

Purchasing policy 2020-2025

March 2021

Purchasing Department



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A purchasing policy serving FDJ's strategy

The principles

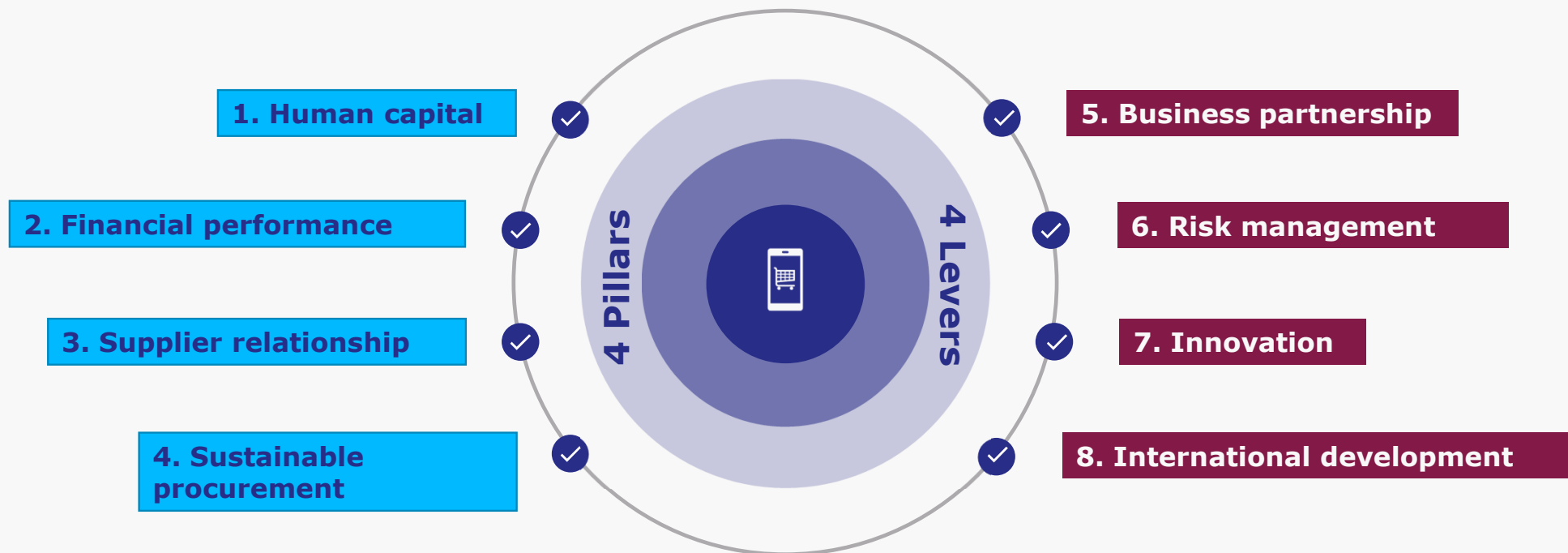
- ◆ The Purchasing Policy is part of the 2020-2025 strategic plan and aims to make the Purchasing function a partner of the businesses daily.
- ◆ This Purchasing Policy defines the principles according to which the Purchasing function conducts its activities with both the Business Units and the supplier markets.



A Purchasing policy structured around 8 themes

Regalian pillars & development levers

- ◆ The implementation of the Purchasing Policy is based on :
 - ◆ Regalian pillars, fundamentals of the Purchasing function
 - ◆ Levers for development, growth of the Purchasing function



Regalian pillars that structure the Purchasing strategy

Principles & key actions

◆ **Human capital :**

- ◆ Continuously develop buyers' skills and knowledge of both supplier markets and the company's business activities
- ◆ Raise buyers' awareness of responsible purchasing, ethics and anti-corruption compliance rules
- ◆ Ensure diversity of profiles through external recruitment and mobility of Group employees

◆ **Financial performance :**

- ◆ Guarantee the quality of products and services purchased and reduce the total cost
- ◆ Implement operational purchasing strategies validated with the business lines
- ◆ Measure the direct impact of the purchasing contribution on the company's income statement
- ◆ To take advantage of synergies at group level via strategies of massification or harmonization of best practices

◆ **Supplier Relationship:**

- ◆ Strengthen knowledge of supplier markets & enhance the image of the FDJ group
- ◆ Improve knowledge of our existing suppliers with the analysis of economic and reputational risks / supplier compliance
- ◆ Dematerialize exchanges, reduce payment times and improve the supplier experience
- ◆ Steering supplier segmentation to better meet the needs of the business lines, performance issues, and sustainable procurement

Sustainable procurement at the core of the Purchasing policy

Commitments & action plan

- ◆ In alignment with the Group's CSR policy, FDJ's Purchasing Department has been committed to a Sustainable Procurement approach since December 2012, which took concrete form in 2014 with the signing of the "Responsible Supplier Relations" charter by the Médiation des Entreprises.
- ◆ This charter is based on 10 commitments, including financial equity regarding suppliers, management of the risks of mutual dependence, integration of environmental issues, and FDJ's territorial responsibility.
- ◆ After integrating CSR criteria into its consultation files, promoting the improvement of the supplier experience and implementing a reduction in payment times, FDJ has been awarded the Responsible Supplier Relations and Sustainable Procurement (R.F.A.R.) label by the Médiation des Entreprises in 2021.
- ◆ The key principle of this pillar is to become the reference for sustainable procurement in order to
 - ◆ Guarantee and promote responsible business and partnership practices,
 - ◆ Contribute to the economic, social and societal dynamism of the regions,
 - ◆ Innovate for a positive environmental footprint.
- ◆ The development of sustainable procurement is accompanied by awareness-raising and training for the business lines on these issues and by the gradual involvement of the Group's subsidiaries.
- ◆ Regarding suppliers, the implementation of a mediation process, the creation of a supplier satisfaction barometer, and the increased use of the adapted and protected sector must be regularly shared and promoted.
- ◆ Lastly, the Purchasing Department ensures that the commitments defined in the FDJ Ethics Charter are implemented with suppliers.

Development levers driving actions

A Purchasing Department at the service of the business lines

- ◆ **A "business partner" approach:**
 - ◆ Team collaboration focused on value-added and supplier market expertise,
 - ◆ Purchasing referents, the point of entry for the business lines, for better visibility and more effective support,
 - ◆ Sharing of best practices and the most relevant solutions across the Group
- ◆ **Risk management :**
 - ◆ Identification & anticipation of supplier risks (financial, ethical, CSR,...) via a specific mapping, this supplier risk mapping is integrated into the corporate risk mapping piloted by the Audit Department
 - ◆ Updated supplier data, enriched with external sources, in the context of the Sapin II French law
 - ◆ Segmented management of suppliers and a gradual risk management method based on a "benefit/risk" logic
- ◆ **Support for innovation:**
 - ◆ Specific resources allocated to innovation, under the direct supervision of the Purchasing Director,
 - ◆ Active monitoring of supplier innovations, market developments, players and value chains,
 - ◆ Management of a supplier ecosystem and stimulation of their innovations to meet FDJ's business needs
- ◆ **International development:**
 - ◆ FDJ's international positioning is based on 3 development axes:
 - ◆ Managed lottery services,
 - ◆ Managed sports betting services,
 - ◆ Managed online lottery content services.
- ◆ **The Purchasing Department aims to position itself on this development plan upstream, as a key player in strategic orientations, and downstream, as an expert in the negotiation of new partnerships.**



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