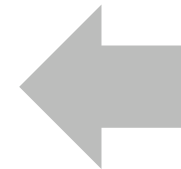


SNCF Sustainable Procurement & Global Performance



Thank you for your attention!

... any questions ?



Olivier MENUET
Vice President, Sustainable Procurement
SNCF (French Railways)