

# amaDEUS



A man in a dark suit and white shirt is shown in profile, looking towards the left. He is standing in front of a large screen that displays a satellite-style image of the Earth. The background is a solid blue color.

09

## Commitment to suppliers

## 9. Commitment to suppliers

### HIGHLIGHTS 2011

- › Introduction of supplier questionnaire Corporate and Social Responsibility.
- › Start purchasing regionalisation project in the LATAM region.
- › Kick-off purchasing improvement initiative.

### OUTLOOK 2012

- › Implementation of a more efficient Corporate Procurement Model.
- › Harmonise procedures and policies.
- › Standardisation of purchasing processes.
- › Find and implement standard tools to support purchasing management.



## 9.1 Increasing our competitiveness through our Corporate Purchasing Policy

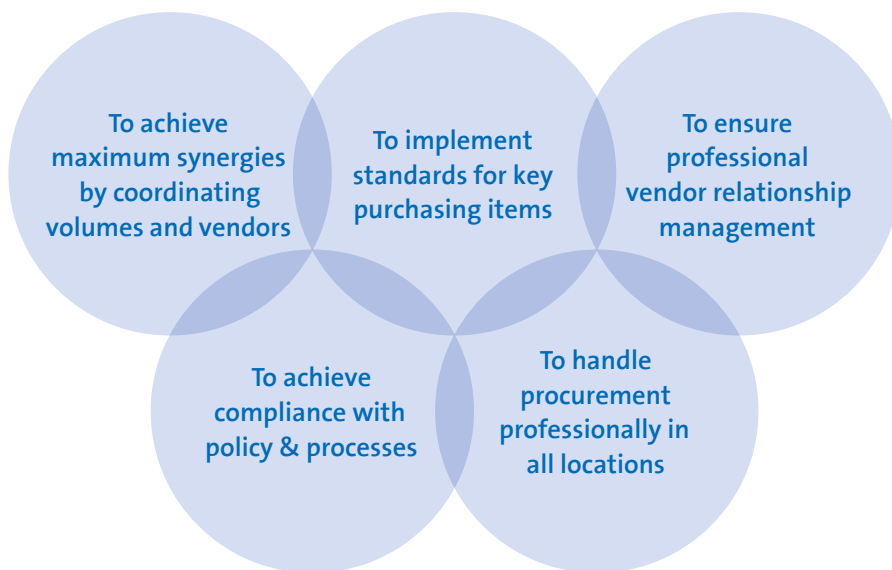
As the products and services that Amadeus purchases are of such strategic and economic importance, we employ a coordinated purchasing approach that stresses acquiring good quality products and services at best cost, making a significant contribution to maintaining the Group's competitiveness. Thus, we developed a Corporate Purchasing Policy in order to reach the following objectives:

### Objectives of the Corporate Purchasing Policy

The Corporate Purchasing Policy applies to all fully and majority owned entities of the Group and serves as a reference for follow-up by the internal audit area. It is applicable for the procurement of all goods and services (direct purchases, investments, leasing and rentals) without monetary limit, according to the requirements and specification of the best quality at best cost.

A Corporate Purchasing Unit is in place as a corporate function reporting to the Chief Financial Officer whose mission is to ensure that all potential synergies are utilised and to ensure a reduction of direct and indirect purchase cost while maintaining or improving existing quality levels. Indeed it is the owner of and responsible for the harmonisation of the procurement process and all related processes.

### Objectives of the Corporate Purchasing Policy



## 9.2 Choosing the best supplier

Our Corporate Purchasing Policy simultaneously seeks to obtain both an optimal cost/benefit ratio with a limited number of suppliers. The selection of suppliers is based on a bidding process where generally a minimum of three contenders should be included. Staff involved in the procurement of goods and services should also aim to consider social and environmental responsibility as a factor of their purchasing decisions. In particular we require staff to:

- > Prioritise goods which are produced in an eco-friendly way and can be disposed of in an environmentally responsible way (fully or partly recycled or reused).
- > Consider the energy usage or cost of operating equipment prior to purchase.
- > Consider “whole life” cost and impact when assessing equipment for purchase.

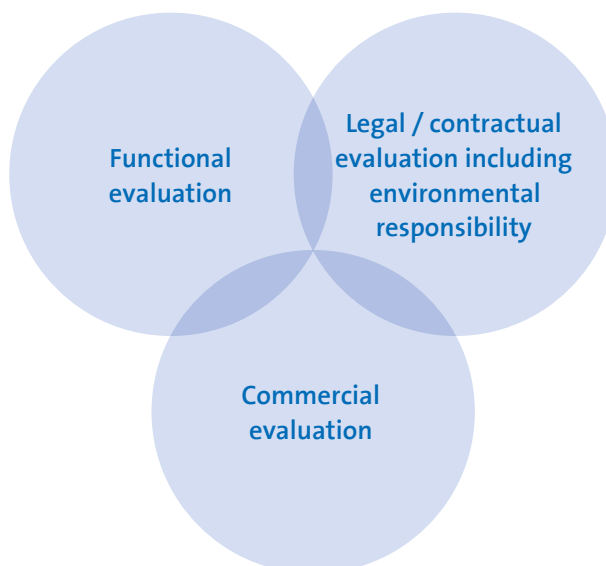
- > Favour suppliers which are committed to environmental responsibility by having an environmental policy in place and demonstrate ability and willingness to comply with environmental obligations, in all cases where requirements are equally fulfilled and the commercial proposal is more or less identical.
- > Ensure that potential suppliers and contractors are aware of and understand our environmental responsibility and requirements.
- > Ensure that the suppliers are compliant with environmental laws and regulations.
- > Ensure that the supplier respects all laws prohibiting discrimination.
- > Ensure that the supplier respect and be compliant with all laws and regulation in terms of child labour.
- > Ensure that the supplier shall hire, employ, train and promote staff without regard of race, colour, gender, disability, sexual orientation, marital status, religion, political opinion, national extraction or social origin.

- > Respect of labour right and legislation.
- > Respect of Amadeus Code of Professional Behaviour.

To ensure that Amadeus suppliers are in line with Corporate Social and Environmental criteria, we have introduced a Corporate Social and Environmental Questionnaire. Every (major) supplier has to run through a questionnaire procedure to show that all requirements are fulfilled.

Choosing the right supplier for a specific product or service is much more than just scanning price lists. To satisfy customers' and the Company's internal needs, we have to focus on the best quality at the most economical conditions. Principles, guidelines and criteria for suppliers selection, as well as the awarding of purchase contracts, must also be in place and followed.

### Steps of the supplier evaluation process



## 9.3 Key figures

The supplier evaluation process is carried out at least once a year by all our purchasing departments, which are permanently involved in the procurement process. The objective of this evaluation is to monitor and review whether each supplier fulfils Amadeus' requirements. The Corporate Purchasing Unit analyses and summarises all results and creates a consolidated document of the evaluation per supplier.

Based on the outcome Corporate Purchasing (together with local Purchasing organisation) informs the supplier about the result of the Vendor Evaluation process.

If applicable, Corporate Purchasing, in agreement with the suppliers, works out an action plan to ensure that supplier performance improves within the coming period.

In addition, the Corporate Purchasing Unit must always be notified in case there are any problems with vendors that cannot be solved at the local or regional level. The feedback from the local organisations enables the Corporate Purchasing Unit to determine if the supplier achieves or keeps a positive performance ranking. In case of a negative ranking the Corporate Purchasing Unit will take action towards the supplier. If appropriate, this task can be delegated to a local purchasing department or lead buyer.

Over the past four years, Amadeus reduced its purchases from 635.5 million€ in 2008 to 607,2 million€ in 2011, reflecting a decrease of around 5,5%. In 2011, 73% of the purchases made by the Group were done for the central companies (Nice, Erding and Madrid), a significant part of it for Hardware and Software investments and for external services (subcontracting and consulting).

### Our main suppliers

The central sites of Amadeus (Madrid, Erding and Sophia Antipolis) are the sites where most of the suppliers render their services.

At Erding, our Data Centre requires that its key suppliers are Hardware and Software vendors. We also require suppliers for the provision of network services.

Amadeus Data Processing has a highly consolidated vendor landscape. Less than 30 vendors accounts for more than 80 % of the vendor turnover in 2011.

The number of referenced software development companies has been reduced to 20 companies to optimise the control and follow up of the relationship.

The Building and Facilities purchasing scope includes building lease, maintenance, security, reception and catering for a total surface of more than 60,000 square meters.

Providers are periodically evaluated through the supplier evaluation process. Software development suppliers have signed together with Amadeus the 'Charte de la sous-traitance' defining main principle of their agreements and cooperation in the respect of regulations and best practices of the software industry.