

HUMAN RESOURCES, ENVIRONMENTAL AND SOCIAL INFORMATION

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3.1 The Bouygues group's Corporate Social Responsibility policy

Chapter 3 of this Registration Document contains the Bouygues group's key CSR indicators and related information. Further information is available by visiting the Group's corporate website at www.bouygues.com. In addition, CSR reports by the Group's business segments can be downloaded from their respective websites ^a.

3.1.1 Group CSR policy

Delivering **high-performance, innovative solutions** for meeting sustainable development challenges is a major growth avenue for Bouygues. Corporate social responsibility, or CSR, at Bouygues also means **limiting and, wherever possible, reducing the negative impacts from its activities on the environment and society** by cushioning effects on ecosystems, better explaining its operations and taking the expectations of stakeholders into account.

Correspondingly, CSR is central to strategy at the Group, which is adapting business models so that customers can be offered sustainably designed and produced solutions that create value in alternative ways.

The best practices applied by each of the Bouygues group's business segments in the human resources, environmental and social spheres are more tangible proof of this strategy. All initiatives are implemented with the help of reliable indicators that are audited on a regular basis for purposes of compliance and continuous improvement.

Bouygues, in its business activities, also takes into account **United Nations Sustainable Development Goals (SDGs)** and pledges to attain as many of these goals as possible by:

- reducing the negative impacts from its business activities;
- increasing their positive effects, mainly through internally developed solutions as well as best practices.

Paying close attention to the impact of its activities on these issues, the Group focuses on SDGs linked to **urban environments, infrastructure, climate change and sustainable economic growth**, which dovetail with its core businesses. The priority SDGs pinpointed by Bouygues are as follows:



This chapter outlines some of the emblematic initiatives conducted by the Group and its business segments in the fulfilment of SDGs. Other examples can be consulted by visiting www.bouygues.com.

(a) www.bouygues-construction.com, www.bouygues-immobilier-corporate.com, www.colas.com, www.groupe-tf1.fr, www.corporate.bouyguetelecom.fr

The Bouygues group's second materiality assessment

In 2016, the Group conducted its second materiality assessment to update the ranking of its sustainable development challenges. It was carried out in three phases:

- **26 significant Group-wide challenges were identified** – (the Group's CSR challenges were mapped out) by reviewing a wide variety of documentation, from CSR guidelines and Group publications to benchmarks, questionnaires from extra-financial rating agencies and more;
- **these challenges were ranked**, after consulting internal and external stakeholders, in the form of a materiality matrix;
- **the results from the matrix were shared** with a panel of stakeholders with expertise in sustainable development, planning and innovation, to integrate their expectations more fully into the Group's thinking process on the future development of its business segments.

The six most relevant challenges identified by internal and external stakeholders are:

- safeguarding business ethics;
- minimising the environmental impact from business processes, operations, and purchased products and services;
- promoting the energy transition and limiting GHG emissions;
- upholding human rights in all aspects of decision-making;
- acting as an integrator and planner for sustainable land management;
- promoting useful and sustainable innovations.

The detailed findings of the assessment, including the methodology used, are available at www.bouygues.com under Sustainable development/Our policy.

The policies and action plans connected with these issues are detailed in this chapter.

3.1.2 CSR oversight

Within the Bouygues group, human resources, environmental and social matters are handled separately by each business segment because they are closest to their own operations.

Monitoring and overall coordination of initiatives is provided at parent-company level (Bouygues SA) by the Ethics, CSR and Patronage Committee, and by the Group Sustainable Development-Quality Safety Environment (QSE) department.

- Set up in 2001, the Ethics, CSR and Patronage Committee meets several times annually to review these three themes on behalf of the Board of Directors. The committee is currently chaired by Anne-Marie Idrac. In 2016, it gave a favourable opinion on the launch or continuation of some 25 patronage initiatives of an educational, medical or humanitarian nature. It also oversaw the enactment of the four compliance programmes adopted in 2014 to define and develop the prevention of non-compliant practices in the spheres of competition, anti-corruption, financial information and securities trading, and conflicts of interest.
- The Group Sustainable Development-Quality Safety Environment (QSE) department oversees general policy, in conjunction with support departments, and circulates information about best practices. Group-wide committees, seminars and conferences organised by this department are useful opportunities for developing practices able to meet sustainable development challenges. Olivier Bouygues, Deputy CEO of the Bouygues group, is responsible for Group-wide sustainable development initiatives.

Within the Bouygues group's five business segments, coordination of CSR themes is handled in conjunction with the Human Resources and Sustainable Development/Environment departments of the business segments themselves. At Bouygues Construction, these departments report to the Innovation and Sustainable Development department and, at Bouygues Immobilier, to the Communication, Marketing and Sustainable Development department. At Colas and TF1, they report to senior management and, at Bouygues Telecom, to the Innovation department.

Each business segment furthermore coordinates a network of liaison officers that, for example, sit on company-wide committees, such as Bouygues Construction's Sustainable Development committee, which comprises representatives from operating units and support services. Every two years, Colas holds awareness-raising seminars for its network of Environment officers in France and abroad. The event held in 2014 was marked by the launch of the EOCE programme, representing a solid network of environment liaison officers and aiming to forge cooperation and encourage the sharing of solutions, expertise and best practices. The first feedback from this initiative was provided in 2016.

On the ground, HR and QSE teams as well as the whole network of operational liaison officers from the Sustainable Development teams of each business segment, spearhead the Group's CSR policies, with a focus on keeping risks under control. Sales teams are also encouraged to factor in sustainable development solutions. At Bouygues Construction, for example, a module on sustainable construction is included in the Campus Commerce training course, and a network of sustainable-construction sales advisory staff has existed since 2013.

3.1.3 CSR reporting methodology

CSR reporting is one of the preferred ways in which the Bouygues group monitors and coordinates its CSR policies.

Just as roll-out of these policies and initiatives is itself delegated to the individual business segments, so that they can deal with the distinctive issues they face, the Group's reporting policy is built on **decentralisation and accountability** when being implemented by each business segment.

So that key Group-wide indicators can be published annually, Bouygues SA each year carries out three reporting campaigns amongst the five business segments on the human resources, environmental and social themes.

The first is managed by the Group Human Resources department while the other two are the responsibility of the Group Sustainable Development-Quality Safety Environment (QSE) department.

3.1.3.1 Selecting and defining indicators

Addressing statutory obligations of transparency, the Group's CSR indicators are used to **steer the policies implemented** by its business segments and **satisfy the expectations of external and internal stakeholders** (such as employees, shareholders and extra-financial rating agencies).

Bouygues is a diversified industrial group. Extra-financial indicators are chosen and defined by consensus between the various players involved in reporting through the work of several monitoring committees, whose task it is to identify the most relevant indicators and ensure reliable conditions for data collection. These committees take into account the diversity of the Group's operations.

A Group-wide committee dedicated to the Group's extra-financial reporting

Under the coordination of the Group Sustainable Development-QSE department, the Extra-Financial and CSR Reporting committee **reviews the annually reported data and manages any changes** affecting environmental and social indicators. Sustainable development officers from each business segment and a representative of the HRIS (Human Resources Information System) committee, with more specific responsibility for the human resources part, sit on this committee.

Specific Group committees for the human resources reporting

Two committees design and carry out human resources reporting within the Group:

- **The Human Resources Reporting Improvement committee**, made up of the experienced human resources managers from the parent company and the Group's business segments, determines reporting priorities (e.g. constructive labour relations and health & safety) and draws up a map of indicators likely to illustrate them, in keeping with the specific features of each business segment. It reviews each data collection exercise with a view to continuous improvement in terms of processes, reliability and relevance of the indicators.
- **The HRIS and Indicator Tracking committee** is made up of employee-management oversight staff. It precisely defines each indicator in terms of scope, computation formula, frequency, deadlines and so forth.

As these committees are decentralised, members communicate using ByLink Network, the Bouygues group's collaborative platform.

The Bouygues group's reporting protocol

To ensure the CSR reporting procedure and the qualitative and quantitative information published by the Group is both uniform and reliable, a reporting protocol covering the human resources, environmental and social components was compiled in 2013. It is updated annually in consultation with each business segment, and it incorporates the findings of the work carried out by the committees.

The protocol specifies the methodology to be used when collecting data for the indicators of the three components, namely definition, scope, units, computation formula and contributors. It is the handbook used by all participants in the Group reporting procedure. The specific procedures to be applied for each business segment are provided in the annexes of this handbook.

The Bouygues group reporting protocol is circulated in French and English to liaison officers in each business segment. It is also available on the Group's collaborative work platform (ByLink Network).

3.1.3.2 Data collection procedure for indicators

In compliance with the guidelines contained in the Group's reporting protocol, the collection, verification and consolidation of extra-financial indicators between Bouygues SA and each business segment are carried out using a reporting software package that includes a workflow process.

This software package, which ensures that indicators are reliable and that consolidation rules and definitions are respected, is updated annually to take into account changes to reporting.

3.1.3.3 Consolidation

Human resources reporting

CONSOLIDATION RULES

Human resource indicators are consolidated at Group level. The policy for consolidating data is as follows:

- fully consolidated companies are consolidated 100%;
- proportionately consolidated companies are consolidated 100% where the equity interest strictly exceeds 50%, otherwise they are excluded;
- companies accounted for by the equity method are not consolidated.

All employees of a company within the scope of consolidation are counted in the computation of HR indicators, including if they exercise their activity in a company not within the scope of HR reporting (e.g. in the context of a temporary job posting or secondment abroad).

The registered workforce comprises all persons bound by an employment contract to a company within the scope of consolidation or, if not, paid directly by such a company, unless there is a commercial contract (such as a services contract) between them.

The active workforce comprises all registered employees (see definition of registered workforce above) whose employment contract has not been suspended. The employment contracts of employees on the following type of leave are deemed to have been suspended:

- sabbatical leave;
- business creation leave;
- parental leave;
- training leave;
- conversion leave.

Lastly, there are two categories of employee: staff (supervisory, management and technical personnel) and workers (site works).

INDICATOR COVERAGE RATE

To take into account the various challenges faced by the business segments as well as local constraints, human resources reporting currently has four different types of scope:

- **Global**, which covers 100% of the workforce. In 2016, 43% of indicators had this scope.
- **France**, which covers 55.7% of the workforce. In 2016, 39% of indicators had this scope, corresponding – besides France itself – to French overseas territories (French Polynesia, Saint Barthélemy, Saint Martin, Saint-Pierre-et-Miquelon, and Wallis and Futuna) and French overseas departments (Guadeloupe, French Guiana, Martinique, Mayotte and Reunion Island). Clipperton Island, the French Southern and Antarctic Lands and New Caledonia are therefore excluded;
- **Non-France companies with more than 300 employees**, comprising 55 firms representing 38.7% of the Group headcount and 88% of the international workforce. In 2016, 7% of indicators had this scope.
- **France and non-France companies with more than 300 employees**, comprising 94.7% of the workforce. In 2016, 11% of indicators had this scope.

This breakdown testifies to a continuous broadening in the degree of coverage of HR indicators and is the result of a proactive approach by an inter-business segment working group. Decided upon in 2013 by the Bouygues group, the extension of HR reporting worldwide continues chiefly within Bouygues Construction and Colas via the roll-out of their HR Information Systems (HRIS).

CHANGES TO HUMAN RESOURCES REPORTING

Group HR reporting continues to improve through a rethinking of indicators and of their particular scope, as well as through the introduction of reporting systems that include HR data from internationally based firms.

Bouygues Construction continues to roll out its "Global HR" programme, which will ultimately provide a comprehensive view of pay reviews, appraisals and talent management (2017–2018).

Colas is rolling out a harmonised, secure information system encompassing HR and employment data. It will ultimately be accessible to managers and non-management employees alike. Roll-out of HRIS internationally, which began in 2016 with Europe and Africa, will continue during 2017.

Environmental and social reporting

CONSOLIDATION RULES

Two types of indicator make up the Group's environmental and social reporting:

- **indicators for which information is collated at Group level**, namely indicators that can apply to all the Group's business segments, for which all, or the majority of, business segments provide their own quantitative data;
- **indicators specific to a business segment**, which are indicators that apply solely to a business segment or to a line of business therein.

All environmental and social indicators are collected worldwide by business segments that have operations outside France. Some indicators do not cover or are not applicable to all the operations of a business segment. Where this occurs, the coverage scope of an indicator is shown as a percentage of total business-segment sales, or by specifying the organisational scope to which the indicator applies on a 100% basis.

Colas expresses coverage of several of its indicators as a percentage of sales before intercompany eliminations (i.e. sales with intragroup transfers and disposals added back). This figure factors in Colas' upstream activity (chiefly building materials), whereas vertical integration would result in more than 50% of materials production being eliminated.

The environmental impact of the Bouygues group's head office at 32 Avenue Hoche in Paris (0.15% of the Group headcount) is not included in the scope of consolidation (see section entitled "Bouygues group: main sites" in chapter 1).

Consolidation rules specific to Bouygues Construction

All subsidiaries of Bouygues Construction have to report environmental and social information. Companies that are fully consolidated and those in which the equity interest is 50% or more are consolidated on a 100% basis in the extra-financial reporting.

In 2016, the coverage rate of Bouygues Construction's reporting is 90%. The remaining 10% is due to the following exemptions:

- companies in which the equity interest is below 50%;
- companies accounted for by the equity method;
- companies that were acquired less than three years ago;
- companies subject to specific rules defined for certain entities, e.g.:
 - **Bouygues Bâtiment International**: structures where the headcount is less than 10 and/or without a production activity are not included in the extra-financial reporting;
 - **Bouygues Energies & Services**: structures whose sales are less than €10 million are not included in the extra-financial reporting, unless the sum of the sales figures of the excluded structures exceeds 5% of the total sales figure for Bouygues Energies & Services.

Furthermore, in the interests of consistency, the Concessions department is not included in the Sustainable Development reporting because it is not consolidated in the financial reporting either. Nonetheless, the liaison officers in this entity carry out reporting for the purpose of coordinating sustainable development initiatives internally.

Lastly, DTP (the group's earthworks business) was fully absorbed by Bouygues Travaux Publics in 2016. Consequently, the coverage rate has been calculated by taking an estimation from the business plan presented in early 2016.

Consolidation rules specific to Colas

Environmental and social indicators are calculated and consolidated by Colas on the basis of a larger scope relative to the financial scope of consolidation to reflect the extent of its risks and responsibilities.

It therefore includes:

- concerning materials production, companies owned alongside outside partners for which Colas does not always have control over environmental aspects (as, for example, is the case with sites in which Colas has a minority interest);
- materials production companies, even when their consolidated sales are lower than the threshold for financial consolidation (€2 million). The total volume of materials produced by these companies can be significant, even though their sales are often subject to a high rate of elimination (intragroup transfers or disposals) due to Colas' vertical integration.

Consolidation rules for environmental and social data are as follows:

- companies that are fully consolidated for financial purposes (level of control between 50% and 100%) are integrated and consolidated at a rate of 100%;
- companies that are proportionately consolidated for financial purposes are integrated in proportion to the level of control;
- companies accounted for by the equity method are integrated in proportion to the level of ownership.

Consolidation rules specific to Bouygues Immobilier

Environmental and social indicators cover the full scope of Bouygues Immobilier France and international activities.

In 2016, at Bouygues Immobilier, the reporting coverage rate as a proportion of sales is 95.6% when overseas subsidiaries (Belgium, Morocco and Poland) are excluded. This rate drops to 89.4% when the French subsidiaries (Loticis, Ossabois, Nextdoor, Patrignani, SLC and Urbis) are also excluded.

CHANGES TO GROUP CARBON REPORTING

To comply with the changes in carbon-reporting obligations arising from France's Energy Transition for Green Growth law, published in the Official Journal on 18 August 2015, the business segments of the Bouygues group are adapting their practices for measuring CO₂ emissions to take into account the concept of "significance" of the

reported emissions sources and the widening of the data-collection scope to the entire value chain.

The Group's five business segments have already pre-empted regulations by extending the sphere of Scope 3 to include the measurement of greenhouse gas emissions arising from subcontractors' goods and services. Bouygues Immobilier and Bouygues Telecom have also conducted comprehensive carbon audits that include emissions generated by the operation of completed property development projects or by the use of their products.

Various initiatives in 2017 will consist in:

- broadening the measurement of CO₂ emissions generated by the use of goods and services produced for the Group as a whole, where such sources are both significant and relevant;
- rebasing carbon reporting within the Group, for which data are currently collected by scope, on the concept of significant emissions sources. Carbon audits can then be analysed to identify the largest emissions sources along the entire life cycles of the Group's products and services in order to better target the priority actions to be implemented.

3.1.3.4 Reporting period

Human resources reporting

To ensure consistency and uniformity with other legal reporting obligations for human resource indicators (human resources audit report, comparative status report and training plan, etc.), data are collected and consolidated with reference to the period from 1 January 2016 to 31 December 2016.

Environmental and social reporting

Since 2013, the annual closing date for environmental and social indicators has been set at 30 September to allow for precise consolidation and analysis, given the time required for gathering and processing this type of data. Bouygues' 2016 reporting period for environmental and social indicators therefore ran from 1 October 2015 to 30 September 2016.

To ensure consistency and uniformity with other chapters in the Registration Document, the indicators shown in the introduction to 3.4 "Social information" are reported over a calendar year (1 January 2016 to 31 December 2016). The "Expenditure relating to patronage and sponsorship initiatives" indicator, which is part of this same presentation, is informed by social reporting and therefore has a non-standard year (1 October 2015 to 30 September 2016).

3.2 Human resources information

3.2.1 The workforce

3.2.1.1 General trend in the Group's workforce

"At Bouygues, people are our most important resource. Since their motivation and competence are key to our success and progress, the quality of human interaction is fundamental..." (Extract from the Group's Human Resources Charter)

The Bouygues group operates in nearly 90 countries. At 31 December 2016, it employed 117,997 people, spanning a wide range of business activities and expertise.

Headcount by region at 31 December 2016

Scope*: global	Holding company and other	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	2016 Group total	2015 Group total
France	337	20,153	1,948	33,217	3,068	7,331	66,054	67,436
Europe (excl. France)	19	8,038	99	9,021	39		17,216	17,057
Africa and Middle East	101	8,125	12	6,655			14,893	15,378
North America	1	933		4,630		3	5,567	5,476
Central/South America	51	509		594			1,154	1,038
Asia-Pacific	19	12,374		720			13,113	13,869
International	191	29,979	111	21,620	39	3	51,943	52,818
France + International	528 ^b	50,132	2,059	54,837	3,107	7,334	117,997	120,254

(a) Coverage: 100 % of the Group's headcount.

(b) O/w holding company: 165.

Indicators available at www.bouygues.com: Number of temporary and occasional workers as full time equivalents (France), Headcount by type of contract (permanent and temporary - France), Headcount by job category (France).

Headcount in France and the International activities fell by 1.89%.

Personnel at **Bouygues Construction** was stable, edging up by 0.1%. The proportion of the non-French headcount did not change substantially, representing 60% of the total - in line with the fact that the highest share of sales is generated outside France.

In 2016, headcount at **Bouygues Immobilier** increased both in France and internationally, as a result of growth in the French residential property market and the company's diversification strategy (Loticis, Nextdoor etc.).

The global workforce at **Colas**, at 31 December 2016, was down 3.6% relative to 31 December 2015, consistent with the drop in business activity. In France, where the market was challenging, the workforce was down 2.6%:

- -3% at the road construction subsidiaries in mainland France (69.8% of the workforce), which have been forced to adapt to a decline in activity and margins for several years;
- -2.8% in the French overseas departments;
- -1.8% at the Specialised activities subsidiaries, due in particular to lower sales from water and energy distribution, waterproofing, and road safety and signalling.

Outside France, the decline was 5.24%, featuring most notably:

- Asia/Pacific (720 employees): -50.3%. The consolidation scope changed considerably as a result of the disposals of bitumen storage and sale companies in Thailand, Indonesia and Vietnam.
- in South America (594 employees): +53%, as the contract for a work package on the Santiago metro (Chile) ramped up.

Headcount at **TF1** increased upon consolidation of the Newen group (368 employees).

The workforce at **Bouygues Telecom** decreased as a result of the reduced need for seasonal employment and the end of the voluntary redundancy plan.

Workforce by gender

Scope ^a : global	Holding company and other	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	2016 Group total	2015 Group total ^b
Women	24.8%	19.4%	46.5%	10.1%	50.2%	42.2%	17.8%	17.5%
Men	75.2%	80.6%	53.5%	89.9%	49.8%	57.8%	82.2%	82.5%

(a) Coverage: 100% of the Group's headcount.

(b) New indicator introduced in 2016 with the 2015 figures restated.

The proportion of women working for **Bouygues Construction** and **Colas** increased in 2016. The Group's other business segments maintained relatively equal numbers between women and men.

Workforce by age range

Scope ^a : global	Holding company and other	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	2016 Group total	2015 Group total ^b
Under 25	3.0%	7.1%	10.8%	5.3%	6.6%	7.2%	6.3%	5.4%
25-34	24.4%	29.8%	30.9%	22.5%	22.9%	36.8%	26.7%	27.0%
35-44	32.2%	28.8%	31.6%	27.3%	30.3%	38.3%	28.8%	28.6%
45-54	25.4%	23.6%	19.6%	29.7%	29.6%	15.3%	26.0%	27.3%
55 and over	15.0%	10.7%	7.1%	15.2%	10.6%	2.4%	12.2%	11.7%

(a) Coverage: 99.4 % of the Group's headcount.

(b) In 2015, this indicator was only calculated for France.

Indicators available at www.bouygues.com: Average age and seniority (France).

In 2016, the scope of this indicator was broadened to include international operations so that age distribution could be monitored on a Group level. Comparison with 2015 is not meaningful but the indicator will be reproduced next year.

3.2.1.2 Recruitment policy

Promoting the recruitment of new employees is a key issue for the Group, enabling it to support business growth, integrate tomorrow's talents and foster innovation in partnership with the academic world. As a result, the Bouygues group's business segments are active young graduate recruiters.

Preparing for future intake

A premium higher-education partnership was signed with Centrale/Supélec to forge a special bond with students and offer them career opportunities in the Group's various activities. A strong relationship also exists with ESTP, specifically through the sponsorship of two graduating classes by Colas (2018) and Bouygues Construction (2019), respectively, and in the form of a partnership with Bouygues Immobilier.

The aim of this sponsoring is to forge ties with students right from the first year by promoting the Group's brand and the opportunities on offer at its companies. This, in turn, will prepare a strong pool of interns and graduates for the future. Sponsorship initiatives generally last three years. During this time, regular events are held and students can avail themselves of an individual coaching programme to support them with their career goals.

The internship policy operated by Group companies in conjunction with universities and other higher-education institutions gives students and graduates access to a vast learning experience as well as to hiring

opportunities. Four business segments of the Bouygues group have been recognised by France's "Happy Trainees" ranking, which highlights those companies most preferred by interns: Colas came 2nd, Bouygues Telecom 7th, Bouygues Construction 8th and Bouygues Immobilier 10th.

Developing digital communications for attracting talent

To support recruitment policy and attract future talent, the Group's business segments are developing action plans using digital communication channels (social media and job boards) and scouting operations at the grass roots level by attending higher-education fairs and forums and, as far as possible, endeavouring to develop joint representation on behalf of all business segments.

Providing access to all job offers through the www.bouygues.com web site promotes equal opportunities and highlights the wealth of opportunities on offer at the Group in its various operations, both inside and outside France. More than 1,300 offers are available on the website, divided into 26 different professions.

The Careers section on Bouygues Construction's website leads visitors on a comprehensive tour of its activities and sites. During 2016, 315,000 visits were recorded; almost 42% of external applications were received directly as a result of this website.

Forums are also stepping into the digital world by providing tablets for use during events at selected educational institutions, thanks to which students can consult internship and job offers and even submit

applications on the spot. HR and operating-unit employees are also on hand to talk with potential applicants.

The Bouygues Construction forum, held on 3 November 2016, was redesigned and featured 30-minute job-dating sessions, held alongside the main forum. Young people were preselected before the event by the HR and business-line employees in attendance using pre-recorded video interviews. Altogether, of the 83 final interviews conducted, 25 aspiring applicants received an internship offer.

In 2016, Bouygues Immobilier held a forum at its main locations on the same day, as a way of presenting its business activities and promoting diversity in intake.

Colas uses social media in addition to Hub Carrière Colas (www.hubcarrierecolas.com), its careers platform, and the "Join us" part of its main website. In late 2016, an innovative system enabling individuals to submit unsolicited applications in the form of videos was launched on Hub Carrière Colas.

TF1 rolled out its new employer brand, "TF1 Carrières positives", part of its strategy for digitising its HR procedures.

Lastly, Bouygues Telecom launched its new employer brand in keeping with its new identity and its corporate message. Since late 2016, this has taken the form of a new careers portal, accessible on every kind of mobile device, supplemented by an active digital communication campaign on social networks. HR employees have been trained in recruitment and profile searches using digital technology such as social networks and other more novel applications, e.g. the short-listing of applicants using pre-recorded videos and live interviews, and interactive tablet-based apps at recruitment forums.

Strengthening higher-education partnerships outside France

With the aim of encouraging career ambitions around the globe, the INTERNational Programme, launched in late 2015 by Bouygues Construction, attracted a total of 307 applications from university students in France and further afield. Twelve (half of which were women) were selected in February 2016 for standard and international business internships in seven locations including the UK, Hong Kong, Australia, Qatar and Shanghai. Of the three intakes of the INTERNational Programme to date, 82% of the chosen applicants were still working in the Bouygues group, in the form of standard internships, permanent contracts or international business internships.

In Australia, the local subsidiary of Bouygues Travaux Publics strengthened ties with nearby universities through its partnership with the University of Technology Sydney (UTS). The firm offers a scholarship programme to undergraduate engineers that involves an internship offer, with the possibility of a job offer upon completion of their studies. Bouygues Construction Australia also renewed its partnership with UNSW (University of New South Wales) and now offers a scholarship programme aimed at young female engineers to raise awareness about the different types of jobs available and encourage them to consider a career in the construction industry.

Dragages Singapore kept up relations with selected universities such as the National University of Singapore and the Nanyang Technological University of Singapore through participation in forums and networking sessions that included worksite visits. In Cuba, Bouygues Bâtiment International presented its subsidiary in a vocational high school, followed by a job-dating exercise with all the students, leading to the recruitment of 50 site workers.

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3.2.1.3 Recruitment and departures

External recruitment by job category

Scope*: global	Holding company and other	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	2016 Group total	2015 Group total ^b
France	70	2,197	510	2,917	530	1,249	7,473	3,952
Managerial	49	1,111	244	430	313	292	2,439	1,253
Clerical, technical & supervisory	21	769	213	646	217	957	2,823	1,233
Site workers		317	53	1,841			2,211	1,466
International		11,942	30	12,910	7		24,889	26,582
Staff ^c		3,145	30	2,233	7		5,415	5,701
Workers ^d		8,797		10,677			19,474	20,881
France + International	70	14,139	540	15,827	537	1,249	32,362	30,534

(a) Coverage: 99.7% of the Group's headcount.

(b) France recruitment data for 2015 included only permanent contracts.

(c) Supervisory, managerial and technical personnel.

(d) Site workers.

Indicator available at www.bouygues.com: Internships during the year (France).

For France, the method for calculating recruitment intake has changed to include both permanent and fixed-term contracts (in contrast to previous years, when only permanent contracts were counted).

The overall recruitment trend at **Bouygues Construction** was driven upwards by higher business volumes in France. In international markets, which account for over half of sales, intake was flat.

Hiring levels for the **Colas** group remained high (+29.7% in France) but was down 10.4% outside France.

In France, the rise in new hires (+30%) reflected stronger confidence in near-term growth in the road construction market (the workforce at end-2015 had reached a record low):

- +112% at the road construction subsidiaries in mainland France (from 444 to 940 hires);
- +20% at the Specialised activities subsidiaries (from 829 to 998 hires).

In contrast, permanent and seasonal hires outside France fell 10.4% in 2016. In North America, Africa and Asia, hiring levels of workers reflect the seasonal nature of business activities.

Bouygues Immobilier's decision to diversify (with ventures such as Nextdoor) and expand outside France led to higher intake.

Number of departures

Scope ^a : global	Holding company and other	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	2016 Group total	2015 Group total ^b
Number of departures (all types of contract)	61	14,438	394	17,185	759	1,851	34,688	28,995^a

(a) Coverage: 99.7% of the Group's headcount.

(b) In 2015, the number of departures covered only the international scope.

Indicators available at www.bouygues.com: Reason for departure (France), Staff turnover (France).

Scope ^a : global	Holding company and other	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	2016 Group total	2015 Group total
Number of dismissals (permanent employees)	9	824	50	1,530	135	351	2,899	3,451

(a) Coverage: 55.7% of the Group's headcount.

In 2016, the way of calculating departures changed to cover the entire Group. Hiring levels were slightly lower than the number of departures, much of which were due to the termination of contracts restricted to the duration of a worksite.

At **Bouygues Construction** and **Colas**, the number of dismissals dropped by approximately 20%.

The rise in dismissals at **TF1** was mainly due to the redundancy plan at subsidiary Metronews.

3.2.1.4 Group compensation policy

The Bouygues group's compensation policy aims to reward professional conduct and the potential of each employee, as well as individual and team performance.

Comprehensive compensation

A comprehensive system of compensation applies to all employees worldwide, comprising a basic salary and variable bonus payments (determined by country and occupation). These arrangements may be supplemented by other employee benefits such as occupational pensions as well as health and personal-risk insurance.

In France, 97% of all employees are covered by compulsory or voluntary profit-sharing arrangements in various Group entities. Additionally, employee-savings incentives (e.g. company savings and collective retirement savings schemes) are regularly supplemented by capital increases reserved for employees, such as the Bouygues Confiance n°8 operation in 2016. In 2016, the employer contribution to the company savings scheme was increased, with the maximum employer grant rising from €3,360 to €4,080.

Last year also, communication on employee savings schemes went digital in the form of video clips on the collective retirement savings scheme and the Bouygues Confiance n°8 operation. An interactive brochure covering all employee savings arrangements available in France was made available to employees on the Group's intranet.

Internationally, company savings arrangements similar to the French system are available in some countries. In the UK, Bouygues Construction offers ShareBY and Colas offers the "Colas UK Share Incentive Plan". Arrangements in Switzerland and Hong Kong have met with huge success for several years.

The Group also strives to reward professional conduct and mindset among its best site workers through the Minorange Guild. A similar system is in place at Bouygues Telecom, where it is called the Customer Advisors Club. Bouygues Construction and Colas have 16 such site worker guilds, active in the Group's main locations.

Compensation policies adapted to each profile and geographical area



At Bouygues Construction, wages in non-French operations can be revised as much as three times per year. Some countries experienced different developments depending on the national economic context (in Sub-Saharan Africa, pay rises budgeted at 3–5% of payroll versus 1.0–1.5% in Switzerland), whether a market was growing strongly (increases of 2–3% in Canada, Hong Kong and Australia) and whether local labour was in short supply (2–3% in the UK).

Compensation policy also relies on a People & Talent Review, redesigned in 2015, which covers nearly 10,000 employees who are at manager level or higher. This process is used to enhance the talent pool and develop personalised career plans, with close to 2,000 employees monitored by French and non-French subsidiaries (chiefly in Europe and Asia). One of the strong points of this process is that it fosters the career paths of more people from the non-French operations, amongst which many women.

For example, approximately 100 locally hired female employees of Bouygues Bâtiment International have been identified and are being monitored in this way, representing close to 25% of the entity's key people. These women are also part of World Club, a talent-management network structured by region (Africa-Middle East, Europe and Asia-Americas), which provides scope to dialogue, share experiences and work together on strategic corporate challenges.

Global HR, a new platform that started to be rolled out in 2016, is able to manage three HR procedures on a single system for both French and international operations: compensation, annual appraisals and talent management. Hong Kong, Singapore, Australia and Morocco have been the first countries to use it, for annual appraisals and pay reviews. The aim is that Global HR will be up and running in all international sites by the end of 2018.

Colas also pays special attention to compensation policy in its international operations. It is determined at the local level, in line with the group's annual guidelines and business conditions. In each country,

compensation policy is consistent with market standards, based on compensation surveys (e.g. US and Europe) and on the terms of both collective bargaining agreements and negotiations with trade unions and employee representatives.

Personal feedback report on pay components – positioning in line with industry pay surveys

Bouygues Immobilier has pledged to provide each employee every year with a personalised document summarising all the types of compensation that they receive.

Keen to observe other firms and ensure its ongoing competitiveness in the market, Bouygues Immobilier participates in annual pay surveys and, wherever necessary, adapts its practices. For example, since 2016, Bouygues Immobilier has offered personalised company-car arrangements, whereby those employees entitled to this benefit may choose between a company vehicle or the payment of a gross monthly allowance in the form of travel credit.

Since 2007, Bouygues Telecom has provided its employees with a record of total compensation, which for each employee summarises all pay sources (both direct and indirect) and other benefits offered by Bouygues Telecom or the Group. This includes a thirteen month's salary, a holiday bonus and employer contributions to company savings and collective retirement savings schemes, as well as time savings accounts, personal-risk and supplementary health insurance, and childcare assistance.

A Compensation & Benefits service has been set up at TF1 so that HR can better align compensation policy with corporate strategy and pay with performance.

In addition, pay surveys were carried out with the help of an outside consultancy, to situate pay packages at TF1 in comparison to the rest of the industry as a whole and, where necessary, make changes.

Using these benchmarks has led to the introduction of compensation management tools such as salary scales and hiring matrices, as well as measures for targeting potentially disadvantaged groups.

3

3.2.1.5 Salary trends in France

Average annual gross salary in France by job category and trend^a

Scope ^b : France €	Holding company and other	Bouygues Construction	Bouygues Immobilier ^c	Colas	TF1 ^d	Bouygues Telecom ^e
Managerial	79,001	58,414	65,123	61,446	72,861	60,645
Change vs. 2015 ^f	-3.8%	0.5% ^g	2.4%	0.3%	2.7%	1.1%
Clerical, technical & supervisory	34,784	32,229	30,457	36,245	41,233	26,877
Change vs. 2015 ^f	6.0%	0.2%	2.6%	0.9%	1.9%	2.2%
Site workers		27,541	18,940	26,160		
Change vs. 2015 ^f		0.8%	-2.0%	1.1%		

(a) Permanent staff.

(b) Coverage: 55.7% of the Group's headcount.

(c) Excluding sales staff.

(d) Including journalists.

(e) Including customer relations advisers.

(f) Change calculated on the basis of average wages in the previous year.

(g) The average wage in 2015 has been recalculated to exclude expatriates governed by French law, in accordance with the 2016 definition.

Indicators available at www.bouygues.com: Total gross contribution by employer to the company savings scheme (France), Total gross contribution by employer to the collective retirement savings scheme (France), Total amount of profit-sharing (paid in 2016 in respect of 2015) and Percentage of employees promoted (France).

(see comments on page 84)

Despite very low inflation and mediocre economic conditions in France, the wages of employees at **Bouygues Construction**, revised annually at the start of each year, rose by 1.7% in 2016, which was higher than in 2015. Amid wage restraint, particular attention was paid to those in the lowest ten percent, many of whom were beginning their careers.

Supplementing its wage policy, Bouygues Construction also places special importance on internal promotion. In France, 2,300 employees, or over 10% of the workforce, received a promotion in 2016.

In a challenging domestic market with inflation at 0.2% in 2016, payroll costs at **Colas France** were deliberately kept under control.

Benefits granted to employees

€ million	2016	2015	2014
Net profit	784	480	1,064
Cost of employee benefits excluding dividends	175	150	153
Profit before costs associated with employee benefits	959	630	1,217
Cost of employee benefits including dividends	(248)	(237)	(242)
Dividends payable to non-employee shareholders for the year	(535)	(567)	(652)
APPROPRIATION TO RESERVES	176	(174)	323

Profit paid out as Group employee benefits and related costs takes into account profit-sharing, employer contributions to company savings and collective retirement savings schemes, expenses under IFRS on Bouygues Confiance employee share ownership schemes and stock options, as well as dividends paid on employee-owned shares.

The net residual balance of 2016 profits after employee benefits and distribution to non-employee shareholders represents an amount of €176 million, which was allocated to reserves

3.2.2 The workplace

Worktime organisation varies by local business context and the type of legal arrangements in force, which may be different in each country.

Decisions take into account the demands of customer satisfaction and the maintenance of a healthy work/life balance.

Monitoring of and changes to worktime in the business segments

At Bouygues Construction's French operations, clocking-in procedures and timesheets were revised in 2016 for the purposes of modernisation and harmonisation. For clerical, technical and supervisory staff, as well as managerial staff, absences are henceforth managed on a case-by-case basis with the line manager, who is given a central role in the process. For site workers, a single portal is used for all worksites in France. These new interfaces make it easier to keep track of employees' worktime. The aim is to have a common interface for all entities by the end of 2017.

In France, Colas prefers to apply annualisation and a fixed number of days worked.

Annualisation, combined with the worktime modulation plan applying to site workers and some clerical, technical and supervisory staff, means that work can be organised according to seasonality, while overtime can be rewarded.

In the Specialised activities like Railways and Road signalling, where safety requires that work be carried out at night, specific procedures are used for the organisation of worktime.

The method of a fixed number of days worked, which applies to managers, is being extended to some clerical, technical and supervisory employees.

The tool used to manage worktime and time off for employees whose worktime is counted in days keeps track of days worked, rest days and leave days on a monthly basis. It is also designed to facilitate ongoing dialogue between managers and employees about their workloads and work/life balance, based on a monthly schedule determined by the timesheets. This schedule must be approved by both employees working on a fixed-day basis and their managers.

Outside France, the seasonal nature of business impacts workplace organisation. In North America, for example, projects are mainly carried out between spring and autumn, with seasonal employees rehired from one year to the next. In Europe, worktime is calculated on an annual basis in Hungary, Slovakia and Romania. In Africa, the fact that roadwork projects often take place at remote sites requires a specific type of organisation, based for example on four consecutive rest days at the end of the month and a six-day working week.

Bouygues Telecom has made changes to the working week. Under the terms of the new agreement, the number of hours worked annually remains the same for the majority of clerical, technical and supervisory staff. However, the working week is now shorter, leading automatically to a reduction in the number of rest-days. For managers, annual worktime will increase by two days. This new system will apply automatically to new hires as well as to existing employees who opt for the arrangement (in return for a pay rise).

Lastly, the agreement on time savings accounts at TF1, which was renegotiated in 2015 and signed by all labour organisations, paid off fully in 2016 with more employees opting to take leave instead of money.

Adopting new forms of work organisation

Wherever possible, the Group encourages working from, which can increase employee satisfaction while yielding gains for the company by improving productivity and optimising the use of office space. For example, the arrangement has been adopted by 1,200 employees at Bouygues Telecom (20% of the headcount).

In France, all Group companies:

- have put into place flexible work methods such as mobile working, working from home and coworking;
- have defined a strategy for preventing cognitive overload (e.g. stress, burn-out) as well as harassment, by signing agreements on quality of life at work and conducting anonymous surveys amongst employees;

- have policies for maintaining a healthy work/life balance, while TF1 and Bouygues Telecom have signed the Parenting Charter.

Bouygues Immobilier is rethinking workspaces for its customers and its own teams in accordance with the new digital paradigm and latest management practices. For example, the Galeo headquarters and several other locations are transforming into shared workspaces, reconfigured depending on usage types, with the aim of promoting collaborative working and well-being in the workplace. There is a broad range of workspaces, from fixed and shared office space to creative rooms and quiet zones.

One of Bouygues Immobilier's ventures last year was the introduction of an intrapreneurship policy, by which employees with promising ideas can receive financial backing and be dispensed of their usual tasks to focus on bringing their plans to fruition.

3.2.2.1 Worktime organisation

Number of hours worked^a

Scope ^b : global	Holding company and other	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	2016 Group total	2015 Group total ^a
Number of hours worked	603,397	102,509,285	3,130,515	105,530,724	4,944,581	13,207,522	229,926,024	237,203,493

(a) New indicator introduced in 2016 with the 2015 figures restated.

(b) Coverage: 99.7% of the Group's headcount.

The total number of hours worked at **Bouygues Construction** in 2016 was unchanged relative to 2015 (edging down by a mere 0.5%), with sales and headcount also stable on a global basis. The split by region highlights different situations. Hours worked rose sharply when worksites were in start-up phase (Hong Kong, Morocco and Switzerland) but dropped when they had been completed (Congo, Ivory Coast, Myanmar, Nigeria, the Philippines, Singapore, Thailand and Qatar).

At **Colas**, the number of hours worked fell by 3.9%, in conjunction with the decline in the global workforce.

Worktime schedule

Scope ^a : France	Holding company and other	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	2016 Group total	2015 Group total
Hourly	36.2%	53.3%	36.8%	81.5%	26.6%	56.8%	66.3%	67.4%
Annual (incl. senior executives)	63.8%	46.7%	63.2%	18.5%	73.4%	43.2%	33.7%	32.6%

(a) Coverage: 55.7% of the Group's headcount.

The indicator is specific to France and thus excludes international data.

Indicator available at www.bouygues.com: Average number of part-time workers (France).

3.2.2.2 Absenteeism

Number of days off work as a result of a workplace accident^a

Scope ^b : global	Holding company and other	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	2016 Group total	2015 Group total ^a
Number of days off work as a result of a workplace accident	3	21,323	1,047	55,596	1,982	2,691	82,642	89,694

(a) New indicator introduced in 2016 with the 2015 figures restated.

(b) Coverage: 99.7% of the Group's headcount.

Absenteeism^a

Scope ^b : France	Holding company and other	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	2016 Group total	2015 Group total
Absenteeism	2.9%	3.7%	2.6%	5.2%	3.0%	5.2%	4.6%	4.5%

(a) Permanent staff.

(b) Coverage: 55.7% of the Group's headcount.

Absenteeism is defined as the number of calendar days absent as a result of workplace accidents, commuting accidents, occupational illnesses and other illnesses versus [average number of permanent staff x 365].

3.2.3 Labour relations

The Bouygues group believes that trade unions and other employee representative bodies are essential for progressive labour relations, which in turn contribute to its companies' success. Having open communication channels with these bodies lays the groundwork for constructive relations.

Resources available to trade unions, in addition to those allocated by each business segment, were determined at Group level by a 2005 agreement. Employee representative bodies in the different business segments are supplemented by the Group Council in France (30 representatives from various works councils around the Group) and the European Works Council (24 representatives from 12 countries). As privileged forums for meetings between union representatives and Group executives, they provide an opportunity for forthright discussions about the Group's business and financial prospects and about developments relating to jobs, HR policy, health and safety.

An extremely high turnout for workplace elections in France, which was much better (82.3% in 2016) than the nationwide average (42.8% in 2013 according to France's national council on labour relations), gives employee representatives a real degree of legitimacy. An e-library of economic and HR-related information is made available to the 3,474 employee representatives and 407 employee representative bodies, using which they can examine supporting documentation ahead of consultation meetings on corporate strategy. Use of this system – in accordance with the Rebsamen Act on Labour Relations and Employment – will be extended to other instances of mandatory consultation.

Additionally, the collaborative ByLink Network, which was made available to the entire Bouygues group in 2015, gives employees access to an open and transparent discussion forum that can be used to stay up to date on Group news and share business-segment best practices through theme-based online communities.

All in all, management-employee dialogue is founded upon respectful, employee-empowering labour relations, thereby avoiding the kind of major stumbling blocks that could otherwise disrupt the Group's business operations.

3.2.3.1 Relations with employee representatives, summary of collective agreements

In 2016, 237 agreements were signed or renewed, underlining the dynamic labour relations within the Group.

In France, collective bargaining at Group level culminated in 2016 with a new version of the agreement governing the collective retirement savings scheme, designated for all employees irrespective of occupation.

Internationally, labour relations are guided by the rules applicable in the specific countries.

Lastly, each of the Group's business segments has been required to sign other agreements based on their own circumstances.

Bouygues Construction

Besides the new agreements signed last year in France, labour relations elsewhere followed – and often went one step further than – the regulations applicable in the specific countries.

For example, Bouygues Construction often chooses the most beneficial options in the HR (e.g. for insurance against death) and social domains (e.g. school building and humanitarian projects through the Terre Plurielle corporate foundation). These issues are systematically audited within the scope of Bouygues Bâtiment International's HR development index, which aims to ensure that Bouygues Construction's HR policies and procedures are rolled out to all of Bouygues Bâtiment International's long-term operations. Deployment across France is scheduled this year.

Bouygues Immobilier

In 2016, CSR agreements were renegotiated at Bouygues Immobilier, covering quality of life at work, occupational integration and ongoing employment of disabled people, job and careers planning, together with the intergenerational contract and voluntary profit-sharing.

In connection with compulsory annual negotiations, employee representatives at Bouygues Immobilier implemented a solution supplementing statutory arrangements whereby employees can take leave to look after a seriously ill child, spouse or parent. Additionally, paid leave donations are now possible as a way of helping colleagues within the same company.

Colas

Three company-wide agreements concerned the following areas:

- **Healthcare and personal-risk coverage:** an agreement was reached with three out of the four trade unions to adjust coverage for eye care and doctors' fees and the childbirth allowance;
- **Voluntary profit-sharing:** a third agreement was signed with two majority trade unions. The aim of this arrangement is to give employees a vested interest in the economic performance (in terms of operating profit) and safety performance (assessed via safety indicators) of their companies. The agreement covers 2016, 2017 and 2018;
- **Jobs and skills plan:** during the fourth quarter of 2016, Colas began negotiations towards an agreement in this area. The objective of this agreement will be to assist Colas companies and their employees in managing the adaptations and transformations they may find to be necessary in the coming years.

TF1

In 2016, TF1 signed an ambitious three-year agreement for the benefit of disabled employees. Despite the tough business context, direct hiring targets and the volume of sales generated with the sheltered sector were maintained. Under the preceding three-year agreement, the latter target was exceeded from year two.

Furthermore, TF1 has begun negotiating its job and skills plan, the chief purpose of which is establishing an occupational monitoring centre whose main aim will be mapping all the professions within the TF1 group of companies, identifying those under threat and those that are up and coming.

Bouygues Telecom

After the compulsory annual negotiations, consisting of the agreement with all representative trade unions, several other agreements were signed, covering the occupational integration and retention of disabled employees in the workplace, worktime and working from home arrangements, and the organisation of digital customer relations together with gender equality and a new voluntary profit-sharing agreement for 2016, 2017 and 2018.

3

Turnout in elections for employee representatives (1st round, principals)

Scope*: France	Holding company and other	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	2016 Group total	2015 Group total
Turnout in the most recent works council elections	89%	87%	74%	83%	80%	69%	82%	82%

(a) Coverage: 55.7% of the Group's headcount

The indicator is specific to France and thus excludes international data.

Indicators available on www.bouygues.com: Percentage of employees covered by a satisfaction survey (France), Percentage of employees receiving a formal annual appraisal (France).

Turnout in elections for employee representatives remained stable at a high level.

3.2.3.2 Summary of collective agreements

Collective agreements negotiated

Scope*: France	Holding company and other	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	2016 Group total	2015 Group total
Number of collective agreements negotiated, including mandatory annual negotiations	4	76	14	116	10	17	237	284

(a) Coverage: 55.7% of the Group's headcount.

The indicator is specific to France and thus excludes international data.

3.2.3.3 Coordinating labour relations

In addition to ByLink Network, the Group-wide collaborative network, the five business segments have their own collaborative platforms. Because these networks all use Microsoft's Yammer solution, adoption of this new work resource was easier for all concerned. Worldwide, Bouygues offers widely-distributed interactive communication channels to facilitate exchange (e.g. corporate social media and chat applications). Throughout the year, various events are held within each business segment, offering opportunities to meet and dialogue more often.

In its international operations, Bouygues Construction gives all new hires a welcome pack similar to the one handed out to employees joining French entities. Events that reward long service (such as medal-giving evenings), lunch meetings with chief executives and regular satisfaction surveys all provide opportunities for exchanging with locally-based employees.

At Bouygues Immobilier, web conferences are held twice annually with the Chairman and CEO so that employees can ask questions directly. Satisfaction and perception surveys are also conducted on a regular basis, enabling employees to offer their viewpoint on Bouygues Immobilier's core strategic objectives.

Each quarter, Bouygues Telecom organises information briefings that bring together over five hundred managers to discuss strategic targets and the major projects in progress. During these meetings, it is possible to dialogue directly with senior management. Additionally, every two months, a pre-recorded video interview with the CEO is posted on the company intranet during which he answers questions that are submitted ahead of time by employees.

To support its transformation, TF1 launched a range of different communication initiatives. In addition to monthly newsletters, the Head of Strategy, Development and Transformation hosted after-work Q&A events during which the company's main challenges were detailed, with more than 12 departments and almost 500 employees in attendance. In addition, regular breakfast meetings enabled grassroots dialogue with Chairman and CEO Gilles Pélisson, who also gave exclusive interviews during the year. Lastly, filmed interviews with Executive Committee members were posted so that strategic issues could be explained in depth.

3.2.4 Health and safety

The Bouygues group aims to reduce the frequency and severity of occupational accidents to which it is highly exposed through its operations, and works towards better employee health. All business segments furthermore aim to enhance road safety and forestall psychosocial risks (through surveys, early warnings and management training in best practices).

It is on worksites where the need for accident prevention is crucial. The Group's construction businesses are therefore working extremely hard in the area of health and safety (safety equipment, training, detection and monitoring of near-accidents), and their results surpass industry standards^a. In France, health, safety and working-conditions policies are implemented in consultation with Health & Safety committees. Implementation of a safety management system, part of which may have OHSAS 18001 certification, is the organisational bedrock at Bouygues' operating units in the construction sector.

Group entities take active steps to improve the safety of all persons who work on their sites. As personal physical integrity is at stake, Bouygues group entities require their Suppliers to have identical work safety requirements when operating on Bouygues sites. In that regard, it is each Supplier's responsibility to bring any identified anomaly to the attention of the manager of the Bouygues group site where it is working (taken from the CSR Charter for suppliers and subcontractors, which is appended to procurement contracts).

3.2.4.1 Safety in the workplace

To implement this policy in the field, senior managers at subsidiaries have for many years drawn on a global network of health & safety officers as well as a broad range of safety resources, including training on safety, eco-driving techniques, first aid training and 15-minute "starter" sessions on safety basics. Other resources include awareness-raising initiatives, accident analysis, best-practice sharing, cross-subsidiary challenges and half-yearly rankings.

Considering the current international context and the existence of potential flashpoints, Bouygues Construction has reinforced its security arrangements by appointing a Security director. Reporting to the committee founded in 2015, he is tasked with ensuring an optimal level of security for all Bouygues Construction employees and worksites.

A Health and Safety department, reporting directly to the Chairman and CEO of Bouygues Construction, has also been created. The main thrusts of its strategy are to:

- promote a uniform approach across all its activities by defining worldwide performance standards that respect regulations in the countries where the Group operates;
- commit employees, subcontractors, suppliers and clients to achieve the "zero-accident" target through the correct mindset, words and deeds;
- target operational excellence by measuring the extent to which standards have been implemented in all activities and sharing proactive approaches;
- maintain performance by showing that there is no room for compromise where standards are concerned.

(a) <http://www.inrs.fr/actualites/statistiques-BTP-2014.html>

Safety indicators are reviewed quarterly by the Bouygues Construction general management committee and have been integrated into voluntary profit-sharing agreements over the past decade. Under the agreements negotiated in 2015, these indicators are considered additional criteria, in addition to business performance that can either increase or reduce bonuses (depending on locally assessed levels of safety). Consequently, all employees – regardless of whether they are on a worksite or at a head office – are made aware of the safety policy and the “zero accident” target and are involved in implementing them.

A seminar held in mid-2016 brought together all of Bouygues Construction's health & safety officers to define safety rules that will reduce the risk of injury on worksites and during other operations. These rules, which will be disseminated on a world health & safety day, to be held on all worksites in the first half of 2017, equally concern those planning operations, those carrying out the work and those inspecting operations. This will lead to improved health & safety results around the globe, in pursuance of the zero accident target. This will in turn reduce accident rates as each employee will be prompted to take action as soon as these rules are contravened.

In addition, methods for analysing incidents and accidents have been harmonised. More than 20 employees in France took part in a four-day training course and are now set to deploy them in entities nationwide. In 2017, this training will be extended to international operations. Acciline, a reporting system dedicated to occupational safety, continued to be rolled out, thus facilitating data collection, accident monitoring and data analysis. In 2016, it covered all business entities in France, Switzerland and the UK as well as VSL's operations.

The Leading Safety training course was introduced in 2016 aimed at various levels of project management in order to help forge a shared health & safety culture. The first sessions took place in France during 2016 and the programme will be rolled out internationally in 2017.

Workplace accidents

Scope ^a : global	Holding company and other	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	2016 Group total	2015 Group total
Frequency rate ^b of workplace accidents among staff	3.3	3.8	9.3	7.0	4.0	5.5	5.4	5.6
Severity rate ^c of workplace accidents among staff		0.21	0.33	0.53	0.40	0.20	0.36	0.38
Number of fatal accidents		1		3			4	9

(a) Coverage: 99.7% of the Group's headcount.

(b) Number of accidents involving time off work x 1,000,000/number of hours worked. In France, these are accidents leading to more than one day off work, reported to and recognised by healthcare authorities.

(c) Number of days off work as a result of a workplace accident x 1,000/number of hours worked.

Bouygues Construction and Colas both pursue a highly pro-active risk prevention policy. The above figures, which year after year are below the industry averages (based on FFB – EGF-BTP trade federation surveys), confirm that policies and actions are having a lasting effect on the frequency and severity of accidents, which is, in turn, positive for employee health.

Commitment to health & safety is evaluated during the annual appraisals of all employees in France and in the international operations.

At Colas, 2016 featured the implementation of a new safety policy, launched as part of Safety Week^a. The Chairman and CEO reaffirmed Colas' focus on safety as its number-one core value, combined with zero tolerance of any divergence from acceptable behaviour. He also mentioned the prime importance of managers setting an example.

Five major themes have been selected: “Complying with rules”, “Training and information”, “Ensuring safety at worksites”, “Verification”, and “Analysis and planning”.

Each one results in a tangible action: the mandatory use of Personal Protective Equipment (PPE) by employees, safety training for all new arrivals, risk analysis prior to the start of each worksite, manufacturing process changes and deployment of safety cross-audits. This Safety policy is to be expanded each year with new measures, which will then become standards at Colas.

Significant action was taken in 2016:

- The number of safety coaching sessions for business unit managers increased. For example, Colas Sud-Ouest provided training to all its managers and executive committee members;
- The Ergomat system, which sets a higher mandatory safety standard when ordering operating machinery (with action taken on loading shovels in 2016) was implemented;
- Outside France, the Goal Zero process was rolled out in the US, with the assistance of Caterpillar Safety Services. Initiatives were carried out in the context of the Colas Innovation Board (CIB), with the aim of improving employee safety.

3

(a) Safety Week (20 – 24 June 2016) took place in all Colas entities in France and abroad, focusing on the theme “I'm a pro. I wear my gear.”

3.2.4.2 Health in the workplace



At Bouygues Construction, a group-wide ergonomics department has been created to help entities roll out the health policy. Its aim is to ensure that ergonomic principles are respected and workstations are optimised for safeguarding employee health. It is also used to design work situations that protect employee health and increase female representation in the business activities. Training in ergonomic principles is offered to Working method and Health & Safety specialists and a common set of guidelines has been defined and made available for consultation.

To fight psychosocial risks and encourage a better work/life balance, Bouygues Bâtiment in France has implemented a plan of action that, on the one hand, includes training and awareness-raising programmes for all levels of management (e.g. the "Harmonie et Performance" training programme) and, on the other, implements the "Harmonies" charter for new projects, to define jointly the best practices to follow for the duration of worksites. This covers team organisation, meetings, email usage, mobile-working spaces and fostering a welcoming and friendly atmosphere.

At Challenger, Bouygues Construction's headquarters, a special relaxation area called a "Zen" space (opened in 2013) attracts more than 6,000 visits each year.

Specific actions, in connection with musculoskeletal disorders, are being enacted by Colas (e.g. training in postures and movements and development of the ExoPush powered exoskeletons) to help reduce strain for asphalt paving teams, avoid noise and ultraviolet exposure, and prevent alcohol and drug abuse as well as psychosocial risk factors.

Colas has implemented mechanisms and actions to reduce employee exposure to bitumen fumes, silica dust and chlorinated solvents (see chapter 4, "Risk factors", of this present report).

Thanks to its network of around a hundred safety officers in the field, Colas has raised its employees' awareness and increased their training on these issues.

At Bouygues Telecom, medical social workers adopted the theme of preventing psychoactive substance abuse in 2016. A wide array of initiatives were carried out to raise awareness about addiction not only among employees but also among those active in prevention, namely Health & Safety committees as well as HR and workplace health teams. The 180 telecoms network technicians spent a day learning about and discussing safety, under the title "Ensuring health and safety for yourself and others". For several years, a well-being and stress monitoring unit has been in place.

Social protection outside France^a

Scope ^b : outside France	Holding company and other	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	2016 Group total	2015 Group total
Social protection outside France		100%		96%			98%	96%

(a) Percentage of companies employing more than 300 people, operating outside France, providing social protection to employees.

(b) Coverage: 38.7% of the Group's headcount.

Social protection schemes, a key priority in HR policies internationally, continue to be rolled out on worksites.

Recognised occupational illnesses^a

Scope: France	Holding company and other	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	2016 Group total	2015 Group total
Recognised occupational illnesses		69	2	149	1		221	222

(a) Coverage: 55.7% of the Group's headcount.

The indicator is specific to France and thus excludes international data.

3.2.5 Development of talent and skills

The Bouygues group endeavours, for its employees, to create a setting in which they can develop their employability and enhance job skills through support and training programmes.

Systematic interviews with managers (mandatory in all business segments), the provision of training to all Group employees, and internal job mobility departments in each entity are some of the tangible initiatives being carried out in France and in the international operations, in keeping with the strategic targets of the business segments.

Provision of training

The Training and Corporate university departments in each business segment aim to develop – through grassroots initiatives – the technical and managerial skills of employees in the short and longer terms, at every level of the organisation.

Bouygues remains highly committed to the Gustave Eiffel apprentice training centre (CFA). The Group's investment is structured around three main avenues: streamlining of training programmes in accordance with the Group's business needs; expansion of continuing vocational training; and development of induction-support skills.

Internal job mobility and promotion within the Group

Internal job mobility and promotion within the Group both contribute to enhancing employees' career paths and their employability. Teams and systems operating in each business segment assist in the dissemination of job offers, promote diversity in Group-based opportunities and support employees seeking internal job mobility opportunities. Each business segment can draw on the help of the Group's Internal Job Mobility department, which lists offers and facilitates job mobility between subsidiaries. The average number of vacancies listed on Mobyctic, the extranet devoted to internal job mobility within the Group, rose by 45% in 2016, increasing from 495 in 2015 to 800 in 2016.

A forum on internal job mobility within Bouygues Construction was held in April 2016 with the aim of promoting mobility to the six locations that recruit most: Switzerland, the UK, Cuba, the Paris region, the French regions and other markets such as Africa and Australia. More than 80 HR and operational employees took part in this event, and approximately 40 internal job transfers were completed by the end of the year.

Bouygues Immobilier has introduced "Mobility packs" to finance training for employees changing profession. This has helped increase the number of people switching jobs, particularly between those working in Support functions and those working in core business functions and vice versa.

3.2.5.1 Development of expertise and employability

Proficiency in business fundamentals and career support

Group employees have access an increasing number of vocational and diploma courses to boost their employability. Arrangements are also in place, both in France and elsewhere, to provide refresher training to employees who so wish (e.g. literacy and numeracy).

In late 2015, Bouygues Construction began overhauling its training strategy. Four priority subjects were defined, leading to the launch of pilot courses in the second half of 2016: a behavioural and managerial ethics course, a module for works management, a course for sales staff, and three health & safety courses (for "team leaders", "supervisory staff" and "works management"). More than 200 employees, including approximately 100 team leaders, were trained up on these courses, which will be made available worldwide during 2017.

Additionally, diploma courses were introduced to recognise on-the-job expertise, topped up with a training module. The first intake comprised around 12 employees aiming for the vocational "team leader" qualification.

The training and skills development policy at Colas gives pride of place to safety management training for works supervisors, as well as training on technical fundamentals and team management.

Colas Campus, the in-house training entity, held a total of 362 training sessions during the year across France, with 3,058 employees attending. It delivers training programmes based on a common curriculum, facilitating the career development of site workers, clerical, technical and supervisory staff, and managers. Among these programmes, the five Colas University courses have supported the career development of 267 managers.

Internationally, in line with Colas guidelines, the training plans put in place mainly relate to the development of core skills and safety. They take shape through both local initiatives and shared programmes.

- In central Europe, training is delivered under the aegis of programmes shared by the various countries where Colas operates. In 2016, the main focuses of this training were safety, core skills and leadership. In northern Europe, training offers are organised by business line. In the UK, Belgium and Switzerland in particular, training is delivered through organisations similar to Colas Campus. Its Northern Europe University runs management and leadership training programmes for its local English-speaking managers. Overall in Europe, the number of employees trained has reached a high level (3,786).
- In Africa, the objective is to roll out a training plan that will deliver real and lasting results, as in Morocco and Gabon.
- In North America, group subsidiaries have trained 7,786 employees, mainly in safety, core skills and methods for inducting new hires, through Colas Campus and local initiatives. Managers receive training through the three programmes run by Colas North America University.
- In Canada, training is provided under the Colas Canada Educational Training Series programme and includes a diploma course in association with the Northern Alberta Institute of Technology.

Bouygues Telecom is investing heavily in the career development of its employees, through in-house diploma courses, thanks to which several hundred employees have been able to use their personal training accounts to follow diploma courses in a wide range of fields, such as customer relations. Furthermore, it offers work experience accreditation for accountants, receivables collection officers, customer support advisers and so forth. Altogether, the 100 participating employees are on track to earn higher-education or degree-level qualifications.

Additionally, to reinforce expertise in customer relations, training areas were installed in each of Bouygues Telecom's customer relations

centres to offer continuous training and coaching for advisers, under the supervision of "coach" team managers.

New learning and training methods

The digitisation of learning is providing broader access to content and enabling training that is adapted to the operational constraints faced by employees. Innovative teaching techniques (such as Serious Games^a, MOOC^b and SPOC^c) are encouraging take-up of new content. Four of the Bouygues group's business segments have digital training platforms: Bouygues Construction (Byle@rn), Bouygues Immobilier (BI Learn), TF1 and Bouygues Telecom (e-campus).

At Bouygues Immobilier, training requests are now placed using an online interface. Each employee is able to enter an individual training request directly, which is then sent to the line manager for approval (a reason must be given in the event of rejection). Managers may also enter an individual request on behalf of their employees. These are then sent to HR for approval, in accordance with the group training budget and the company's strategic projects at any given time. Approved

training requests are placed into the system and form the basis of the training plan.

In 2016, Colas introduced several innovative new training approaches (e.g. Serious Games and e-learning) in areas ranging from leadership and negotiation skills to ethics. Colas Campus has begun to convert its listing of training courses into digital form, a process that is expected to be completed by the end of 2017, using new technologies to present its offerings in a more dynamic and interactive way.

TF1 focused on supporting its transformation through adaptation to new technologies. One of the aims of its TF1 "University" training solution is to promote learning and experience-sharing through open-mindedness and collective thinking.

After the Manager course, initiated in 2015, the University in the same year introduced a Connect course (involving three days of immersion), which any TF1 employee can take. Connect is a skills development course in the areas of innovation, business and the digital arena, focusing on specific lines of business: News, Content, Innovation and Business.

Existence of a formal training plan^a

Scope ^b : France – International (companies employing more than 300 people)	Holding company and other	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	2016 Group total
Existence of a formal training plan	100%	89%	57%	99%	100%	80%	96%

(a) Scope of indicator extended to French companies in 2016.

(b) Coverage: 94.7% of the Group's headcount.

At **Bouygues Immobilier**, the figure of 57% represents 97% of the headcount. Only three companies (37 employees in total) are not covered by a formal training plan (Loticis, Nextdoor and Patrignani).

Training

Scope ^a : France – International (companies employing more than 300 people)	Holding company and other	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	2016 Group total
Number of employees trained ^b	149	25,749	1,334	35,473	1,870	4,327	68,902
Number of days' training ^b	811	58,665	5,068	113,921	5,689	11,479	195,633

(a) Coverage: 94.7% of the Group's headcount.

(b) New indicators introduced in 2016

Indicator available at www.bouygues.com: Training by type.

(a) An app that combines the serious aspects (Serious) of instruction, learning, communication or information, with the fun aspects of video games (Game) – based on the definition of researcher Julian Alvarez.

(b) Massive Open Online Courses.

(c) Small Private Online Course.

3.2.5.2 Induction of new hires

Work/study contracts, end-of-study internships, mentoring and Group induction days are all ways used by the Bouygues group to induct new recruits successfully.

The training of young people via work/study contracts represents a large recruitment pool for Bouygues Construction, which hosts students of all levels, from vocational high-school to postgraduate level, in all lines of work.

To help retain the best interns and work/study students, Bouygues Construction held a Top Trainees Day on 30 June 2016. Participants in this event were preselected on the basis of their applications and an appraisal of their level of commitment during their assignment within the company. As a result, 77 interns and apprentices were retained (France only). The day was structured around a team-building initiative, a speech by the head of HR and the chairwoman of Welink (the network dedicated to promoting female employees at Bouygues Construction) as well as workshops on public speaking and digital identity, and a forum for discussing opportunities. This event was coordinated by 25 HR experts.

Taking its cue from the "Happy Trainees" surveys conducted by JobTeaser and meilleures.entreprises.com, Dragages Hong Kong in January circulated a questionnaire among its international business interns and other interns who were asked about six topics: working conditions, management, motivation, pride, career development and work enjoyment. The results were disseminated in March, during a special day event to which these interns were invited. Overall, 92% of the 31 participants questioned stated that they were happy with their experience.

Bouygues Immobilier likewise places considerable importance on internships and work/study arrangements, all the while ensuring diversity in intake. For several years, the BI Campus day has provided an opportunity for the company to assert the fundamental values of its HR policy to interns and apprentices. The purpose of this day is also for young people to network within Bouygues Immobilier.

For its new hires, Bouygues Immobilier has completely redesigned its BI Quest induction days. In the initial months after joining, new employees are asked to take part – via the BI Learn platform – in a Serious Game through which they will discover the company, its lines of business and its managers, all in the form of video presentations. They are then invited to meet members of senior management. A Graduate Programme has also been put in place, through which graduates can discover the wide range of professions in the company, the challenges that it faces and its business lines. The programme, designed to produce home-grown talent, lasts 18 months. Admission is highly selective.

Colas inducts students under various programmes during their studies. In France, more than a 1,000 interns, including 145 recent or upcoming graduates, were welcomed in 2016. Orientation programmes and business-specific training rely on mentoring. Orientation training for young managers is organised around a series of initiatives over a three-year period. These include the "Tour de France", induction days at subsidiaries and the Colas orientation day (during their first 18 months), followed by a Colas University 1 course between the 18th and 24th month. Colas is recognised as one of the best companies in France for starting one's career, ranking fifth in the "Happy At Work, for starters" listings. Sixty-eight interns were hired as employees in France this year.

As part of its new HR Information System (HRIS), TF1 has introduced a module in which new hires must enter the personal details required for their staff record. The module also contains the requisite documentation for their induction into the company.



At Bouygues Telecom, all functions within the company can now recruit young people on work/study contracts. The application process has been facilitated by using live chats with potential candidates. Last year, Bouygues Telecom held its first company-wide induction day as a way of firming up the commitment from all its young talents (both work/study students and interns) by helping them find out more about the company and build up their own network of contacts.

Work/study training contracts

Scope*: France	Holding company and other	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	2016 Group total	2015 Group total
Number of apprenticeship contracts during the year		254	35	324	37	74	724	567
Number of professional training contracts during the year	4	132	85	226	112	70	629	545
TOTAL	4	386	120	550	149	144	1,353	1,112

(a) Coverage: 55.7% of the Group's headcount.

The indicator is specific to France and thus excludes international data.

Relative to 2015, the number of apprenticeship contracts rose by 27.6% and the number of professional training contracts increased by 15.4%. These increases reflect the Group's pro-active work/study policy as well as the better business conditions.

3.2.6 Equal opportunity

"We are an equal opportunity employer. No applicant or employee receives less favourable treatment because of gender, ethnic background, religion, beliefs, disability, age, sexual orientation or nationality. This is a moral obligation as well as a corporate priority." (Extract from Bouygues group Human Resources Charter, drafted in 2008).

The Bouygues group operates a three-pronged diversity policy, with the help of the Diversity-Equal Opportunity committee, which brings together several times a year specialists from the different business segments to encourage implementation of best practices.

Promotion of diversity and equal opportunities

The Bouygues group aims to promote diversity in terms of qualifications and professional experience, at the hiring stage and thereafter. Equally important, occupational integration is managed through a variety of channels, such as direct hiring, outsourcing to occupational integration companies or to temporary employment agencies specialising in occupational integration. In addition, the Group ensures that its commitments in this domain are respected by subcontractors "Chantiers Ecoles" and integrated into its training programmes.

Gender equality

The promotion of gender equality is a goal that is expressed clearly by Martin Bouygues and shared by all Bouygues group business segments. In 2016, following on from previous years, the Bouygues group invited 12 female employees working in various business segments to take part in the 12th Women's Forum for Economy & Society, with a view to drawing inspiration from current trends and best practices enacted in companies around the globe.

In France, the proportion of women managers has been rising steadily for several years. Across all business segments, equal pay between men and women is monitored and a budget is assigned to harmonisation where this is necessary.

Hiring people with disabilities

The Bouygues group is active in employing people with disabilities. Its policy in this area has four priority areas:

- recruitment through specialist forums as well as membership of specialist organisations or the use of specialist recruitment agencies;
- keeping the disabled in employment by improving access via the adaptation of workstations and equipment;
- raising awareness and communicating clearly to encourage employees and managers to regard people with disabilities in a positive way;
- subcontracting to sheltered workshops and disability-friendly companies.

In 2016, the Group – in conjunction with Cap Emploi – ran a job-dating event to recruit employees with disabilities on work/study contracts.

A structured disability policy is firmly established in all the Bouygues group's business segments in France, including disability officers to coordinate actions and training for human resources managers and staff. Specific policies exist to help retain disabled employees and adapt working hours to their needs.

3.2.6.1 Promotion of diversity and equal opportunity, and anti-discrimination policy

Bouygues Construction trains employees to avoid stereotyping and operates a stringent anti-discrimination policy. A work group was set up in 2016 to define Bouygues Construction's cultural and social diversity targets. Several initiatives have already taken place to date:

- An "equal opportunity" course has trained almost 500 employees since its inception.
- Three e-learning modules (diversity, gender equality and disability) have been completed and will become part of the new-recruit induction programme in January 2017. They will also become a prerequisite in manager training courses.
- All employees and international business interns leaving on their first secondment abroad must follow the Day One single-day course, which provides an introduction to intercultural management, leading to better cohesion in multicultural teams abroad.

Each country has specific, tailored policies:

- In France, a host of initiatives are under way to open the doors of the company to young people from underprivileged backgrounds. These include HR coaching, worksite and office visits, and business-line presentations, offered through partnerships with specialist charities, such as France's national network of companies for equal opportunities in the education system, Sport dans la Ville and Institut de l'Engagement.
- In Australia, initiatives focus on the aboriginal culture. Training on indigenous cultural awareness is provided to employees so that they factor cultural differences into their management and working methods. Several key events were held during National Reconciliation Week.
- At Bouygues UK, employees spend one day a year volunteering for a cause of their choice, e.g. helping the underprivileged, or promoting women's and disabled people's rights. This helps to raise awareness among employees and external stakeholders about the issues deemed important by the company. More than 135 employees have taken part in the scheme since September 2015, of whom 96% state that it has improved their view of the company.

To promote diversity in terms of qualifications and professional experience, graduate recruitment officers within Bouygues Construction have for several years been working hard to diversify intake sources as a way of attaining more diverse profiles. Bouygues Construction has for many years participated in the University-Business Forum, where university students are able to meet HR officers. Several entities within Bouygues Construction have removed the mention of diplomas from their organisational charts to avoid placing too much emphasis on employees' educational qualifications to the detriment of their professional experience and individual qualities.

Bouygues Immobilier provides the "Respect and Performance" module on the theme of managing diversity, to all the company's experienced managers. This helps them foster intra-team cooperation, understand diversity, and find the keys for making diversity a factor in promoting performance and personal development amongst all employees. So far, 141 employees have followed this training module.

Bouygues Immobilier is also a founding partner of the Bagneux second chance school near Paris. Coaching sessions on job interviews as well as discovery workshops focusing on various professions are organised regularly.

Colas has a proactive policy in operation in regard to these matters. Managers are still reminded of the importance of non-discrimination by way of regular presentations during their Colas University training, which they receive at different stages of their career paths within the company.

The Colas 2016–2017 action plan focuses on expanding its disability policy, promoting gender balance and developing tools to help employ disadvantaged individuals. This is complemented by the job and skills planning agreement, which contains a “new generation” contract.

- In France, diversity policies are implemented at the local level by its French subsidiaries: the Accord Handicap disability agreement at Colas Ile-de-France Normandie, local partnerships with occupational integration structures at Colas Centre-Ouest and regional committees working to help staff with disabilities remain in employment at Colas Sud-Ouest.
- Outside France, subsidiaries located in English-speaking countries are focusing their efforts on measures to combat discrimination.

US subsidiaries are bound by federal laws prohibiting job discrimination in hiring, employee treatment and compensation. They make their commitments clear and send vacancy announcements to placement agencies that specialise in the employment of minorities or to specialist newspapers. US-based employees who feel they are victims of harassment may call a toll-free number for help.

In the UK, Colas Ltd has charters and procedures in place against all forms of discrimination.

Boasting a Diversity Label since 2010, TF1 is continually pro-active in promoting diversity and equal opportunity at a company-wide level. All HR procedures have been reviewed so that each step can be traced and applicants are treated fairly. Managers receive regular training on diversity and fighting stereotypes. In 2014, TF1 set up Allodiscrim, an external counselling service, in conjunction with a legal practice.

A partnership between Bouygues Telecom and Mozaik RH, as part of the PasserElles programme, was set up to encourage the employment of young women from diverse ethnic backgrounds. A social module was added to the 2016 mentoring programme, whereby 11 such young women, in search of their first-ever job, were mentored by 11 women from Bouygues Telecom's women's network.

Bouygues Telecom's first Generational Agreement (2014–2016) expired last year and is due to be renegotiated in 2017. The company is henceforth focusing on work/study arrangements and the hiring of young people, as well as increasing the use of fixed-term contracts for older workers, the preparation of the transition from work to retirement and passing on knowledge.

3.2.6.2 Gender equality

Action plans in force within all the Group's business segments

As construction has always been a predominantly male industry in France, the challenge for Bouygues Construction and Colas is to make themselves more attractive to female job applicants. In order to do this, they are carrying out communication campaigns in universities and schools.

Additionally, at Bouygues Construction, special attention is paid to gender equality during annual pay reviews. A report is compiled on all countries annually, with two indicators provided to management: the number of men and women promoted, and the average percentage pay rise by gender. Bouygues Energies & Services UK also conducted a comprehensive audit on equal pay between men and women.

Bouygues Construction is furthermore making a deliberate effort to recruit more young women, from school-leaving to higher-education level. Partnering “Déployons nos Elles”, a scheme operated by Entreprises pour la Cité and Elles Bougent, Bouygues Construction all across France organises worksite visits, business-line presentations and sponsorship for young women – to show that these jobs are also accessible to women, in turn encouraging them to contemplate a career in construction.

Bouygues Construction's corporate foundation, Terre Plurielle, in conjunction with Bouygues UK and the NGO Women into Construction, provides support to young women interested in a career in the construction industry. Through this venture, Bouygues UK employees mentor a number of women by sharing their experiences and networks, in turn making it easier for them to break into the industry – either within the Bouygues group or within another company.

At Bouygues Immobilier, gender equality is on the rise at every level of the company. Based on latest figures, the workforce is almost equally balanced between men and women. The target is now that equal representation becomes a reality in all lines of business.

To promote equality in the career paths of women and men in terms of senior positions (which entails having more women accede to these roles), Bouygues Immobilier works hard – in its Careers committees – to identify and support talented employees, regardless of gender and age, in keeping with each person's career goals.

At Colas, gender equality is a policy supported all the way up to boardroom level. It is enshrined in an ambitious action plan for 2016 and 2017, conveyed by:

- initiatives to attract and hire more women (designating male-female duos to serve as Colas ambassadors at targeted educational institutions, initiatives with hiring partners such as temporary and permanent employment agencies, support for women's sporting and cultural organisations);
- getting managers involved in promoting gender equality (specific managerial training, emphasising the advantages of gender balance in internal communications materials);
- introduction of a career management programme specifically for female employees: visibility, career development, assistance through mentoring^a (2017).

(a) A training system whereby senior employees share their experience and network with a junior member of staff to help that person meet their job targets and career goals.

In 2016, TF1 signed a Parenting Charter, which is part of its policy to support employees – both men and women – in achieving a better work/life balance. The priority aim is to increase the proportion of women managers, which rose from 29% to 35% in the Management Committee (comprising the 150 leading managers of the TF1 group).

Bouygues Telecom has set a target for women to represent 30% of senior managers by the end of 2018.

Development of women's networks in France and internationally

Welink, the network dedicated to promoting female success within Bouygues Construction, in 2016 had almost 600 members in France, Switzerland and the UK. This proactive body regularly holds after-work events, at which members can broaden their network, and organises mentoring^a and conferences, which are also open to non-members. A number of different events were organised by Welink UK to mark International Women's Day on 8 March 2016. These comprised round tables, conferences, networking events and worksite visits. All these initiatives were supported and sponsored by a range of departments. In 2016, a regional branch of Welink was created in Asia (Welink Asia).



The diversity network called "Fifty-Fifty", sponsored by Catherine Nayl, Executive VP of News & Information at TF1, celebrated its first birthday last year. On 30 September 2016, the company's first internal mentoring scheme was launched, with Chairman and CEO Gilles Pélisson in attendance at the event. It is aimed at promising female employees and adds a further dimension to the cross-mentoring scheme launched in conjunction with Cisco and Bouygues Telecom in 2013.

Through the "Femmes et Management" programme, Bouygues Telecom made further achievements in promoting women, encouraging solidarity and developing women's opportunities.

In 2016, 66 men and women from Bouygues Telecom, TF1 and Cisco took part in the annual cross-mentoring scheme, benefiting from preparatory and follow-up sessions to help understand the key factors to ensure success, such as posture, best practices, feedback and sharing, as mentors and mentees.

In addition to the annual training plan, personal development workshops (128 participants in 2016) and seminars are offered to women by the Bouygt'Elles women's network, which last year celebrated its fifth birthday. This network also offers a space for deliberating and sharing experience on topics such as personal marketing, networking, assertiveness and businesswomen in the digital marketplace.

Furthermore, every year it promotes technical and engineering professions amongst young women from secondary schools as part of the Girls@Tec operation.

Status of women in the Group^a

Scope ^a : global	Holding company and other	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	2016 Group total	2015 Group total ^b
Women with Staff status ^c	24.8%	25.5%	47.9%	21.0%	50.2%	42.2%	27.6%	28.0%
o/w women with Manager status ^d	15.9%	12.8%	25.9%	10.2%	38.4%	23.7%	16.1%	15.4%
Woman with Worker status ^e		11.7%	13.1%	2.1%			6.1%	5.4%

(a) Coverage: 100% of the Group's headcount.

(b) New indicators introduced in 2016 with the 2015 figures restated.

(c) Supervisory, managerial and technical personnel.

(d) In France, managers are employees who are department heads or higher; internationally, they are employees who are part of a management body.

(e) Site workers.

The number of female managers has risen across the Group over the past three years as a result of a pro-active policy of promoting women to more senior positions.

3.2.6.3 Hiring people with disabilities

Several arrangements have been implemented by **Bouygues Construction** to protect the careers and ensure the safety of employees with disabilities, such as improvements to accessibility, special fire evacuation procedures, and workstation and equipment adaptations.

Collaboration between purchasing and HR departments has led to increased sourcing from the sheltered sector. To increase such sourcing, it is essential to raise awareness amongst personal assistants.

Bouygues Travaux Publics organised several such meetings for approximately 30 head-office PAs to present the services available from local sheltered workshops. Bouygues Bâtiment Ile-de-France held worksite visits with sheltered workshops to mark Sustainable Development Week, while Brézillon ran a communication campaign called "Osez l'Esat" promoting sourcing from sheltered workshops.

At Bouygues Energies & Services UK, a special disabilities network was founded to decide on company-wide actions for fostering greater inclusion and higher retention of disabled employees.

(a) A training system whereby senior employees share their experience and network with a junior member of staff to help that person meet their job targets and career goals.

At Bouygues Immobilier, actions aimed at raising awareness among staff, recruiting, retaining the disabled in employment and increasing subcontracting to the sheltered sector have paid off, with the proportion of disabled employees rising three-fold in the space of six years to close to 3%. Additionally, the work of 46 local liaison officers, under the auspices of the Disability Task Force, led to the formation of new partnerships with companies in the sheltered sector. Framework contracts were also signed with these companies concerning activities relating to the core business of Bouygues Immobilier.

The number of employees with disabilities working at Colas companies was up 3.5%, reflecting its efforts to help staff with disabilities remain in employment. Sales with sheltered workshops remained high. Momentum was maintained with the launch of a new disabilities policy across Colas and its subsidiaries. This has sections on awareness-raising (disability management), increasing purchasing from the sheltered sector and continued work to retain disabled workers in employment, with the help of local partners.

Part of the Disability agreement at TF1 consists of granting extra days of leave (usable a half-day at a time if required) to parents of disabled children.

Bouygues Telecom has achieved a rate of 4% in regard to disabled employees. In conjunction with the Disability Task Force, the emphasis last year was on retaining disabled employees and work/study arrangements, as means to supporting disabled employees in achieving degree-level qualifications and taking up related occupations. This also provides for a pool of potential recruits. In partnership with CapEmploi, Bouygues Telecom teamed up with other Group business segments for the third annual job-dating event, which it also hosted, to recruit employees with disabilities on work/study contracts. Purchasing teams also received training in ways to increase sourcing from the sheltered/disability-friendly sector.

Employees with disabilities

Scope*:	Holding company and other	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	2016 Group total	2015 Group total
Number of employees with disabilities	3	543	36	975	67	277	1,901	1,862
Number of employees with disabilities hired during the year		9	4	9	12	15	49	42
Sales with sheltered workshops and disability-friendly companies during the year	n.m.	€2.198m	€0.360m	€1.456m	€0.294m	€1.079m	€5.390m	€4.851m

(a) Coverage: 55.7% of the Group's headcount.

n.m.: non-meaningful.

The indicator is specific to France and thus excludes international data.

3.2.7 Compliance with International Labour Organisation (ILO) conventions

The Bouygues group promotes the Fundamental Conventions of the ILO as well as human rights in the countries where it operates. Signed in 2006, the UN Global Compact recognises freedom of association and the right to collective bargaining while seeking to eliminate discrimination and forced and child labour. Each year, the Group reaffirms its commitment to these objectives. The Group's Code of Ethics and Human Resources Charter, widely circulated internally and available at www.bouygues.com, remind all staff of its expectations in this regard. In sometimes complex circumstances, operational managers have a duty to prevent any infringement of human rights

in areas relating to their activity. That vigilance must be an integral part of their day-to-day work. It should be noted that, outside France, an employee consultation body exists in more than two-thirds of major subsidiaries.

Because its operations span the globe, Bouygues Construction must constantly house production teams arriving from distant locations or even from abroad. All worksite living quarters must meet the minimum standards laid down by Bouygues Construction in terms of facilities and decency of living conditions, regardless of country and place of work.

3.2.7.1 Freedom of association and the right to collective bargaining

Existence of employee representative bodies in the international activities^a

Scope ^b : outside France (companies with more than 300 employees)	Holding company and other	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	2016 Group total	2015 Group total
Existence of employee representative bodies in international activities		48%		78%			64%	66%

(a) Holding company and other, Bouygues Immobilier, TF1 and Bouygues Telecom are not covered by this indicator on account of its scope. Only companies employing more than 300 people operating outside France are concerned.

(b) Coverage: 38.7% of the Group's headcount.

The decline in this indicator is due to the application of the 300 employee cut-off point, and does not reflect **Bouygues Construction's** proactive policy in this domain. The group's HR policy is currently being rolled out in some recently acquired or created entities with more than 300 employees, e.g. the subsidiaries created for a public works project in Qatar and the integration of Canadian firm Plan Group. Neither do these entities yet have employee representation.

In countries where ILO conventions governing trade union rights and freedoms have not been ratified, all subsidiaries aim to implement arrangements that give employees a voice. The Group is convinced that high-quality dialogue between labour and management is the cornerstone of harmonious relations in the workplace.

Employee representation is being expanded to all Bouygues Construction sites so that employees can also play a part in improving labour policy and quality of life at work. These arbitrators, or representatives, are appointed through elections or merely on account of the esteem in which they are held in the local community. Labour relations, which are monitored jointly by senior management and HR departments, are audited within the scope of Bouygues Bâtiment International's HR development index. This is gradually being rolled out to other entities.

3.2.7.2 Non-discrimination in employment and occupation

The Bouygues group's Code of Ethics states that "the Group shall apply a fair human resources policy that is consistent with the law. It refrains from all discrimination on unlawful grounds". Fair treatment and equal opportunity are one of the principles of the Human Resources Charter and apply to all aspects of the employee's career, from recruitment and training to promotion, information and communication.

Bouygues Construction's diversity policy is applied in all international locations, prioritising gender equality, occupational integration and disability friendliness. It also operates a social policy via which patronage ventures are conducted by the corporate foundation Terre Plurielle all around the globe.

3.2.7.3 Elimination of forced or compulsory labour

Respect for fundamental values and principles of human rights is enshrined in the Bouygues group's Code of Ethics and Human Resources Charter. The Supplier CSR Charter forbids all use of forced or compulsory labour.

Bouygues Construction's HR management system, Chorus, which is being rolled out in the international operations, monitors employees at all times, assigning to each one a personnel record containing information such as contract details, working schedule, age, length of service and social security/national ID number.

By the end of 2016, Chorus had been introduced in 80% of long-term operations with more than 300 employees.

3.2.7.4 The effective abolition of child labour

Further to strict compliance with ILO recommendations on child labour, companies within the Bouygues group work to ensure that rules are also complied with by their business partners through the Supplier CSR Charter (see section 3.4.3 "Partners, suppliers and subcontractors").

3.3 Environmental information

Further information can be found by visiting www.bouygues.com or consulting the CSR documentation of the individual business segments available on their respective websites.

3.3.1 General environmental policy

3.3.1.1 Environmental policy

Environmental issues are considered strategic by Bouygues as it aims to rank among the leading solution providers in regard to the planet-wide challenges of climate change and resource scarcity. Sustainable construction and smart urban planning are two such solutions. The Group is also enacting indicator-driven initiatives to limit and then reduce the environmental impact of its operations.

The environmental policies of the Group's business segments cover the various phases of their operations.

■ **In the design phase**, all factor environmental issues into their product and service offers. This can be seen in the following:

- at Bouygues Construction and Bouygues Immobilier, environmental certifications of their products (BREEAM®, LEED®, HQE™, BBC-effinergie®, Minergie^a and so forth);
- In the construction businesses, lifecycle assessments and the provision of eco-friendly alternatives.

Sustainable construction and research into environmental solutions are a key focus of innovation at Bouygues Immobilier, Bouygues Construction and Colas. It accounts for a large proportion of R&D expenditure at these last two business segments.

3

Bouygues Construction

Indicator	Scope (activity or region)	Coverage	2016	2015	Remarks
R&D budget spent on sustainable construction	Global	90% of Bouygues Construction's consolidated sales	49%	48%	The following areas of R&D are considered as sustainable construction: energy, carbon, savings on resources and materials, biodiversity, user well-being and safety, usage quality, eco-design, processes and methods (industrialisation, product-quality improvements, reducing arduous work, etc.) and tools (overall cost, new technologies, etc.).
Buildings in the order intake with environmental labelling or certification prescribed by Bouygues Construction	Construction activities Global	55% of Bouygues Construction's consolidated sales	76%	72%	Whenever Bouygues Construction acts as a designer/builder, over two-thirds of its building-related order intake includes environmental certification commitments that are superior than applicable regulations.

■ **Concerning Group operations** (chiefly worksites and fixed locations such as workshops and production sites), management of environmental impacts chiefly relies on the use of energy management systems (ISO 14001) as well as certifications (HQE™, LEED®, BREEAM®).

In addition to this, the Bouygues group's construction businesses have developed their own environmental protection procedures that tie in with their specific operations, namely Bouygues Construction's Ecosite, Bouygues Immobilier's Clean Worksite Charter^b and Colas' environmental self-assessment checklists.

■ **As part of its internal processes**, the Group implements a certification policy governing the construction and operation of its own buildings. The headquarters of Bouygues SA, Bouygues Construction and Bouygues Immobilier as well as Bouygues Telecom's Technopôle, Printania (a customer relations centre) and data centre carry this certification (see section 1.1.5. "Bouygues group: main sites" on p. 14).

■ **Given the type of product and service offered by the Group**, environmental-performance policies applied when structures are in operation are crucially important. Bouygues Construction and Bouygues Immobilier support customers in managing and limiting

(a) Minergie® and Minergie-eco® are pan-European performance labels originating from Switzerland. They are mainly prescribed by Losinger Marazzi, Bouygues Construction's Swiss subsidiary.

(b) The Clean Worksite Charter applies to all of Bouygues Immobilier's commercial property developments (14.8% of its sales) and to residential developments that are NF Habitat HQE™ certified. Since 2016, NF Habitat HQE™ has superseded the NF Logement and NF Logement HQE certification schemes. This new certification places more emphasis on in-depth guidelines to minimise disturbances via worksite design.

their final energy consumption. For example, their offers include performance commitments in the form of Energy Performance Contracts (EPC) applying to commercial and residential property (see p. 110).

Environmental certifications relating to the operation of buildings (HQE™, LEED®, BREEAM® in use), prescribed by the business segments, carry requirements in energy and resource management under operations-maintenance.

3.3.1.2 Environmental risk prevention

Risk analysis

Environmental risk prevention requires early-stage analysis that maps or assesses the risks connected with production sites or fixed business-related locations such as workshops and quarries.

Bouygues Telecom produces an annually updated mapping of environmental risks relating to its operations, correlated with the company's guide on environmental and CSR reporting obligations. Where required, remedial action plans are implemented.

Bouygues Immobilier systematically retains the services of an environmental consultancy firm as soon as it becomes interested in a plot of land. If the report raises question marks, the firm is then asked to perform a more detailed analysis and, where required, soil, subsoil

and groundwater rehabilitation measures so that the plot is compatible with the future assignment of the land.

Environmental management systems

An integral part of CSR policy at Bouygues, implementation of an environmental management system is one of the four principles that the business segments pledge to enact to improve the Group's environmental performance.

For example, Bouygues Immobilier has pledged to abide by all requirements of the NF Habitat – NF Habitat HQE™ certifications, using a management system that is audited annually by Cerqual Qualitel Certification (25% of operations checked in the design stage and at handover for compliance with the standard).

To reduce environmental hazards on sites operated by Colas and Bouygues Construction, both business segments rely on ISO 14001-certified environmental management systems. ISO 14001 incorporates a risk assessment and procedures by which entities can address the environmental issues relating to their particular activity.

At Colas, ISO 14001 is applied to its materials production sites. Annual cross-audits of subsidiaries in Belgium, mainland France and Switzerland serve to evaluate facilities and reinforce environmental hazard prevention. These audits are carried out at approximately one hundred sites per year, representing around 14% of sites in that geographical area, by in-house teams.

Bouygues Construction

Indicator	Scope (activity or region)	Coverage	2016	2015	Remarks
Sales covered by an ISO 14001-certified EMS ^a	Global	90% of Bouygues Construction's consolidated sales	96%	90%	Management of environmental impacts in Bouygues Construction's operations is enhanced by a risk prevention policy based on an ISO 14001-certified environmental management system that is used almost universally given that 96% of its operations were certified compliant in 2016.

(a) Environmental Management System.

Internal procedures

Additionally, so that the environmental risks pertaining specifically to their type of activities are better managed, the Group's business segments have implemented their own internal environmental management systems and labels.

- Bouygues Immobilier applies the Clean Worksite Charter to all its commercial property developments (corresponding to 14.8% of sales)^a. The Charter involves the appointment of an environmental coordinator before work begins, at the contractor's expense. These coordinators are present throughout projects. Their role is to gather, store and classify all environmental data required to ensure a low-impact worksite, as well as to ensure compliance with measures in

force. Each trade designates an environmental officer, who is then the coordinator's contact person.

- Checklists at Colas, which cover most of its fixed facilities (hot and cold mixing plants, emulsion and binder plants, bitumen depots, quarries, gravel pits, recycling platforms, ready-mix concrete plants, prefabrication plants, construction waste disposal sites, laboratories and workshops, etc.), constitute a concrete benchmark for assessing environmental performance. Standardised checklists have been developed for each type of fixed installation, representing around 2,000 production units all over the world.
- The Ecosite label is used to manage the impact of environmental hazards and pollution on Bouygues Construction's worksites.

(a) Residential property developments are covered by NF Habitat and NF Habitat HQE™ certifications.

Ecosite label: enhancing the environmental performance of Bouygues Construction's worksites

Ecosite, developed by in-house teams and introduced in 2010, ensures compliance with Bouygues Construction's own environmental policies and with standards derived from the most stringent regulations, on issues ranging from managing waste and protecting biodiversity to minimising disturbances for local residents.

It is applicable to all Bouygues Construction entities and is based on three main strands:

- worksite environmental standards, which summarise recommendations for safeguarding the environment, with examples of best practices and suggested bio-based materials;
- an evaluation grid assessing implementation of recommendations;
- a worksite environmental label issued on the basis of assessments.

Ecosite stipulates early-stage analysis of environmental risks. The actions to be carried out are then organised in accordance with several themes: waste, hazardous materials, noise pollution, air, aquatic environment, biodiversity, energy consumption, cleanliness and storage. The label also has a section on managing environmental emergencies and worksite-related information (especially maintaining dialogue with local residents). It is one component of Bouygues Construction's policy of achieving operational excellence on its worksites. For customers, it represents an assurance that the interests of both the environment and local residents are protected.

In 2016, serious thought was given to creating a new in-house label covering not only Ecosite environmental standards but also new worksite criteria dealing with human resources-related and social aspects.

3

Bouygues Construction

Indicator	Scope (activity or region)	Coverage	2016	2015	Remarks
Worksites carrying the Ecosite^a label	Global	90% of Bouygues Construction's consolidated sales	56%	65%	In 2016, 56% of worksites carried the Ecosite label. The decline was due to the drop in labelling by Bouygues Energies & Services as a result of its structural reorganisation.

(a) The percentage of worksites carrying the Ecosite label is calculated by dividing the number of eligible certified worksites by the number of those eligible (whether certified or otherwise). Eligibility criteria refer to duration, activity and worksite progress thresholds, which depend on each particular entity.

Colas

Indicator	Scope	Coverage	2016	2015	Remarks
Environmental certification of materials production sites % of sales before inter-company eliminations	Global	100% of sales (before inter-company eliminations) generated by materials production activities	62%	60%	The materials production sites environmental certification level edged up. It was satisfactory given the range of contexts around the world where Colas operates and the non-controlling interests held by Colas in many of these businesses.
Rate of environmental self-assessment using Colas checklists^a % of sales before inter-company eliminations	Global	100% of sales (before inter-company eliminations) of materials production activities for which checklists are applicable	85%	89%	The environmental self-assessment using checklists indicator fell by four percentage points in 2016, following a broader scope used in 2016 as well as a small deterioration in this indicator in the US, Western Africa and Oceania. However, checklist assessments remain the cornerstone of the policy put into practice by Colas to control environmental risk.
Materials production activities that use a tool to manage environmental impacts (environmental certification and/or Colas checklists) % of sales before inter-company eliminations	Global	100% of sales (before inter-company eliminations) generated by materials production activities	85%	81%	The percentage of materials production sites that use a tool to manage environmental impacts increased and remains at a high level. The target is to reach 100%. This is an ambitious target given that other shareholders in subsidiaries might be involved, some of which are majority owners, preventing Colas from ensuring complete oversight.

(a) Activities to which the checklist applies: fixed quarries; fixed gravel pits; borrow pits; hot-mix plants; cold-mix plants; oil and bitumen refineries; asphalt plants; plants making binder, emulsions and/or fixed modified binders; ready-mix concrete plants; fixed prefabrication plants; fixed recycling plants; bituminous membrane facilities; various fixed installations; fixed bituminous binder storage facilities. This excludes some highly specific industrial activities for which volume is derisory (e.g. production of steel structural framing) or which are too complex for establishing a checklist, even for substantial operations (the Société de la Raffinerie de Dunkerque site).

3.3.1.3 Training and raising awareness to help protect the environment

The Bouygues group implements numerous programmes to train and raise awareness among employees about environmental protection.

Training and awareness-raising at Group level

Group Management Meetings, attended quarterly by the 350 top managers at Bouygues, offer a regular forum for discussing sustainable development issues in the form of lectures, expert briefings and "presentation pitches". These meetings also provide an excellent opportunity for disclosing information and exchanging views on the Group's commitments on the issues of energy transition, environmental policy and human resources management. In 2016, the Group's Energy-Climate policy (following on from COP21) together with open innovation, organisational changes in response to collaborative work practices and the digital transformation were all discussed.

Since 2014, the Group's Innovation and Sustainable Development-QSE departments have been jointly running a series of lectures (Explore), equipping managers to integrate sustainable-development issues into business models.

Concurrently, Abby seminars (organised by the Group Sustainable Development-QSE department) train Group managers to self-assess their own practices and situate themselves in relation to best practice as defined by the EFQM (European Foundation for Quality Management) model and ISO 26000. Since beginning in 2006, more than 70 sessions have been held, averaging 12 participants each time. The Bouygues Management Institute (IMB) training module, "Towards the participatory company", aimed at senior executives from the five business segments, also tackles the major challenges relating to the societal shifts that are driving changes in the Group's business models. The eight sessions held in 2016 brought together some 70 managers.

Additionally, the Group Corporate Communications department is raising awareness about eco-design among all business segment communications departments. Its self-assessment resource for events, Resp'event (launched in 2014) assisted in-house event organisers in eco-design (e.g. for the TF1 2015 summer tour as well as for the World Efficiency and La Galerie des solutions events, both held in the context of COP21). In 2016, it also developed a training programme for helping communications officers adopt more responsible digital practices, in terms of the eco-design for digital media and message content, for example. The 3D app "Explore The City", available to all Bouygues group employees, uses models of 85 flagship projects and solutions to describe the Group's environmental contribution.

Lastly, since its launch in 2015, the collaborative extranet site, ByLink Network, has driven synergies across the Group. Major sustainable-development projects such as the Group's Energy-Carbon strategy, the circular economy and CSR reporting, are now coordinated through this network, which at the end of 2016 had over 3,500 users.

Business segment initiatives

In conjunction with these Group-wide initiatives, the five business segments organise and run training and awareness-raising exercises so that the specific challenges relating to their respective activities can be taken into account. For example, at Bouygues Construction, Bouygues Immobilier and Colas, training programmes contain several modules that are partially or wholly devoted to such issues.

On Bouygues Construction worksites, teams are systematically briefed through 15-minute QSE training sessions, which raise awareness among site workers about the quality-related, safety and environmental issues specific to the work in progress. This instance of environmental education focuses on waste and pollution hazards.

Lastly, each business segment raises awareness among staff about eco-friendly behaviour. For example, as part of its "Responsible Branch" programme, five Bouygues Immobilier branches (out of 32) were recognised for their best practices in mobility, energy consumption, waste management and community action. Bouygues Immobilier wants to have all its branches achieving this recognition by 2020.

Sustainable Development Week and Mobility Week are other high points in the internal communications calendar. In 2016, Bouygues Construction held its first annual "Sustainable Development Moments" event, during which employees from all entities were asked to present their best practices briefly, in the form of a "presentation pitch". Meanwhile, Bouygues Telecom sought to increase awareness among employees about sustainable innovation by demonstrating the Fairphone, the first fair-trade smartphone ever, and by illustrating the eco-design and accessibility features of the Bbox Miami.

Raising awareness among the general public

The Group works to raise awareness among external stakeholders on matters of environmental protection and climate change. For example, the Energy Performance Contracts (EPC) prescribed by the business segments comprise information on how to reduce energy consumption within buildings.



One of the charities supported by the Bouygues Immobilier corporate foundation is Unis-Cité, which has pioneered voluntary community service in France. As part of this initiative, the foundation lends financial support to the Médiaterre programme, which promotes eco-friendly behaviour among families living in underprivileged neighbourhoods, which in turn reduces their water and electricity bills. By encouraging the wider implementation of this programme, and through employee involvement, Bouygues Immobilier aims for such families to save 20% on these bills by 2020.

Bouygues Immobilier

Indicator	Scope (activity or region)	Coverage	2016	2015	Remarks
Number of volunteers in the Médiaterre programme supported by Bouygues Immobilier in areas of engagement	France and subsidiaries	96% of Bouygues Immobilier's consolidated sales	186	154	Unis-Cité continues to implement Médiaterre in new areas by signing up more volunteers. In 2016, 32 volunteers joined with the 154 already working to help families fight fuel poverty.

Additionally, as part of the 22nd UN conference on climate change (COP22), held in Morocco on 7-18 November 2016, the Ushuaïa TV channel, operated by TF1, broadcast a daily round-up called COP Connexion, which explained the environmental challenges highlighted by this global conference. In 2015, TF1 group channels (TF1, LCI and Ushuaïa TV) had provided extensive news coverage of climate issues and the global negotiations that took place at the COP21 Paris meeting.

In December 2016, TF1 hosted the conference entitled "La Finance Investit le Durable" at its Boulogne-Billancourt headquarters. This event, organised by C3D (the Association of Sustainable Development Directors) and EY Advisory, brought together leading lights from the financial, investment and sustainable development communities to trace out the latest financial trends for encouraging corporate social responsibility.

3.3.1.4 Provisions and guarantees set aside for environmental risks

In the normal course of its business, Bouygues Construction is exposed to direct pollution risks, which are both limited in nature and strictly controlled. Potential hazards are carefully assessed based on a full analysis of operations. As a result, the company does not have to set aside a material amount of provisions.

Pollution risk is included in Bouygues Immobilier's major-risk map. Land-purchasing procedures include preliminary soil testing. Obtaining

a report certifying the absence of any soil or subsoil pollution is a necessary precondition before signing a contract for the purchase of land. An exemption may only be granted upon prior authorisation of the vetting committee. In this specific case, cost overruns from decontamination, assessed on a case-by-case basis, are folded into the total cost of the transaction, prior to signature of the land-purchase contract. Because the related financial data is confidential, it is not possible to disclose an order of magnitude for the amount provisioned.

Colas makes provisions for clean-up expenses on contaminated land when the amounts have been determined based on an assessment by an independent firm and when a date for site rehabilitation has been set (by the competent authority, for example) or is otherwise known (upon lease termination, for example). With regard to financial guarantees and provisions for rehabilitation, a large number of quarries and other sites worldwide are subject to specific regulatory requirements when they are no longer operated and require provisions to cover environmental risks during operation. This entails a wide variety of guarantees and practices (such as performance bonds, insurance, escrow accounts and provisions) that depend on national laws. Colas' provisions on site rehabilitation commitments totalled €169 million at 31 December 2016. To date, there is nothing that indicates that these comprehensive measures are insufficient, neither during internal or external audits nor during the investigation of insurance claims.

There are no business-related environmental risks at TF1 and Bouygues Telecom that would warrant the booking of provisions.

3

3.3.2 Management of pollution and disturbances

3.3.2.1 Preventing and rectifying pollution

Pollution arising from the Group's business activities is diverse and varied (air, water or soil pollution etc.). This is mainly generated by the Group's construction worksites or operations at fixed locations – in the form of dust, water pollution and fumes from plants.

On the Group's worksites and fixed locations, external certifications (ISO 14001) and in-house standards (the Bouygues Construction Ecosite label and the Colas checklist) are the main resources available to operating units for preventing pollution.

Bouygues Construction handles these issues through the "hazardous materials", "air" and "bodies of water" standards that are part of its Ecosite policy (see p. 101). Emergency procedures exist in the event of

pollution incidents that put in place the appropriate remedial action. In addition, a database keeps a list of hazardous materials and the associated preventive measures.

At Colas, all sites covered by a certified management system prepare an environmental analysis, dashboards and action plans for reducing pollution in cases where this is deemed significant. In addition to these measures, checklists cover such aspects as site organisation, storage, environmental management, and environmental impact and risk management (water and air pollution, waste, natural and technological risks, noise and vibration).

The environmental certifications used by Bouygues Construction and Bouygues Immobilier also contain points to watch during the construction phase. For example, an HQE™ operation must ensure

that all kinds of pollution (air, water and soil) are kept to a minimum. Bouygues Immobilier has developed the Clean Worksite Charter, which aims to prevent and lessen air, water and soil pollution. Lastly, the quality benchmarks (HQE™, BREEAM®, LEED®) promoted by Bouygues Construction and Bouygues Immobilier comprise obligations for the design and operational phases that reduce air, water and soil pollution.

The Group's business segments also undertake other targeted initiatives to reduce the impact of disturbances arising from their activities. Bouygues Construction's rehabilitation of contaminated land, and closed-loop water recycling, and road watering (to limit the dust emissions) on Colas worksites, are examples of Group actions.

Air, water and soil pollution arising from the operations of Bouygues Telecom and TF1 are very low and, moreover, immaterial on the scale of the entire Bouygues group.

3.3.2.2 Measures taken to reduce other disturbances

The other forms of disturbances to which the Group's activities may give rise are mainly exposure to noise (either day or night time), odours, night-time lighting or vibrations. Its Media and Telecoms businesses pay attention to the issues of exposure to electromagnetic waves.

Acceptance of production sites and worksites by local residents is a sensitive question for the Group's business segments. In addition to the measures set forth in the ISO 14001 environmental certification, disturbances suffered by local residents are among the points monitored in internal standards (Ecosite, Clean Worksite Charter, checklists).

3.3.3 The Circular economy

The construction industry generates 70% of the 345 million tonnes of waste produced in France^a. Under France's energy transition legislation, coming into effect in 2020, 70% of waste produced from building deconstruction activities will have to be recycled. The Bouygues group and its business segments have identified a whole host of environmental and economic benefits that can be harnessed in connection with this issue, and have adjusted their operations accordingly. For example, Bouygues Immobilier in 2016 began a policy for incorporating the circular economy into its property developments. Campus Sanofi Val de Bièvre, which won the 2015 Simi "Grand Prix" award, was one of the pilot projects, targeting the recycling of 80% of deconstruction materials. Gutting and selective deconstruction work will begin in January 2017.

Various initiatives are enacted within Bouygues that take into account the guiding principles of the circular economy and eco-design. These include selecting sustainable materials in design phases, using less resources in the building of products, recovering and recycling materials (whereby waste is reintroduced into the production cycle as a secondary raw material), and using innovation to lengthen product lifecycles.

One of the standards of Bouygues Construction's Ecosite initiative addresses the management of noise pollution in consultation with project stakeholders. Furthermore, Bouygues Construction markets a noise barrier for local residents, developed by its acoustics and vibrations skills centre, which is staffed by experts from its various operating units.

Bouygues Immobilier checks noise levels on sites covered by the Clean Worksite Charter. Where necessary, remedial measures can be taken to reduce disturbances resulting from excessive noise or vibrations.

Bouygues Telecom and TF1 are especially attentive to exposure to the waves emanating from their masts. For example, a safety perimeter is set up around all of Bouygues Telecom's radioelectric stations (antenna). This ensures compliance, beyond the perimeter, with the exposure limits defined by the decree of 3 May 2002 in regard to all freely accessible areas. Any access inside the perimeter is only granted once the signals have been turned off.

Research conducted to reduce disturbances arising from use of the Group's products is yielding innovations, leading to the marketing of more effective solutions. For example, Colas is developing products that reduce traffic noise, such as fractal-technology noise barriers, and most significantly noise-reducing asphalt mixes (Nanosoft®, Rugosoft® and similar), which can reduce traffic noise by as much as nine dB. In 2016, 324,000 tonnes were produced, up 34% compared to 2015. This product range reflects the continuing effort Colas has been investing in R&D for many years, and for which it has received a number of awards.

Other Group solutions make use of contributions from:

- the sharing economy, which leads to optimised use of the goods and services offered by the Group, e.g. shared spaces in the eco-neighbourhoods built by Bouygues (car parks, gardens, etc.);
- the functional economy, according to whose tenets it is better to offer a service than sell goods en masse, e.g. Nextdoor's coworking spaces.



In 2016, Bouygues set up an Action Tank to encourage collaborative projects between the various business segments in the spheres of the circular economy and sustainable urban environments. Several initiatives are in study phase, one of which is a digital platform that would list materials recovered from deconstruction and renovation operations and then connect those offering such raw materials and finished components with future users. Another would separate land, building and housing rights to reduce purchasing costs for first-time buyers.

(a) 2012 data, Ademe (French environment and energy management agency), taken from "Waste: Key Figures" (2015).

Digital technology lies at the centre of these ideas, making it easier to anticipate demand for and optimise the reuse of materials, and improving the interchange of raw materials and finished components.

Promoting the circular economy through BIM

BIM (Building Information Modelling) creates a smart virtual 3D model that is used to make the best possible decisions in regard to a structure's entire lifecycle, then disseminate these decisions to all project stakeholders.

BIM contains information on the identity and the thermal, environmental and mechanical performance of objects and their constituent materials, as well as on their installation, utilisation, maintenance, recyclability and lifecycle.

The tool is used to optimise the building's environmental impact throughout its useful life. In design phase, for example, simulations made by taking into account the features of materials, their degree of recyclability and building methods are used to select the best scenario – one which combines reductions in materials used, optimisation of the building's eventual deconstruction and a lower construction-related environmental impact. Worksite management is also optimised because components come prefabricated, where possible. The frequency of remedial measures and the amount of reject materials are also reduced, which in turn leads to less waste materials from worksites. Lastly, in the deconstruction phase, BIM shows precisely the volumes of materials present that can be consigned for potential reuse. It also makes gutting and demolition operations more efficient.

The Group's construction businesses (Bouygues Construction, Bouygues Immobilier and Colas) use BIM for management of their operations.

Bouygues Construction has been working on BIM since 2007 and uses it in many projects of varying dimensions, both in France and abroad. Examples include a housing project in Normandy, the Palexpo Hotel in Geneva and the future Paris district court. (where BIM data from the construction phase will be carried over by facility management teams for optimising their operations). As digital technology is applied to Bouygues Construction's operations, BIM is being deployed to all projects, at every one of their phases. BIM booths are being installed on worksites so that up-to-date 3D plans can be readily used by site workers, even in the open air. Bouygues Immobilier's policy is that all its operations will use BIM by 2020.

3

3.3.3.1 Preventing and managing waste^a

Recycling and reusing construction-site waste

The business segments of the Bouygues group limit the production of waste arising from construction activities and promote recycling through several programmes. Environmental management systems (e.g. ISO 14001), as well as internal standards (Ecosite label, Clean Worksite Charter and checklists) also make provision for responsible waste management. One of Bouygues Construction's Ecosite standards includes metrics on the sorting, storage, collection, transportation and treatment of waste as well as the specific treatment of hazardous materials, namely pollutants or waste with properties endangering the environment or people. Bouygues Immobilier's Clean Worksite Charter^b makes waste recycling mandatory, notably via a waste management plan.

Programmes for reducing and recycling waste on construction sites, especially for Bouygues Construction's civil works activities,

continue to be implemented. Excavated materials are recovered for use as backfill or for the environmental rehabilitation of sites. Several of Bouygues Construction's operations reuse raw materials directly on-site. During the renovation of Longchamp racetrack by Bouygues Bâtiment Ile-de-France, concrete extracted from deconstruction operations was crushed, sorted and then reused in-place as part of a short supply chain. In this example, close to 30,000 m² of concrete was recycled for worksite requirements.

Bouygues Immobilier is part of the nationwide Démoclès project, bringing together all stakeholders active in the deconstruction process. The first phase aimed to draft recommendations for facilitating and encouraging the reuse of interior building components. The second phase, which began in late 2016, consists of trialling these recommendations.

Lastly, waste management is a vital consideration for Colas, whose dedication to recycling is mainly seen in the recovery and reprocessing of asphalt pavement from roadway deconstruction. Three indicators track this process.

(a) Preventing food waste: given the type of businesses operated by the Bouygues group, this new objective is not meaningful. Food waste is only an issue for institutional catering. However, it is mentioned specifically in some contracts with the catering providers servicing the Group's main head offices.

(b) The Clean Worksite Charter applies to all of Bouygues Immobilier's commercial property developments and to residential developments that are HQE™ certified. (cf. p. 99)

Colas

Indicator	Scope (activity or region)	Coverage	2016	2015	Remarks
Recycled materials in relation to the volume of aggregates produced	Global	Asphalt mix and aggregate production activities, and railway worksites	11%	10%	In 2016, Colas recycled and recovered almost 8.5 million tonnes of materials, equating to 11% of its total aggregates production. This indicator has improved significantly, with the number of tonnes of recycled materials ^a and aggregates production increasing by 18% and 8%, respectively. The rise in recycled material tonnage is largely attributable to the increase in ballast recycled at Colas Rail and to the growing use of recycled materials by road construction subsidiaries in mainland France and North America, particularly the US.
Asphalt pavement recycled in order to reclaim bitumen	Global	Materials production activities	15%	14%	The percentage of asphalt aggregates recycled to reclaim bitumen increased by one point in 2016, which is consistent with the annual increase over the past few years. The volume of reclaimed asphalt pavement and asphalt production increased by 12% and 11%, respectively.
Surface area of road pavement recycled in-place <i>million m²</i>	Global	Worksites activities	3.4	2.4	The surface area of road pavement recycled in place by Colas subsidiaries rose 42% in 2016 relative to 2015. The sharp improvement in this indicator is attributable to a Canadian subsidiary, which completed several large construction projects using this technology, and to Colas UK, Colas Ireland and other subsidiaries in northern Europe.

(a) The industry consensus holds that the target recycling rate for asphalt mix (in order for all the asphalt mix from milling or deconstruction to be considered recycled) is between 20% and 25% in OECD countries, with this rate varying in accordance with urban density and the technologies employed by project owners. Colas has therefore achieved three-fourths of its estimated recycling potential, with some subsidiaries in Belgium, Switzerland, France, the US and Canada achieving this maximum ratio in 2016. There has been slower progress, however, in countries where recycling is less of a priority.

Recycling – central to the circular economy at Colas

Colas, which produces and uses large amounts of construction materials, recycles and reuses previously used materials from building, civil works and other projects, as well as its own asphalt mixes, for road construction.

Aggregates are the commodity that society consumes the most of, after water, and civil works account for most of the demand, with road construction and roadworks on their own representing more than half of this demand. Consequently, Colas implements measures to recycle locally, which reduces the need to extract aggregates (thereby reducing the need for new quarries and gravel pits) while also lowering the amount of material sent to landfill. In 2016, Colas recycled and recovered almost 8.5 million tonnes of materials, representing worldwide savings equivalent to the average production of 17 Colas quarries.

Reclaiming asphalt pavement from the milling or deconstruction of roadway makes it possible to recover the bitumen. Asphalt mix, which is used in most road networks throughout the world, consists of a mixture of about 5% bitumen with aggregates. In 2016, 15% of recovered asphalt aggregates were recycled to reclaim the bitumen.

Additionally, Colas' circular economy policy is based on the results of various methodological tools, particularly lifecycle analysis of asphalt mixes. Research in this area began in 2000 through various industry federations^a and are regularly intensified and updated.

Colas is also researching how to reuse deconstruction materials recovered from buildings and public infrastructure.

(a) EAPA (European Asphalt Pavement Association), Usirf (French road construction industry association)

Bouygues Construction

Indicator	Scope (activity or region)	Coverage	2016	2015	Remarks
Non-hazardous waste that is recycled (not disposed of in landfill)	Global excluding earthworks and Energies and Services activities	73% of Bouygues Construction's consolidated sales	54%	50%	The calculation method for this indicator was revised in 2015 (inert waste no longer counted). The fact that it has been stable for the past two years is a sign of its relevance and the usefulness of tracking it from the standpoint of circular economy initiatives aiming to increase the reuse of waste.
Rate of recycling of excavated raw materials	Global earthworks activities (DTP subsidiary)	3% of Bouygues Construction's consolidated sales	80%	95%	Since 2015, Bouygues Travaux Publics has used an indicator tracking its waste recycling, specifically the recycling of excavated inert waste (which is the main category of waste generated). The result of 80% achieved in 2016 illustrates the company's ability to reduce considerably the amount of inert waste sent to technical landfill centres, and to reuse it on-site instead.

Measures for preventing or reusing other types of waste

Construction-related waste may be the chief challenge in view of the volumes involved and the environmental impacts. However, other types of waste arising in the course of the Group's operations are also tightly managed.

All the Group's business segments produce waste electrical and electronic equipment, or WEEE (CPUs, laptops, screens, printers and servers), which are collected and then re-used or recycled. Processing WEEE is therefore a challenge common to the whole Group. In France, this has been entrusted to ATF Gaia, a disability-friendly company, since 2010. Starting in late 2015, the Group entrusted part of this task to another company, Nodixia, to ensure better national coverage.

Since the start of these contracts, this initiative has collected 88,286 items of equipment (of which 8,619 between October 2015 and September 2016). In total, 30% of the 767 tonnes of collected waste equipment was destroyed and 70% reused.

Additionally, Bouygues Telecom has implemented recycling and reuse channels for obsolete hardware from telecommunications networks and data centres. A right of first refusal policy is applied to equipment made redundant by dismantling as a result of the network sharing agreement with SFR (see p. 115). It is then reconditioned for use. Dismantled equipment that is not reused or resold is recycled. Around 87% of the materials from this equipment is recycled.

Furthermore, used hydraulic and motor lubrication oil, the main hazardous waste item generated by Colas in the course of its operations, is disposed of through a certified channel or processed responsibly.

3

Colas

Indicator	Scope (activity or region)	Coverage	2016	2015	Remarks
Waste oil recovery rate	Global	All activities	61%	64%	The general consensus is that the optimum waste oil recovery rate is around 80%, taking into account the oil that is consumed and burned by vehicles and plant. Colas achieved a recycling ratio of 61%, down by 3 percentage points. This is explained by a change in the indicator's components and the inclusion in its denominator of oil inventory in addition to oil purchased during the reporting period.

All the Group's business segments are enacting further measures, relative to those already contained in head-office and site certifications, for promoting the responsible management of office-related waste. TF1 has been following a waste-management procedure since 2013. Waste is sorted, then recycled (65% of total waste) or put to use through incineration, to recover its energy, or through methanation as far as organic waste is concerned. Bouygues Immobilier partners with

Terracycle, Elise and other local organisations around France for the collection and recycling of office-related waste at all its sites.

Lastly, TF1, through Ecoprod (see p. 120), has been working with the Île-de-France local authority to assess the feasibility of a sorting and recycling programme for used TV studio-decoration materials. This is connected with the live show industry. Specifications for this programme were disseminated in the fourth quarter of 2016, and the assessment will take place in 2017.

Bouygues Telecom: giving mobile handsets a new lease of life

As early as 2005, Bouygues Telecom was the first operator in France to offer a service for collecting and recycling mobile handsets. This began in its own stores and was subsequently extended to encompass all distribution channels, irrespective of operator and handset make. Since 2011, this service has been supplemented by a page on the Bouygues Telecom website devoted to the sale of pre-owned handsets, through its partnership with Recommerce Solutions.

From time to time, Bouygues Telecom doubles the buy-back price to encourage recycling among customers and raise awareness of the environmental and economic value of used handsets. Handsets not in working order are recycled by approved specialists. The rest are reconditioned and resold.

In 2016, handset collection was boosted by increases to buy-back prices. In addition, coordination in Club Bouygues Telecom stores was improved after sales staff were set a specific challenge, resulting in higher quality of devices handed in. In 2016, Bouygues Telecom through this channel collected 195,515 mobile handsets, including 159,106 directly from its customers.

The RCube label – launched in 2015 by la Fédération des Acteurs de la Réduction, du Réemploi et de la Réutilisation (the French recycling and reuse trade federation) – offers an additional warranty to buyers of reconditioned handsets, on Bouygues Telecom's specific website, or those handing in a used handset. Labelling is conducted by independent experts commissioned by RCube, using 70 different criteria, and is audited by a third-party body.

Bouygues Telecom

Indicator	Scope (activity or region)	Coverage	2016	2015	Remarks
Handsets collected for recycling or re-use <i>number of handsets</i>	France	100% of Bouygues Telecom's consolidated sales	195,515	135,671	The better result was chiefly due to structural improvements in coordination, both on a company-wide basis and in retail outlets (more increases in buy-back prices and competitions between stores to see who could achieve the highest collection rates). To a lesser extent, the number of handsets sent to the service partner for recycling or reuse, associated with operations for running down handset collection surpluses, increased in the year.
■ From customers (Bouygues Telecom stores, general public and business customers on the internet, employees)			159,106	111,634	
■ Through the after-sales service			36,409	24,037	

3.3.3.2 Using resources sustainably

Energy, raw materials (such as timber and aggregates), water and excavated materials are the natural resources that are vital to the Bouygues group's construction businesses.

So that requirements can be calculated precisely and utilisation optimised, digital technology such as BIM (see box on p. 105) and specific lean management procedures are being steadily deployed in Group entities.

Selecting and managing raw materials

To reduce the use of natural resources, those business segments concerned have pinpointed two major avenues. The first is giving priority to sustainably sourced resources (e.g. certified products); the second is optimising resource utilisation (through eco-design and recycling).

Additionally, the Group dialogues with customers to ensure that secondary raw materials, i.e. those derived from recycling, are used as much as possible in buildings and infrastructure.

Colas

Indicator	Scope (activity or region)	Coverage	2016	2015	Remarks
Volume of recycled materials <i>millions of tonnes</i>	Global	Asphalt mix and aggregate production activities, and railway worksites	8.5	7.2	The 18% increase in recycled materials exceeded the growth of aggregates production and consequently increased the recycling rate.
Volume of aggregates from recycled pavement <i>millions of tonnes</i>	Global	Materials production activities	5.6	5	The volume of aggregates from recycled pavement increased by 12% in 2016 relative to 2015.

When new materials have to be obtained, the Group works to make sure its supply chains are reliable and responsible.

Bouygues Construction is looking at alternative construction methods and has developed its expertise in the use of timber – the material with the smallest carbon footprint – in its projects. Almost 170 timber construction projects (new or rehabilitated) have been completed in France, Switzerland and the UK. Separately, Ossabois

(a Bouygues Immobilier subsidiary) is encouraging use of low-carbon materials through its modular timber construction activities.

Bouygues Construction can also harness the Polygreen® database of eco-products, using which employees can select construction products according to technical, economic, health and environmental criteria; it also specifies production sites and labels. Polygreen® contains close to 5,500 items (see p. 130).

3

Promoting eco-friendly alternatives to optimise use of raw materials

Colas and Bouygues Construction offer eco-friendly alternatives to customers for lessening the impact on the environment. Eco-friendly alternatives save on materials and have better energy efficiency and lower greenhouse gas emissions than basic solutions.

Colas has led the way in designing low-carbon alternatives and developing eco-comparison tools for assessing these alternatives.

In France, these efforts have culminated in the Seve® eco-comparison tool, which measures companies' results in increasing the environmental performance of their projects on the basis of greenhouse gas emissions, reuse of materials, water conservation, protection of biodiversity and reduction of disturbances for nearby residents. Highlights in 2016 included a new version of the software and the creation of two distinct modules: Roads & External works and Earthworks, allowing for better targeting of environmental impacts from these two types of operation. Benefiting from these changes, the earthworks operations of Bouygues Travaux Publics, through the French earthworks trade federation (SPTF), also committed to use Seve® and was also part of the development team for the third version. Additionally, the industry and the EU are working to see how Seve® can be applied internationally.

In today's challenging economic climate, the market is becoming less open to alternatives every year. At Colas, despite a drop in the number eco-friendly alternative offered in 2016 (-10%), greenhouse gas emissions avoided declined by only 7% thanks to better-targeted proposals. Within the industry, Colas is playing an active part in efforts to give new impetus to eco-friendly alternative.

Considered an important avenue for differentiation in international operations, eco-friendly alternatives are regularly used by Bouygues Bâtiment International in its projects.

To reduce the need for raw materials, which draw on the ecosystem, the Group's business segments are conducting research or using a variety of techniques for the eco-design of products.

Bouygues Construction has been working on eco-design since 2007 and on lifecycle analysis (LCA) since 2009, in partnership with the CSTB, the French building technology research centre. Research by laboratories at Colas aims to develop eco-friendly binders by applying the principles of "green chemistry", for example by introducing

bio-sourced components, reducing temperatures and limiting greenhouse gas emissions.

Bouygues Telecom reduced the environmental footprint of the Bbox Miami home gateway, which it has marketed since 2015. It is 80% smaller than the previous version, thus leading to a reduction in its packaging as well. In addition to its optimised size, the packaging for the Bbox Miami is FSC® certified, and the user guide is directly printed in monochrome to save on paper and ink.

(a) The Forest Stewardship Council (FSC) is a global environmental label that ensures the production of wood or a wood-based product complies with procedures designed to ensure sustainably managed forests.

Tempo: a Bouygues Immobilier benchmark in eco-design and energy efficiency

The Tempo residence, close to Nantes, was handed over by Bouygues Immobilier in December 2016. This state-of-the-art, passive-energy residence won the 13th "Pyramides d'Argent" industrial innovation prize which recognises innovation in eco-design and energy efficiency. It stands to comply with future regulations early, namely Environmental Regulations (RE 2018) and Responsible Building Regulations (RBR 2020).

Innovative and environmentally friendly concrete-timber composite blocks (called "thermiblocs") were used to build the residence's façades. In addition, most of the materials selected for the development are natural and bio-sourced.

The actual heating requirement of the development is less than 15 kWh/m² annually, the result of a highly effective building envelope, excellent sealing and heat recovery ventilation. As a reminder, the energy efficiency obligation under RT 2012 thermal regulations is 50 kWh/m² annually.

The residence has obtained the Passiv Haus passive-energy consumption label and NF Logement HQE™ certifications.

Energy efficiency

The Bouygues group takes part in the energy transition through its expertise in active and passive energy efficiency in buildings and the operation of buildings with performance guarantees.

PROMOTING EFFECTIVE ENERGY-SAVING SOLUTIONS

The environmental certifications that the Group promotes for adoption systematically include energy-saving targets. Energy Performance Contracts (EPC) give occupants guarantees on the energy consumption of their premises, for the duration of the contract. More and more residential properties and offices are being handed over with EPCs. Bouygues Immobilier also offers an EPC with each of its Green Office® developments.

Bouygues Construction

Indicator	Scope (activity or region)	Coverage	2016	2015	Remarks
Projects in the order intake where energy performance commitments are included in the contract	Energy and Services activities	14% of Bouygues Construction's consolidated sales	13%	19%	Factoring in energy-related issues is not limited to the design and build phases. Bouygues Construction has boosted its support for customers seeking to manage and limit their final energy consumption. To accomplish this, it proposes offers that include performance commitments, particularly in the form of Energy Performance Contracts (EPC), recently introduced for both residential and office developments. The lower percentage relates to the category of transactions concluded in 2016, which featured lower environmental criteria.

The Bouygues group's business segments offer customers innovative but competitively priced services for optimising energy consumption. Most notably, they have built up expertise in the design of passive-energy buildings, positive-energy buildings, rehabilitation and energy performance management.

■ **Passive-energy buildings:** Bouygues Immobilier has developed expertise in the design of passive-energy buildings (which consume less than 15 kWh/m² per year for their indoor heating). In 2016, Bouygues Immobilier carried out four passive-energy residential developments: Tempo and Parc de Flore (near Nantes), Les Lodges in Chanteloup-en-Brie (east of Paris) and Green Home in Nanterre, near Paris suburbs, totalling 336 housing units.

■ **Positive-energy buildings:** in anticipation of new regulations coming into force in 2020 (e.g. 2018 Environmental Regulations^(a), which include a new Energy-Carbon label), buildings are henceforth designed with a positive net energy consumption. In the commercial property segment, the Green Office® brand – launched in 2007 – enshrines Bouygues Immobilier's strategy for positive-energy office complexes that use renewable energy and bioclimatic design. In 2016, Bouygues Immobilier started three new positive-energy commercial projects: Green Office® Trigone Quart Opale (Issy-les-Moulineaux), Green Office® Meudon Gaupillat and Green Office® Link. In residential property, Bouygues Immobilier handed over L'Odyssee, a positive-energy residence comprising 27 housing units located in Anglet,

(a) Environmental Regulations (RE 2018) comprise a new energy criterion, positive-energy certification and a carbon indicator that assesses greenhouse gas emissions throughout a building's lifetime. The new rules will be coming into force between 2018 and 2020.

in south-west France. Green Office® Enjoy in Paris, the first-ever Green Office® with a composite timber-concrete structure, leading to exemplary carbon performance, is in the design phase. Bouygues Immobilier has pledged that 35% of the surface area of its ongoing or handed-over commercial property projects in the 2016–2020 period will be Green Office®. At the end of September 2016, 36% of such projects were Green Office® (84,623 m² out of a total of 234,432 m² of ongoing or handed-over commercial property projects).

Bouygues Bâtiment Sud-Est (formerly GFC Construction), part of Bouygues Construction, handed over the first-ever positive-energy school complex in the Marianne district of Montpellier, ChengDu. This structure was awarded the 2015 "Clés d'Or" prize by EGF-BTP^(a) for the Languedoc-Roussillon region.

■ **Rehabilitation:** in 2009, Bouygues Immobilier launched the Rehagreen® scheme for commercial property. Based on a comprehensive multicriteria assessment of the building, covering technical, energy, planning, regulatory, commercial and other aspects, the purpose of the service is to identify and implement the rehabilitation scenario which most precisely meets the owner's enhancement objectives and the demands of the commercial property market, while respecting the building's architectural heritage. If the owner so wishes, the operation can be designed to fulfil the most exacting certification requirements (HQE™, BREEAM® and LEED®). Three Rehagreen® developments were still under way in 2016: Rehagreen® Scor Londres Budapest, Rehagreen® Malakoff Pichat and Rehagreen® Montrouge. These three renovations have a total surface area of 47,744 m², in addition to the 42,285 m² of the Lemnys operation, delivered in February 2016. Bouygues Immobilier has pledged that 35% of the surface area of its ongoing or handed-over rehabilitation projects in the 2016–2020 period will be Rehagreen®. At the end of September 2016, 38% were Rehagreen® (90,029 m² out of a total of 234,432 m² ongoing or handed-over rehabilitations).

Bouygues Entreprises France-Europe, a Bouygues Construction entity, launched Réavenir, an initiative for rehabilitating residential property, in 2012, based on three commitments: respecting the environment, guaranteeing energy performance and awareness-raising among residents. Projects to be handed over in 2017 include the energy renovation of almost 600 housing units in Le Havre and Bolbec, and 900 housing units in Rouen and Elbeuf (Normandy). These developments aim to reduce energy consumption by 40–45% depending on the residence, with a 15-year commitment.

■ **Urban services:** Bouygues Energies & Services, a subsidiary of Bouygues Construction, has developed a platform enabling local authorities to manage the energy of all their buildings and network infrastructure in order to reduce consumption. Other innovative services, also aiming to make urban environments more sustainable, include:

- Citybox®, which is directly connected to lamp posts, converts street lighting systems into a broadband network that, in addition to reducing energy consumption, offers digital services such as Wifi, CCTV and sound systems. At the latest count, this solution remotely managed close to 60,000 street lamps:
 - Citycharge®, which installs electric vehicle charge points on the lamp posts, making it easier to deploy electric mobility solutions. A pilot project recently began in La Roche-sur-Yon in western France:
 - Alizé®, which provides electric vehicle charge points for local authorities and businesses that use a real-time smart management solution.
- **Managing energy efficiency:** Bouygues Energies & Services (with Hypervision®) and Bouygues Immobilier (with Si@go®) have developed and marketed tools for measuring and managing energy performance for their customers.

The Group's business segments also offer energy-performance solutions for local authorities. For example, Bouygues Immobilier ran the pilot phase for IssyGrid®, France's first district smart grid, in Issy-les-Moulineaux near Paris. Today up and running, this project supplements Bouygues Immobilier's expertise in eco-neighbourhoods.

(a) EFG-BTP: Federation of French construction and civil works companies

Bouygues Immobilier

Indicator	Scope (activity or region)	Coverage	2016	2015	Remarks
Surface area of Green Office® commercial property developments in operation during the reporting period m ²	France and subsidiaries	96% of Bouygues Immobilier's consolidated sales	84,623	93,915	In 2016, the 24,665 m ² surface area of the Trigone Quart Opale development (Issy-les-Moulineaux), on which work started in October 2015, the 4,828 m ² of Green Office® Meudon Gaupillat and the 8,804 m ² of Green Office® Link, on which work started in the summer of 2016, supplement the 35,200 m ² of Green Office® Spring (Nanterre) and the 11,126 m ² of Green Office® CEAPC (Bordeaux), which in 2016 was still under construction. The total in-progress surface area for Green Office® was 84,623 m ² . Ongoing or handed-over Green Office® developments represented 36% of total commercial property developments.
Number of passive/positive-energy homes being built or handed over in the full year	Global	100% of Bouygues Immobilier's consolidated sales	363	377 ^a	Four passive residential developments, Tempo and Parc de Flore (Carquefou), Les Lodges (Chanteloup-en-Brie) and Green Home (Nanterre), were under construction in 2016, corresponding to 336 residential units. That is in addition to the 27 positive-energy housing units in L'Odyssée (Anglet, south-west France), bringing the number of passive/positive-energy homes to 363, which was 4% lower than in 2015.
Number of smart grids to be rolled out	France excluding subsidiaries	89% of Bouygues Immobilier's consolidated sales	6		Bouygues Immobilier has committed to rolling out smart grids for the following urban development operations: the railway station district in Divonne-les-Bains, Amédée Saint-Germain in Bordeaux, XXL in Marseille, Nanterre Cœur Université, Annemasse and Lyon Living Lab. The progress made in planning varies according to each project.

(a) Data for 2015 has been adjusted.

Bouygues Telecom is one of the first French operators to roll out a network designed for connected devices based on LoRa (or Long Range) technology. This network, which is slated to become the global standard, covers the whole of France, offering a range of applications for reducing the environmental footprints of urban environments. Objenious, a Bouygues Telecom subsidiary founded in 2015, already offers a wide range of solutions. These include a visual interface for monitoring and controlling energy consumption in industrial facilities and in buildings run by local authorities, the possibility of setting

alarms indicating overconsumption, and cost optimisation apps (see box on p. 118).

REDUCING THE ENERGY CONSUMPTION OF BUSINESS ACTIVITIES

At the same time, the Group's business segments are implementing programmes to help limit or reduce energy consumption arising from their operations (Ecosite at Bouygues Construction and cLEANergie at Colas).

Reducing energy consumption at Colas

The cLEANergie (Colas Lean in energy) programme was launched in 2012 to provide Colas with a measuring and monitoring tool aimed at reducing the energy used by operations, from construction and production sites to buildings and logistics.

Deployment of this programme revealed most notably that the energy consumed by asphalt plant burners, vehicles and construction machines together accounted for three-quarters of Colas' direct energy consumption in almost equal proportions.

In order to better control its energy consumption, Colas is focusing its efforts on:

- **measurement tools**, introducing software to monitor the energy consumption of asphalt mixing plants and installing similar systems on site machines and vehicles;
- **enlisting the support of employees** by fitting on-board consumption tracking systems and making this part of driver training;
- **the use of renewable energy** to power installations in some regions:
 - on Reunion Island, Colas subsidiary GTOI has equipped the roofs of several depot buildings with 6,600 m² of solar panels. This solar farm has been connected to the local power grid since 2009;
 - in 2014, Colas Suisse (Switzerland) set up a high-temperature thermal solar power plant at its Pittet-Chatelan facility, in the canton of Vaud. The plant is used to heat bitumen and emulsion tanks and to produce some of the power used by the site's administrative building;
 - also in 2014, Colas Belgium equipped its Heusden-Zolder plant, in the province of Limbourg, with two wind turbines and over 1,000 solar panels installed on its administrative buildings. In 2016, the wind turbines were generating 7.6 GWh, of which almost 900 MWh were used at the site.

Additionally, it has been observed that, in addition to low-carbon alternatives, the following help achieve indirect energy savings:

- **warm asphalt mixes**, which require about 15% less energy to produce than hot mixes;

(continued on page 113)

- **recycled materials**, and especially reclaimed asphalt pavement (planed materials from old road pavement), which saves bitumen and aggregates and reduces production and transport costs;
- **in-place recycling**, which also saves energy by reducing the need for materials and transport.

At Colas, the programme for controlling and reducing energy consumption is geared to sustainable development, namely economic (including financial savings), environmental and safety issues.

For its own transport requirements, Colas also uses rail and inland waterways as an alternative to road haulage. The quantity of materials transported by rail or waterway is equivalent to nearly 2,700 freight trains (with each train containing 40 freight wagons), which avoids deploying some 247,000 30-tonne trucks.

Colas

Indicator	Scope (activity or region)	Coverage	2016	2015	Remarks
Energy used per tonne of asphalt mix produced <i>(KWh per tonne)</i>	Global	Asphalt mix production activities	78	80	Colas systematically and carefully measures and monitors the fuel consumption of asphalt plant burners at more than 550 plants. The indicator improved by 2% in 2016 following the increase in average tonnage per asphalt mixing plant in most countries, automatically optimising their energy efficiency.
Warm- and low-temperature asphalt mixes	Global	Asphalt mix production activities	21%	21%	Warm asphalt mixes made by Colas accounted for 21% of total output in 2016, almost unchanged relative to 2015. The most substantial advances were made by US subsidiaries. All employees are working to expand the use of these products across all regions, adapt production tools and conduct ongoing research to develop new technical solutions that enable lower product temperatures, all the more so given the substantial health-related benefits.
Total energy costs <i>(in millions of euros)</i>	Global	All activities	370	430	The Colas group's total energy costs are estimated at about €370 million.
Total energy consumption <i>millions of MWh</i>	Global	All activities	7.8		Total energy consumption was 7.8 million MWh, with a relatively even territorial distribution in accordance with sales.

Lastly, Bouygues Telecom has implemented energy management systems, with three sites certified against ISO 50001 (energy management system): the Technopôle site, the Printania customer relations centre and the Montigny-le-Bretonneux data centre.

Bouygues Telecom

Indicator	Scope (activity or region)	Coverage	2016	2015	Remarks
Total electricity consumption <i>in GWh</i>	France (excluding branches)	100% of Bouygues Telecom's consolidated sales	499	519	A more accurate calculation method in regard to the estimated consumption of the mobile network has reduced the total. Adjusting past data is not possible here, which precludes analysing the indicator using a comparable scope this year. However, consumption was reduced at other sites, namely the Club Bouygues Telecom store network, data centres and offices.

PROMOTING RENEWABLE ENERGY SOURCES

As far as possible, the Bouygues group's business segments use renewable energy sources as a way of reducing the energy footprints of their activities and the products they use. The solar road developed by Colas is a case in point.

Wattway: Colas invents the first-ever operational photovoltaic road surfacing



Unveiled in Paris in October 2015, Wattway is a patented French innovation, the result of five years of R&D in partnership with INES (France's National Solar Technology Institute).

By combining road construction and photovoltaic techniques, the Wattway road surface provides clean, renewable electricity, while allowing for all types of traffic. Wattway contributes to increasing the share of photovoltaic electricity in the energy mix, both in France and worldwide. Designed to meet local energy needs, Wattway is a decentralised solution integrated with street furniture such as electric vehicle charge points, signing and street lighting.

Roads are only occupied by vehicles 10% of the time⁹. Wattway harnesses the solar potential of this upward-facing surface area. The principle behind Wattway involves laying specially-designed solar panels directly on road surfaces, without requiring any civil engineering work. One kilometre of Wattway road surface can power the street lighting for a town of 5,000 inhabitants.

Nine small-scale projects covering a surface area of approximately 100 m² each were launched in 2016, in mainland France, North America and on Reunion Island, to test Wattway under real-life conditions. A major pilot project in France covering a 1-km stretch of the RD5 highway near Tourouvre, to the west of Paris, was also undertaken. This first large-scale project is one of several supported by the French Ministry of the Environment, Energy and the Sea under its energy transition policy, and is also partly funded by the Orne department, in which it is located. Another pilot project, in the US, involved the installation by Reeves Construction of Wattway panels on a rest area along a section of highway in Georgia known as "The Ray", dedicated to the development of new transportation technologies.

Bouygues Construction and Bouygues Immobilier have made positive-energy structures a major part of their business strategy, in order to prepare for the 2020 "Bâtiment Responsable" (responsible building) regulations. Positive-energy buildings produce more energy – much of which is solar, biomass or geothermal – than they consume. Challenger, the headquarters of Bouygues Construction, was transformed into a positive-energy building during its renovation (see box on p. 118).

Hikari, developed by Bouygues Immobilier in Lyon, is France's first positive-energy mixed-use development. All energy used in the development is renewably-sourced. Photovoltaic panels have been placed on the roof and façades. It is also equipped with a geothermal system and has a cogeneration power plant fuelled by locally produced rapeseed oil. Energy production and usage are pooled through an energy communication network. Electricity is also stored on batteries to deal with peak loads.

Bouygues Travaux Publics and Bouygues Energies & Services, part of Bouygues Construction, have since 2012 been developing bespoke projects around the globe in renewable power generation, from photovoltaic and biomass to thermal and wind power. In 2016, Bouygues Energies & Services handed over the largest photovoltaic solar farm in South-East Asia (on Negros Island in the Philippines). More than 425,000 photovoltaic panels were installed over an area of 170 hectares, connected to the national power grid. Their annual production capacity of 190,000 MWh is capable of supplying power to around 170,000 Filipino households. Bouygues Travaux Publics is also part of Floatgen, a project building France's first offshore wind farm.

Land use

The Group's construction businesses may have an impact on land, through the extraction of materials, pollution, occupation and loss of greenfield sites, in a context of increasing urbanisation.

Bouygues Construction's earthworks and civil works activities are those most concerned by land use and pollution, together with Colas and Bouygues Immobilier. In response

- Bouygues Construction is working on the widespread application of soil decontamination procedures to construction projects, which would not only reduce waste but also avoid the use of new replacement materials. Additionally, the recycling of polluted land through in-place soil decontamination is being researched by Brézillon, a Bouygues Bâtiment Ile-de-France entity;
- all quarry and gravel pit sites operated by Colas are restored when they are shut down and many are progressively restored while still being operated;
- Bouygues Immobilier carries out field surveys to determine soil type and ensure that no waste has been dumped. It also ensures that there are no chemical or radioactive substances, nor pollution that could result from current or past operations or from a nearby sensitive site. Finally, it makes sure that no dumped or buried waste, or any substance, could be hazardous or detrimental to human health or to the environment. The presence of any form of soil or subsoil pollution can lead to the cancellation of land purchase contracts. An exemption may only be granted upon prior authorisation of the vetting committee.

The Group's operations also imply land occupancy, and therefore urbanisation.

Most of Colas' construction work involves the maintenance or redevelopment of areas that are no longer in their natural state. The construction of new infrastructure accounts for a very modest share of sales (estimated at less than 10%), and Colas often has no control over how land is used. Other than that, with its innovative Wattway solution, Colas is paving the way for the creation of solar energy-generating

(a) source: Ademe (French environment and energy management agency)

roads, offering access to a sizeable surface area while reconciling the goals of renewable power generation and land conservation.

In 2016, Bouygues Telecom and SFR continued their programme to share close to 12,000 antennas located outside high population density areas in France, under the terms of an agreement signed in 2014. From an environmental standpoint, this is reducing the need for new equipment while lessening the impact of telecoms sites on land use.

Water consumption in accordance with local conditions

The issue of water consumption varies in importance from one part of the world to another, depending on whether operations are situated in arid or temperate regions. In each business segment, water management is consequently tailored to local contexts.

Bouygues Construction and Colas are those most exposed to water-consumption issues in sensitive areas. In 2014, Bouygues Construction conducted its first-ever comprehensive water-stress analysis. The regional breakdown, updated in 2015, showed that the company

generated 69% of sales in countries with low or medium water scarcity (levels 1 and 2), 27% in countries with medium to high water scarcity (level 3), 2% in countries with high water scarcity (level 4) and 3% in countries with extremely high water scarcity (level 5). Bouygues Construction is implementing specific measures to safeguard water resources through the use of special equipment, water re-use, consumption tracking and awareness-raising among staff and business partners. For example, to mark World Water Day, Bouygues Bâtiment International voiced its commitment to more controlled and rational water usage. The company regularly conducts campaigns to raise awareness among employees of water usage in many different places worldwide, including Ghana, Turkmenistan, Qatar, Hong Kong, Morocco and Cuba.

In 2015, Colas introduced and conducted reliability assessments concerning new indicators to measure and limit the pressure exerted on water resources by its operations in regions where water is extremely scarce. For these regions, water consumption by Colas' permanent facilities is estimated at over 770,000 m³ in 2016.

Colas

Indicator	Scope (activity or region)	Coverage	2016	2015	Remarks
Share of permanent activities located in highly water-stressed areas <i>% of sales before inter-company eliminations</i>	Global	100% of total sales before inter-company eliminations of permanent activities	6%		Colas group's permanent facilities located in highly water-stressed areas are in Canada (Saskatchewan), the US (California and Wyoming), South Africa, Namibia, Guadeloupe, Martinique, Ireland, India, Morocco, the Middle East, Chile and mainland France (Normandy). These facilities represent some 6% of Colas installations in terms of sales before inter-company eliminations.
Water self-sufficiency rate in highly water-stressed areas <i>% of m³</i>	Global	100% of total sales before inter-company eliminations of permanent activities in highly water-stressed areas	84%		In addition to reducing water consumption in these localities, a key objective for Colas is to increase water self-sufficiency so as to minimise disruption of the water cycle and downstream water use. The water self-sufficiency indicator for 2016 is 84%, which means that most of the water consumed was obtained internally and not from the local water system. This preserves access to water resources for other local users.
Share of sales in highly water-stressed areas where an action plan has been implemented <i>% of sales before inter-company eliminations</i>	Global	100% of total sales before inter-company eliminations of permanent activities in highly water-stressed areas	38%		By tracking its action plan progress indicators, as part of a continuous improvement process, Colas is able to monitor and reduce pressure on water resources in highly water-stressed areas.

Generally speaking, business segments within the Bouygues group are responsible for taking local water constraints into consideration. How water is managed is one of the criteria of the ISO 14001 standard and is contained in internal standards (Ecosite and checklists).



Additionally, Bouygues Construction and Bouygues Immobilier strive to promote building environmental certifications (HQE™ and NF Habitat HQE™), which have a section on responsible water management in a building's operational phase, covering drinking water management, rainwater recovery as well as wastewater and rainwater management.

3.3.4 Climate change

The Bouygues group played an active role during COP21 (21st Conference of the Parties to the United Nations Framework Convention on Climate Change), held in France in late 2015, by presenting – to international policymakers – the solutions it has developed in the areas of renovation, low-carbon construction, eco-neighbourhoods, soft mobility and urban services. This commitment was also shown by its involvement in World Efficiency (Porte de Versailles, Paris) and La Galerie des Solutions (Le Bourget).

In 2016, the group continued in the same vein, for the first time participating in Pollutec, a global trade fair dedicated to environmental and sustainable urban solutions. Bouygues was also part of the first-ever Climate Chance event, a global summit held under the aegis of the Municipality of Nantes. It was also active through subsidiaries in Morocco (Colas, Bymaro and Bouygues Immobilier Maroc), which took part in COP22, held in Marrakesh in November 2016.

3.3.4.1 Measuring greenhouse gas emissions and material impacts of business activities and products on climate change

The Bouygues group's business segments audit their carbon emissions pursuant to Article 75 of the Grenelle II law. They have already pre-empted regulations by extending the sphere of Scope 3 to include the measurement of greenhouse gas emissions arising from subcontractors' goods and services. Bouygues Immobilier and Bouygues Telecom have also conducted measurements of the emissions generated by the operation of completed property developments and by the use of their products (starting in 2014 and 2007, respectively). Various methods are used in carbon accounting. Bouygues Construction uses its own CarbonEco system, while Colas relies on ratios relating CO₂ emissions to sales.

In the context of the Bouygues CSR policy, setting quantifiable targets for reducing energy consumption, energy intensity and CO₂ emissions in relation to business activity, is one of the four principles to which the business segments commit for the improvement of the Bouygues group's environmental performance.



Bouygues Immobilier, by encompassing the emissions linked to its property developments over a 40-year period, identified the three largest sources of emissions over the various lifecycle phases of programmes, and drafted a scheme for reducing greenhouse gas emissions that was implemented in 2015, with targets set for 2020. For example, the chief means of reducing transport emissions caused by occupants, once the buildings become operational (46% of Bouygues Immobilier's carbon output) are innovative mobility solutions and dialogue with local authorities. The specific target is that, by 2020, all residential properties handed over will offer sustainable mobility solutions, such as shared electric vehicles and electric bikes, a car sharing scheme, a car pooling platform, electric vehicle charge points as well as strong links to the public transport network.

At Bouygues Telecom, the three largest emissions sources relate to network equipment spending, handset purchases and purchases of home gateways, i.e. emissions arising from the manufacturing and installation of this equipment or these devices. The initiative enacted to reduce carbon emissions from the first of these three sources (52% of Bouygues Telecom's total) involves sharing equipment with other operators and encouraging its reuse.

Colas has a two-fold commitment: reducing the amount of energy required for its operations (see box on p. 112), and lowering the energy and carbon footprints of the products and techniques offered to customers.

Bouygues Construction's strategy is also twofold: providing low-carbon strategies to customers and end-users, and reducing its own carbon footprint.

Bouygues group greenhouse gas emissions

Kt CO ₂ eq	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	2016 Group Total	2015 Group Total
Scope (activity or region)	Global	France ^a	Global	France	France		
Coverage % of sales	90%	89.4%	100%	82.7%	100%	94.5%	94%
Scope 1	214	3	2,000	1	7	2,225	1,900
Scope 2	234		500	2	44	780	350
Scope 3	2,540	461	8,500	90	682	12,274	13,519
TOTAL	2,989	465	11,000	93	733	15,280	15,770

(a) Excluding subsidiaries.

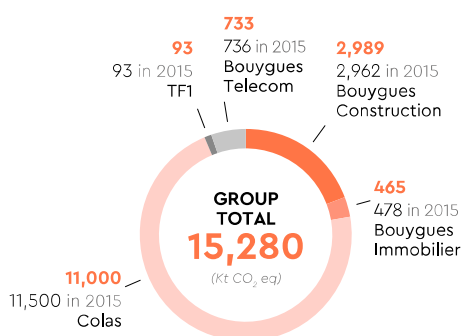
The carbon footprint is useful in providing an idea of scale but cannot be considered a reliable performance indicator because of its inherent uncertainties.

To all intents and purposes, the reduction in the Group's carbon footprint (-3% between 2015 and 2016) can be explained by lower carbon emissions at **Colas** (70% of the Group's CO₂ emissions in 2016). Most notably, this reflects the deconsolidation of Société de la Raffinerie de Dunkerque (which produced over 230,000 tonnes of CO₂ equivalent in 2015) and changes in sales trends by region and business.

Other initiatives within the Group – especially at **Bouygues Telecom** and **Bouygues Immobilier** – have helped shrink its carbon footprint to a lesser extent. At Bouygues Telecom for example, electricity consumption has dropped at several locations (Club Bouygues Telecom store network, administrative sites and data centres), while steam for air conditioning is no longer required since the regrouping of all Paris region employees at the Technopôle site. Both these considerations helped reduce Scope 2 emissions.

GREEN HOUSE GAS EMISSIONS BY BUSINESS SEGMENT

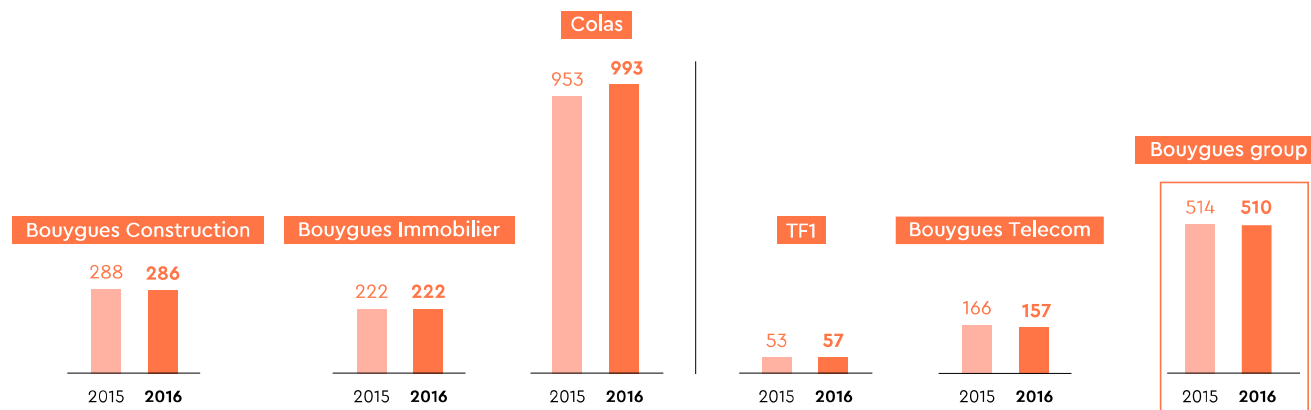
Kt. CO₂ eq



3

CARBON INTENSITY BY BUSINESS SEGMENT

In tonnes of CO₂ equivalent per € million of sales



3.3.4.2 Low-carbon solutions



COP21 in 2015 and COP22 in 2016 provided the Bouygues group a platform to showcase solutions that deliver measurable progress in energy savings and carbon performance in a number of areas:

- **Renovation:** the Group has solutions to deal with the millions of existing poorly-insulated buildings. Its business segments have

developed expertise in energy renovation for residential property, offices and public amenities. These offers improve the business models of renovated properties and save on natural resources, while respecting the architectural heritage of buildings. In this domain, Bouygues Immobilier operates the Rehagreen® service for commercial property (see p. 111). The renovation of Bouygues Construction's headquarters, transforming it into a positive-energy building, is a showcase of its technological expertise.

Challenger: showcasing Bouygues' renovation expertise

Challenger, Bouygues Construction's emblematic head-office complex in Guyancourt outside Paris, was opened in January 1988. Some 3,000 employees currently work there every day. Between 2010 and 2014, Challenger underwent a substantial renovation concerning 67,000 m² of building floorspace.

The environment and rational use of natural resources were factored into the building's operation. Ventilated façades, better isolation and repairs to waterproofing resulted in improved thermal performance from the building's envelope. To make the best possible use of solar energy, more than 25,500 m² of photovoltaic panels were installed in the grounds, in a solar farm and on the roofs of the cockpit and technical building, capable of generating over 2,500 MWh/year. Geothermal systems were also installed for heating and cooling all the buildings in the complex. The site, which prior to its renovation consumed 310 kWhpe/m²/year, is now certified positive energy, producing 17 kWhpe/m²/year.

Challenger is also equipped with a system for recycling and reusing wastewater and rainwater. Challenger, which has received the BiodiverCity label, hosts biodiversity enhanced by the use of phyto-purification through the "jardins filtrants"SM filter gardens.

Challenger was the first building in the world to receive triple certification – HQE™ Passeport Bâtiment Durable Exceptional level, LEED® Platinum, and BREEAM® Outstanding – at the highest levels.

- **Low-carbon buildings** are economic and environmental profit centres. Bouygues and its business partners market scalable offers, beginning at the design stage – all the way through to when buildings are up and running. These offers use traditional and bio-sourced materials that can be reused or recycled, as well as renewable energy associated with storage systems (e.g. Eco2charge from Bouygues Energies & Services). Smart systems have also been developed to ensure optimised building management (Bouygues Immobilier's Green Office® positive-energy buildings). Sustainable construction is a major avenue of innovation and growth for Bouygues Construction and Bouygues Immobilier.
- **Eco-neighbourhoods:** Bouygues and its partners offer local authorities a range of integrated solutions combining sustainable construction, energy efficiency, functional diversity, soft mobility, biodiversity and new technologies adapted to residents' needs. The Bouygues group has several such projects to its name, both in France and further afield, for example Nanterre Cœur Université, near Paris, Grencity (Zurich, Switzerland) and Faubourgs d'Anfa (Casablanca, Morocco). Since 2016, the Bouygues group has taken part in the creation of two sustainable-city demonstrators in France, under the aegis of the government-backed Institute for Sustainable Towns (Lyon Living Lab and Descartes 21 Marne-la-Vallée). They will serve to test, free from current regulatory constraints, ground-breaking innovations in all areas of urban life.
- **Soft mobility and urban services:** Bouygues supports local authorities in the implementation of solutions promoting sustainable urban environments. Bouygues is developing transport infrastructure (e.g. tramways and cycle paths). For its eco-neighbourhoods, it also provides soft mobility solutions, such as strong links to public transport, networks, vehicle sharing, electric vehicle charge points, shared parking spaces and electric bikes. The Bouygues group is also able to change the way roads are made so they actually produce clean energy (Wattway) and offers local authorities innovative urban services based on embedded sensors (via the Internet of Things).

Objenious: the Internet of Things for the sustainable urban environment

By 2020, France is expected to have between one and two billion connected devices. The Internet of Things (IoT) offers fresh possibilities for furthering sustainable development in urban areas and within companies.

Bouygues Telecom is one of the first French operators to roll out a network designed for connected devices based on LoRa (or Long Range) technology. This network, which is slated to become the global standard, covers the entire country, offering a range of applications for reducing the environmental footprints of urban environments.

Objenious, a Bouygues Telecom subsidiary founded in 2015, already offers a range of solutions. For example, its connected car-parking solution, which uses LoRa-connected sensors, informs drivers about free spaces. Given that, in Paris, 25% of vehicle traffic flows are caused by drivers looking for a parking space, this solution reduces both fuel consumption and car pollution as well as decongesting traffic.

Another solution is the installation of sensors on voluntary drop-off points, which measure how full they are and in turn optimise collection vehicle management. It also reduces fuel consumption, pollution and greenhouse gas emissions as well as relieving congestion.

Lastly, Objenious offers energy savings of up to 30% by controlling energy consumption in industrial facilities and buildings run by local authorities, using a visual interface for monitoring energy expenses, notifications of over-consumption and cost saving procedures.

Objenious is working on new carbon-lowering applications for the benefit of local authorities and companies alike.

3.3.4.3 Promoting solutions adapted to climate change

Climate change leads to rising sea levels, an increased frequency of freak weather events (e.g. windstorms and rapidly rising or decreasing temperatures) and affects ecosystems.

Bouygues Construction's ABC (Autonomous Building for Citizens) is an example of what the Group will be able to implement to deal with these changes. In a context of increasingly scarce resources, ABC's performance in terms of insulation, renewable energy generation and water recycling are likely to represent a huge step towards independence from heating, power and water networks. In 2014, a partnership with the Municipality of Grenoble was signed to develop a demonstrator, involving the construction of an apartment building with some 60 housing units. In 2016, the preliminary design continued, aiming for a building that will reduce its impact on urban networks by a factor of four when up and running.

VSL has been working alongside the Danish Technical University to optimise the performance of cable-stayed bridges in the face of severe weather, leading to improvements in the user safety and comfort of these structures. Research focuses on vibration control and managing risks relating to falling ice.

Bouygues Immobilier factors bioclimatic architecture into its large-scale developments: research into the best location, bioclimatic research, choice of efficient insulating materials and the use of renewable energy sources. UrbanEra®, a sustainable eco-neighbourhood service, introduces nature into urban environments, thus reducing the urban heat island effect and considerably improving water drainage.

Colas has acquired in-depth knowledge of the particular constraints of designing and building infrastructure in harsh climates, enabling it to advise customers in dealing with climate change. For example, in 2009 Colas offered one of its customers a low-carbon alternative to the Colclair® binder to better reflect heat while resurfacing a road in Dawson (Yukon, Canada), where the permafrost ground (i.e. which does not thaw for at least two consecutive years) was threatened by increasing temperatures due to climate change. This expertise was once again in demand for work carried out on Iqaluit Airport under

a public-private partnership signed at the end of 2013 in Nunavut (Canada). This project is due to be completed in 2017. Colas' research efforts also include developing light-coloured asphalt mixes to help protect permafrost ground (instead of the traditional black mixes which reflect less of the sun's heat). Other research areas include the effects of extreme thermal shock on crack development.

Colas has developed solutions for combating urban heat island effects, including "cool roofs", which make roofing more durable (by limiting temperature variations) and reduce air-conditioning power consumption by up to 20%.

3.3.4.4 Reducing the Group's carbon footprint

Whether on worksites, at headquarters or in regional offices, the Group's business segments work hard to reduce the carbon footprints relating to their operations.

To reduce the carbon footprints of worksites, Bouygues Construction and Colas choose materials carefully (using the Seve® and Polygreen® systems), using eco-friendly alternatives and metrics to track energy savings.

Bouygues Construction is investing in innovation in the sphere of earthworks, researching binders with low CO₂ emissions. Soil improvement during landscaping projects is traditionally done by lime washing and/or by hydraulic binder, which, through their manufacturing process, generate large amounts of greenhouse gas emissions. In partnership with Carmeuse, Bouygues Travaux Publics is carrying out research into adapting or creating new hydraulic binders with low CO₂ emissions (reduced treatment costs, reduced energy consumption and greenhouse gas emissions linked to its manufacturing process), whilst respecting the "zero footprint/zero waste" objective.

Colas implements initiatives to reduce fuel consumption, such as encouraging truck drivers and plant operators to adopt fuel-efficient driving behaviour and switch off engines when idling. Initiatives are also in place to reduce fuel consumed by asphalt plant burners. Fuel consumption per tonne of asphalt mix produced is monitored worldwide.

3

Colas

Indicator	Scope (activity or region)	Coverage	2016	2015	Remarks
Greenhouse gas emissions relative to the production of a tonne of asphalt mix <i>Kt CO₂ eq per tonne</i>	Global	Asphalt mix production activities	18	19	This indicator should be read in conjunction with the indicator showing energy used per tonne of asphalt mix produced (see p. 113).
Greenhouse gas emissions avoided as a result of action taken by Colas <i>in tonnes of CO₂ eq</i>	Global	All activities	176,000	105,000	In 2016, the quantity of greenhouse gas emissions avoided by Colas improved, rising from 105,005 to 176,000 tonnes of CO ₂ equivalent, thanks to improved energy efficiency at asphalt mixing plants, an increase in the production of warm asphalt mixes and a rise in the surface area of recycled road pavement*.

(a) Broadly speaking, action specifically involved limiting energy consumption by Colas at group level (plant and vehicle fuel consumption, asphalt plant burners) and reducing the energy and greenhouse gas component of the products and techniques offered to customers (warm asphalt and asphalt mixes, in-place road recycling, recovery of road pavement for use in production of asphalt mixes, Végéroute® products, promotion of Ecologiciel® and Seve® eco-friendly alternatives software, Wattway, etc.).

The BBCA label: a driver of ecological transition

To fight effectively against climate change and preserve resources, the construction sector continues to focus on reducing greenhouse gas emissions, of which it accounts for 40% on a global basis.

Bouygues Construction and Bouygues Immobilier participated in launching BBCA (the Low-Carbon Building Association), which promotes a label of the same name that highlights ways in which carbon footprints can be reduced over the entire lifecycles of buildings.

It has four focuses: sustainable construction, optimised operation, on-site carbon storage and the circular economy. Operating along the same lines of environmental certifications from the US or the UK, the BBCA label is awarded by an independent party, either Promotelec (housing) or Certivéa (offices).

Both Bouygues Construction and Bouygues Immobilier submitted projects for assessment from the very first pilot phase. The label gained its first recipients in June 2016. The Bouygues group's projects that now have the BBCA label are: Passage Desgrais and Rue des Ardennes (Paris), Epicéa (Issy-les-Moulineaux (Bouygues Bâtiment Ile-de-France) and Green Office® Enjoy, a positive-energy office development (Bouygues Immobilier) situated in the heart of the Clichy-Batignolles mixed-development zone, in the Paris region.

After tackling new builds, BBCA is looking into how it could apply the label outside France as well as to renovation and eco-neighbourhood projects.

All the Group's business segments have action plans to limit the impacts of work-related travel. This has entailed revising vehicle assignment and utilisation policies, promoting public transport, setting up car sharing websites, making provision for working from home and flex office^a solutions, and more besides. For example, Bouygues Immobilier in France operates an enhanced policy for vehicle fleet renewals, under

which vehicles with the best environmental performances are added each time the list is updated.

Additionally, TF1 has set targets for reducing carbon emissions relating to its operations. It is a signatory to the Paris Climate Plan, which sets quantitative objectives for reducing greenhouse gas emissions and energy consumption.

Ecoprod: working towards eliminating carbon from audiovisual and film production – an initiative supported by TF1

In France, the audiovisual sector annually emits approximately the equivalent of 1 million tonnes of CO₂ each year, approximately one-quarter of which is directly connected to filming, according to a report on the sector in 2011.

So that environmental considerations are better taken into account when producing radio and television programmes, public and private stakeholders (including TF1) in 2009 launched Ecoprod. Ecoprod offers a resource centre aimed at reducing the environmental footprint of these operations. These resources, available free of charge, include help-sheets, feedback and production monitoring templates.

In 2010, Ecoprod developed and implemented Carbon'Clap, an online carbon audit calculator designed specifically for the audiovisual sector. It has also forged partnerships with the audiovisual sector to replicate the programme at European level. In 2016, the new partnership with the European Training Centre in Film Production (CEFPF) led to the addition of an eco-production module to the latter's production-manager training programme.

Elsewhere, by leveraging Ecoprod's momentum, the Île-de-France regional authority initiated a call for projects to assess the feasibility of a sorting and recycling scheme for used studio-decoration and live-show materials.

In addition to the financial contribution, paid by all members of the consortium, TF1 took charge of producing the new version of the Carbon'Clap calculator, released in late 2016, and is coordinating the production of practical guides.

3.3.4.5 Partnering in research



To understand the future impacts of climate change on its business activities, the Bouygues group has become a partner and active member of The Shift Project (www.theshiftproject.org), a think-tank working towards a carbon-free economy. It comprises a multidisciplinary network of scientists and industry representatives acknowledged for their experience in energy and climate change issues. The purpose of this think-tank is to issue economically viable and scientifically sound

proposals to policymakers. In 2014, for example, it issued proposals for stepping up the energy renovation of buildings in France, e.g. through legal arrangements prompting owners to renovate their properties and training of renovation industry professionals. These ideas inspired the new bill on energy transition. In 2016, The Shift Project published its manifesto outlining nine proposals for a carbon-free Europe.

In 2016, Bouygues Immobilier and Bouygues Bâtiment Ile-de-France, both members of the Low Carbon Building Association (BBCA), participated in the inception of an eponymous label promoting low-carbon buildings (see box above).

(a) Flexible working areas that optimise workstations and collaborative workspaces.

Additionally, Bouygues Construction is a partner on the national Recybéton project, which promotes the reuse or recycling (as an input for cement-making) of all products recovered from concrete rubble^a.

Lastly, the Group and its subsidiaries are advised on strategic carbon-related issues by the Carbone 4 consultancy.

3.3.5 Taking account of biodiversity

The Bouygues group has pinpointed the impacts of its construction businesses on biodiversity. These include noise and light pollution, destruction or fragmentation of habitats and species, and the possible introduction of invasive species. Other effects include soil sterilisation around buildings, worksites, quarries and gravel pits. "Setting targets for improving biodiversity, when justified by business activity" is one of the four principles that the Group's business segments commit to for the improvement of their environmental performance.

The Group has undertaken measures to limit such impacts and sustain biodiversity in its construction businesses. Colas supports biodiversity in two ways:

- **by actively participating in research on biodiversity:** Colas is one of the companies to be part of the FRB (French foundation for biodiversity research) strategic steering committee. It supported the Lengguru 2014 scientific expedition, an initiative carried out by

IRD (the French Institute of Research for Development) in Indonesia's Papua province. In 2016, several films were made and aired on Arte and Ushuaïa TV. Additionally, a one-year travelling exhibition was taken to southern France, Paris and Jakarta (www.lengguru.org). Colas also created a sanctuary for black bees in the Alpes de Haute-Provence department in south-east France, in partnership with Apilab;

- **by implementing a policy with a direct connection to its operations,** i.e. in its quarries and gravel pits. This consists of implementing and monitoring actions to enable and facilitate the presence and survival of a notable animal or plant species, and in installing beehives in collaboration with local stakeholders (bee-keepers, naturalists, nature reserves, NGOs and others). Trials are also under way to help Colas work crews address the issue of invasive plants, with a growing number of subsidiaries around the world tackling this issue.

3

Colas

Indicator	Scope (activity or region)	Coverage	2016	2015	Remarks
Share of aggregates production sites working to promote biodiversity <i>% of sales before inter-company eliminations</i>	Global	100% of sales before inter-company eliminations of the permanent aggregates production activities	44%	41%	More than 70 protected species currently live at Colas' extraction sites; in addition some 50 sites are home to beehives. Real progress has been made since this policy was deployed in 2012, on the occasion of Colas' Environmental Convention. This effort remains varied according to cultural contexts, enjoying strong support in France but less in the United States, for example. The three-point improvement in this indicator in 2016 can be attributed to road construction subsidiaries in mainland France and countries such as Madagascar, which achieved a 100% rate.

In 2012, Bouygues Construction set up an internal advisory unit, Biositiv. It is integrated into the Bouygues Travaux Publics subsidiary and helps each business segment develop a biodiversity strategy. For example, the Nîmes-Montpellier railway bypass project has applied offsetting measures on neighbouring land to restore supportive conditions for almost 150 protected animal and plant species.

To take proper account of biodiversity in urban development projects, Bouygues Construction has contributed to the creation of a the first-ever global label for recognising construction and renovation projects that factor in urban biodiversity. BiodiverCity is currently managed by the IBPC^b, an organisation bringing together builders, developers, users and trade federations.

Bouygues Construction and Bouygues Immobilier have already used this label with several certified structures. The Font-Pré eco-neighbourhood, in Toulon, received the BiodiverCity label at the design stage. The project includes the landscaping of 10,000 m² of grounds and a partnership agreement with the regional Bird Protection League (LPO) to provide training and coordination for the neighbourhood's managers and residents. These actions led to the award of the best score ever – ABAA – for a property development project in France. The label was also awarded to the renovation of Challenger (see box on p. 118).

(a) To find out more, go to: <http://www.pnrecybeton.fr/en/>.

(b) International Biodiversity and Property Council.

Alongside the IBPC^(a), Bouygues Immobilier is helping in the launch of the BiodiverCity label for urban planning ("BiodiverCity Aménagement"), to be trialled on the Nanterre Cœur Université development. Bouygues Immobilier had pledged to have 8,000 housing units carrying the BiodiverCity label by 2020. But since this commitment has been applied systematically to its eco-neighbourhoods, the target was achieved in late 2016.

Bouygues Immobilier

Indicator	Scope (activity or region)	Coverage	2016	2015	Remarks
Number of housing units carrying or covered by a commitment to implement the BiodiverCity label <i>(At 30 September 2016)</i>	France excluding subsidiaries	89% of Bouygues Immobilier's consolidated sales	8,008		Since the launch of the BiodiverCity label in 2014, Bouygues Immobilier has systematically factored biodiversity into its urban development projects, most of which have a commitment to obtain this label. Bouygues Immobilier is also trialling the BiodiverCity label for urban planning in the Nanterre Cœur Université development. So far, 8,008 housing units are covered by a commitment, of which 1,635 have already received the label.

Bouygues Construction

Indicator	Scope (activity or region)	Coverage	2016	2015	Remarks
Number of construction projects in the order book with the BiodiverCity label	Global construction activities	55% of Bouygues Construction's consolidated sales	5	2	Bouygues Construction, a founding member of the IBPC, achieved labels on five operations this year: two carried out by Bouygues Bâtiment Ile-de-France (Porte Pouchet and Créteil) and three by Bouygues Entreprises France-Europe in western and north-eastern France.

Bouygues Construction's biodiversity policy



Bouygues Construction included protection of biodiversity into its product offering in order to give it value added and make it stand out from the competition. During COP21 in 2015, its biodiversity policy was recognised by the French Ministry of Ecology, Sustainable Development and Energy under the National Biodiversity Strategy (SNB).

For several years, Bouygues Construction has been running R&D programmes investigating biodiversity in infrastructures (measures to stop invasive species, offsetting mechanisms, etc.) and urban biodiversity (biodiversity in property development, etc.). This commitment has been conveyed by a host of different actions, including:

- forming an internal advisory unit, Biositiv, and partnering in the inception of BiodiverCity, the first globally applicable biodiversity label, which the company has also used in several projects;
- participation in the annual National Biodiversity Conference since 2012;
- support for charities working to preserve biodiversity such as the French Bird Protection League (through Club Urbanisme, Bati et Biodiversité), contributing to the urban biodiversity database alongside Natureparif in the Paris region, and partnering with Les Jardins de Noé, a conservation body.

Measures either to protect biodiversity or to reintroduce species were undertaken at the following projects: the Challenger renovation, Eikenøtt eco-neighbourhood, La Seine Musicale (Boulogne-Billancourt), the Nîmes-Montpellier railway bypass, the Citybox® street lighting system and the Playa San Agustín hotel (Cuba). The latter venture marks the first application of the BiodiverCity label to a non-French project. Bouygues Bâtiment International is furthermore developing learning trails for future tourists. Other projects are currently in the labelling phase.

Lastly, Bouygues Construction will take part in the "Thousand Trees" project, winner of the Réinventer.Paris competition. The project involves reproducing the concept of a "floating village in a forest" above the Paris inner ring road in the 17th arrondissement. The 6,500 m² area will feature apartment buildings, offices, a hotel, restaurants, a bus station and a biodiversity centre managed by the French Bird Protection League (LPO).

Lastly, the Group's business segments have teamed up with expert partners in their efforts to protect biodiversity. For example, several entities at Bouygues Construction, chief among which Bouygues Energies & Services, have signed a commitment with Noé, a charity,

for the incorporation of biodiversity considerations in their offers. This covers street lighting, infrastructure biodiversity, knowledge-sharing, staff awareness-raising and outreach to users.

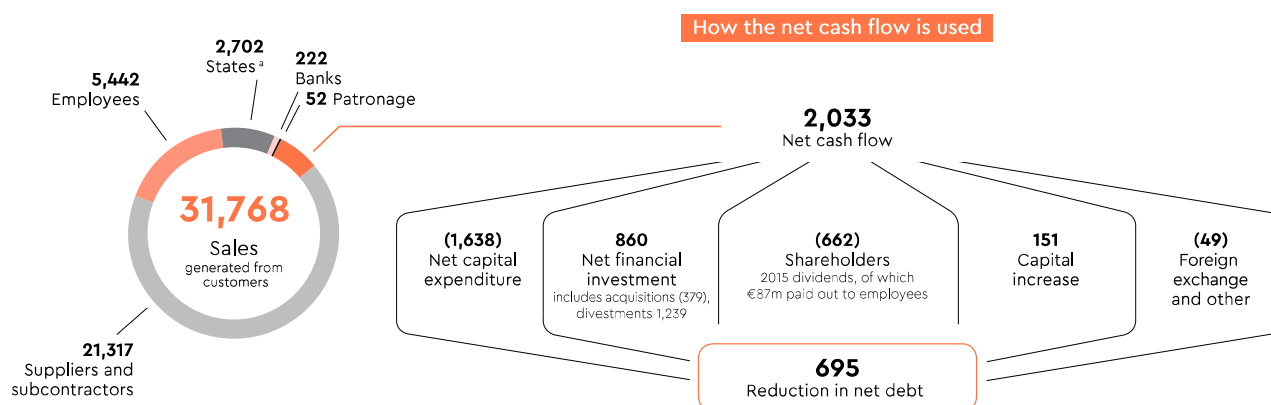
(a) International Biodiversity and Property Council

3.4 Social information

Further information can be found by visiting www.bouygues.com or consulting the CSR documentation of the individual business segments available on their respective websites.

HOW THE VALUE CREATED BY THE BOUYGUES GROUP IS SHARED OUT

€ millions



(a) Social security payments and taxes.

In 2016, the Bouygues group generated sales of €31,768 million. The graph above summarises how this value was shared out between its main stakeholders.

The residual amount of cash totalling €2,033 million, boosted by the proceeds from divestments and the contributions from shareholders, enabled the Group to carry out investment and pay out dividends to shareholders. The unused remainder of €695 million was used to reduce the debt load.

3.4.1 Socio-economic impacts worldwide

The Bouygues group's business activities have an impact on regional and local development through the construction and maintenance of road and rail transport infrastructure and buildings, and the expansion and operation of a telecommunications network. In this respect, it aims to:

- **facilitate personal travel.** The Henri Konan-Bédié Bridge in Abidjan (Ivory Coast), which began operating in December 2014, has significantly improved inhabitants' quality of life;
- **protect populations against major risks.** The Chernobyl confinement shelter, work on which took place between 2010 and 2016, will limit the environmental risks connected with this defunct nuclear power station;
- **help to access to housing and urban services.** With its diverse offers, Bouygues endeavours to meet the needs of first-time buyers and social landlords. Bouygues Immobilier markets a significant portion of its developments (65% of block reservations in 2016) to social landlords. It also develops housing adapted to senior citizens (e.g. Les Jardins d'Arcadie). Additionally, the eco-neighbourhoods developed by Bouygues seek to factor in social diversity and public amenities;
- **fighting fuel poverty.** Bouygues Construction's solution that provides energy renovation for social housing without the need to decant the occupants helps social landlords reduce fuel poverty among low-income households;
- **developing the means of communication.** The roll-out of 4G technology, Bouygues Telecom's investment as a result of the network sharing agreement with SFR, and the laying of fibre are helping local and regional economic development as well as to expand digital services to as many as possible, especially in rural areas.

The presence of the Group's activities in a given place also helps to develop and sustain employment. Its business segments, whether in France or elsewhere, use local labour as a priority and encourage the development of local subcontractors. Colas has a positive impact on employment and regional development where it operates, through its workforce of 60,000 employees and network of long-standing local units. As customer proximity is a key factor, local jobs cannot be relocated elsewhere.

In France, the Group's companies span the entire country.

Bouygues Construction generates 47% of sales in France, where it has over 20,153 employees. Its operations span the entire country and range from building and civil works to energy and services (e.g. maintenance), concessions and more besides. Bouygues Immobilier operates 51 sites^a encompassing 1,639 employees in France (excluding subsidiaries),

based in branches, major regional offices and head offices. It also has a number of subsidiaries. Bouygues Telecom also covers the whole of France through its six directly owned customer relations centres and 523 Club Bouygues Telecom stores. This places the Group at the heart of the local economy and promotes local recruitment.

The Group's business segments are drivers of occupational integration



In France, public procurement contracts include occupational integration clauses. To apply these criteria as effectively as possible, so that people remain in employment for the long term, Bouygues Construction and Colas forge partnerships with local and national specialised organisations.

For example, occupational integration is a key part of the work on the Nîmes-Montpellier high-speed railway bypass. Connected to Réseau Ferré de France (RFF) through a public-private partnership, the Oc'Via consortium (of which Bouygues Construction and Colas are part) has undertaken to help with issues of local employment and development. Approximately 7% of total hours worked are earmarked for occupational integration. Most of these recruitments were conducted through the local job centre, which has set up a special office at the works depot. More than 400 apprenticeship contracts and permanent job contracts have been created on the worksite. Another goal of this project has been entrusting 20% of the construction work to local SMEs and artisans, who were notably called upon to work on archaeological digs, roadworks, networks and delineation of the railway line.

With just over 1 million hours annually, occupational integration features as one of Bouygues Construction's priorities, through partnerships with leading occupational integration bodies. It has signed EGF-BTP's societal and social pact, and partners nationally with L'Agence du Service Civique and Le Service Militaire Adapté. Through Terre Plurielle, its corporate foundation, Bouygues Construction has also launched schemes for promoting occupational integration for site workers at two locations: the Paris district court complex and the Nîmes-Montpellier high-speed railway bypass. Each site worker, recognised for their exemplary attitude, is coached by an employee until they find a job.

Colas partners with CNCE-GEIQ (French national committee for coordinating and evaluating groups of employers that promote occupational integration and vocational training) to fight discrimination in access to employment, with actions applied locally. In 2015 and 2016, this agreement was adapted into regional agreements between Colas subsidiaries and GEIQ committees responsible for each region.

Finally, the initiatives of the TF1 corporate foundation focus on diversity and helping young people find employment. In November 2015, the foundation was awarded the Diversity prize by the consultancy Diversity Conseil RH, acknowledging its innovative recruiting policy aimed at young talent from deprived areas. In 2016, TF1 signed the "Entreprises et Quartiers" charter, covering several departments of the Paris region. Similar to the charter of the same name signed in 2013, this new arrangement aims to encourage employment and economic development in underprivileged neighbourhoods. Companies who sign up to this charter pledge their support for making job opportunities available to people from troubled neighbourhoods and other priority zones within the Paris region, during the period from 2015 to 2020.

Furthermore, in addition to its mentoring programme, first within the company and then between companies, via the Bouygt'Elles women's network, Bouygues Telecom in 2016 started a social mentoring programme that supports ten young women from underprivileged neighbourhoods in finding their first job.

Bouygues Construction

Indicator	Scope (activity or region)	Coverage	2016	2015	Remarks
Number of hours devoted to occupational integration and the corresponding FTE equivalent (France)	France	47% of Bouygues Construction's consolidated sales	1,129,090	885,434	The number of hours has risen sharply, reflecting the company's fuller commitment to this issue. Several large-scale projects that reached their peak in 2016, especially in public works, chief among which was the extension of metro line No. 14 and the Nîmes-Montpellier railway bypass, made significant use of occupational integration contracts.
Sales generated by subcontracting to local companies ^a	Global	90% of Bouygues Construction's consolidated sales	75%	95%	Bouygues Construction contributes to local and regional economic development worldwide by buying locally. The lower percentage in 2016 resulted from the strict application of the term "local" in France.

(a) "Local" denotes sourcing from the same region in France, but national sourcing in international operations.

(a) in 32 physical locations (excluding boutiques and temporary sales offices).

Outside France, the Group endeavours to source site workers and supervisory staff locally. This provides positive results in terms of direct and indirect employment as well as fostering the transfer of expertise and supporting local communities.

For example, Bouygues Building Canada implemented a specific scheme for local Inuit populations as part of its project for redeveloping Iqaluit international airport in the province of Nunavut. Contractual obligations in regard to hiring, subcontracting and training have been defined, for the benefit of the local Inuit community, covering both the construction and the 34-year operational phase. Two major ventures have been defined. First, the company works with the government, local Inuit organisations, and training and recruitment bodies to ensure that contractual obligations are met. Second, emphasis is placed on

integration, through campaigns that raise awareness of Inuit culture, cross-cultural training, and the organisation of and presence at cultural events. Team support is considered pivotal for the project to succeed both now and in the long term.

Bouygues UK, in conjunction with Women in Construction and JobCentre Plus, introduced a scheme for helping unemployed women in the West Midlands find work in the construction industry through apprenticeships, internships and employability workshops. The two aforementioned bodies handle the recruitment side, then Bouygues UK defines an occupational integration plan in consultation with the candidates. In 2016, six women gained employment and many others joined new recruitment processes.

3.4.2 Relations with people and organisations affected by the company's business activity

3

3.4.2.1 Dialogue with stakeholders

At Bouygues, dialogue with stakeholders is conducted at three levels: group, business segment and at local level.

The Group dialogues with stakeholders, including extra-financial ratings agencies, the financial community, trade unions, government departments and NGOs, all in an effort to take their expectations even better into account.

Each business segment maps out its respective stakeholders and liaises with them regularly on their own specific issues to identify areas for improvement and the associated relevant actions. In 2016, for example, TF1 conducted an internal survey to involve employees in the prioritisation of CSR issues. In 2017, external stakeholders will be invited to complete an online questionnaire.

Customer satisfaction at the forefront of concerns

The business segments place satisfying and listening to customers at the forefront of their concerns. Measuring customer satisfaction

is a basic requirement of ISO 9001 (quality management system). Bouygues Construction and Bouygues Immobilier encourage customer surveys to be carried out at the end of each commercial phase.

In order for customer needs to be better identified and taken into account in product design, Bouygues Construction, for example, has carried out collaborative analysis on the subject of seniors living safely and independently in their own homes. Its aim is to obtain input from older people in order to design and build housing that will meet their needs, through a multi-disciplinary working group made up of landlords, sociologists, occupational therapists, home help providers and company employees. In 2016, Bouygues Construction posted a summary of the proposals on its website.

In recognition of the high-quality customer experience that it offers, Bouygues Immobilier was given the award for the year's best customer relations director by the AFRC (French Customer Relations Association)^a. This accolade honoured the transformation implemented by the Customer relations department, specifically its contribution to the digitisation and enhancement of the customer experience at every point of contact.

Customer Committee: when Bouygues Telecom involves customers in designing new offers

Since 2014, Bouygues Telecom has given customers the opportunity to help enhance its offers and services by giving them a say through the Customer Committee.

This 20-strong team – the only one of its kind in the telecoms sector – is tasked with helping Bouygues Telecom's employees improve the customer experience by devising new products and services and putting forward new ideas. This dovetails with the company's determination to place customer satisfaction at the forefront of its concerns. Bouygues Telecom asks them for their opinion on many different issues, such as the overhaul of the customer area on the website, parental controls on the Bbox home gateway, and the layout and clarity of bills.

In September 2016, the Customer Committee met in Bordeaux at one of Bouygues Telecom's in-house customer relations centres to dialogue directly with senior management. This provided an opportunity for Committee members to see how customer relations are managed and to meet customer advisors at the site, especially the digital teams providing assistance on Twitter, Facebook as well as on the help forum.

During the day, the Committee was able to discuss several topical issues with senior managers, including future plans and the development of fixed broadband and mobile networks. They also discussed more business-oriented questions such as pricing strategy, after-sales service, home gateway activation times and so forth.

(a) Award given to the Director of Customer Relations for Bouygues Immobilier, Céline Sarrazin.

At TF1, the news mediator receives opinions, queries and complaints from the public on news issues via the Viewer Relations from the TF1 and LCI websites (www.lci.fr/la-mediatrice-vous-repond). The news mediator provides explanations about how television news is produced and the rules by which it must abide. This person also notifies the newsrooms whenever several similar opinions are voiced by viewers.

Permanently in touch through social networks

External social networks are an excellent channel for exchanging with stakeholders. Besides TF1, several of the Group's entities run blogs discussing current and future trends on which users can comment: www.bouyguesdd.com, blog.bouygues-construction.com, www.demainlaville.com, www.blog-groupecolas.com.

Each of Bouygues Immobilier's flagship projects is accompanied by rich online content, posted on a dedicated website or on social media, for the purposes of informing and exchanging with project stakeholders.

Bouygues Telecom – in conjunction with the release of the Bbox Miami TV box – set up a blog containing news about the product along with tutorials, tests and a page devoted to bugs ("Miami Vices"). Through its

community of 250 in-house volunteers ("The Experts") who are on hand to deal with highly technical questions, Bouygues Telecom supports customers in their digital lives via social networks (such as Facebook and Twitter) as well as its help forum, which has close to one million monthly visitors.

TF1 keeps permanently in touch with its audiences through social networks and the TF1&vous page. Audiences can interact about shows and presenters at any time.

Lastly, the mobile apps developed for residents of Bouygues-designed eco-neighbourhoods aim to improve communication with managers, local authorities, developers and retailers based in the neighbourhood.

Consultation exercises with local authorities and local dialogue

At the local level, procedures have been introduced to promote grassroots dialogue between site and worksite managers and local residents, as well as to foster public acceptance of the Group's construction businesses (Bouygues Construction, Bouygues Immobilier and Colas).

Colas

Indicator	Scope (activity or region)	Coverage	2016	2015	Remarks
Materials production sites working to promote dialogue with local communities^a % of sales before inter-company eliminations	Global	100% of sales (before inter-company eliminations) generated by materials production activities	40%	30%	A special dialogue indicator was introduced in 2006 to assess the extent of dialogue with local residents, local elected representatives and other competent authorities. In 2016, the ten-point rise in this indicator was due partly to the action plan initiated early in the year. The sharpest increases were observed in Oceania, Central Europe and the US.

(a) Activities that can justify (through a specific report) during the reporting period that they have genuinely interacted with local residents, elected officials and government through meetings and proper responses to complaints. Supporting documentation must be kept on file.

In addition, the Group's companies work directly with local authorities for urban development projects (e.g. through the UrbanEra® initiative). Bouygues Construction also launched the Linkcity.Play e-learning game in order to involve stakeholders in its sustainable neighbourhood projects. Linkcity.Play can also be used to conduct workshops with users and local residents to enhance participatory initiatives.

As a signatory to the Operator-Municipality Guidelines (GROC) since 2006, Bouygues Telecom has committed itself to strengthening dialogue with local elected representatives and dealing transparently with local residents whenever installing relay masts in a given area. Besides complying with urban regulatory requirements, Bouygues Telecom also provides an information pack for local municipalities (which outlines the project and its purpose), which can be consulted by local residents. It does this even though not all the provisions of the Law of 9 February 2015 on information and consultation obligations regarding exposure to electromagnetic waves (known as the "Abeille" law) have come into effect. Electromagnetic-field forecasts for the planned equipment are conducted at the behest of local municipalities.

The "Waves and health" page on Bouygues Telecom's corporate website (in French) is devoted to this topic.

3.4.2.2 Patronage and partnerships

Patronage policy is implemented at Bouygues group level, within business segments and through community initiatives. The Group is active worldwide and contributes to local life wherever it operates.

The three main areas of sponsorship policy at the parent company level (Bouygues SA) are community and social projects, education and culture. The company helps and supports all kinds of initiatives, small-scale or otherwise, giving priority to long-term actions. It pays particular attention to projects sponsored by Group employees.

Each of the Group's five business segments also carries out its own patronage initiatives through their own corporate foundations.

The Francis Bouygues Foundation supports deserving students



In the educational arena, the Francis Bouygues Foundation supports motivated and deserving school-leavers from low-income families so that they can pursue long-term studies and fulfil their ambitious career goals. In the past 12 years, it has awarded grants to 666 young students (of 33 different nationalities), 271 of which have now graduated. In addition to this financial assistance (ranging from €1,500 to €10,000 annually), each grant-holder is supported by a mentor working on a voluntary basis, chosen from among Bouygues group employees (active or retired) or former grant-holders who have since found employment.

The Foundation has pledged to continue supporting equal opportunities through this channel until 2025, with the possibility of extending its commitment.

Total spending on patronage and sponsorship by the Bouygues group

€ thousands	The Francis Bouygues Foundation	Bouygues SA	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	2016 Group total	2015 Group total
Total cash spending on patronage and sponsorship	1,216	1,610	3,313	1,297	6,700	5,493	555	20,184	17,488
Total spending in kind on patronage and sponsorship					150 ^a	31,539		31,689	31,488
TOTAL	1,216	1,610	3,313	1,297	6,850	37,032	555	51,873	48,976

(a) The significant decline in donations in kind, which began in 2015 and intensified in 2016, was due to completion of the skills-patronage operation with Château de Chambord.

Focusing on skills-patronage programmes and donations in kind

Whenever possible, the Group's business segments give concrete expression to their societal commitment by volunteering their knowledge and expertise.

TF1 donates airtime to a broad variety of causes and charitable organisations. "Les Pièces Jaunes", "Les Restos du Cœur", "Sidaction", "ELA" (leukodystrophy research) and the "Laurette Fugain" charity (leukaemia research) are some of the beneficiaries receiving regular large-scale support. The TF1 TV channel provides charitable organisations with direct assistance while helping them gain in profile. This includes special prime-time operations, the production and free airing of TV spots as well as donations of game-show winnings and cash donations.

As part of its action to promote occupational integration and the training of young people from disadvantaged backgrounds, the TF1 Foundation welcomed its ninth intake from its annual recruitment competition, with 12 successful candidates joining TF1 on a two-year contract. In conjunction with the French Education Ministry, the foundation organised a new inter-company internship scheme aimed

at 14/15-year olds. Its purpose is to help pupils from disadvantaged areas see how companies work and to give them a glimpse of the careers that are on offer.

Finally, in partnership with Shine France, the CSA (French broadcasting authority) and the French Education Ministry, TF1 launched the "MyFrance" video competition for secondary school students on the theme of "living together". The prize-giving ceremony took place at the Ministry building and the first prize, awarded to Collège Simone Veil in Aulnay-sous-Bois, was aired in July 2016 on the TF1 main channel and its other stations.

Since 2014, Bouygues Immobilier has taken part in the "Rejoué" toy collection campaign. Each year this initiative results in the collection of a large amount of used games and toys, which were then reconditioned and handed out in the run-up to Christmas.

Since 2013, the Bouygues Telecom Foundation has held a biannual Pro Bono day in conjunction with the charity Pro Bono Lab. At this event, charity workers seek advice on some of the issues faced in the context of their work from volunteer employees. Subjects include marketing, strategy, finance, the web, communication and HR.

Bouygues Construction

Indicator	Scope (activity or region)	Coverage	2016	2015	Remarks
Partnerships ^a during the year supporting integration, education and health	Global	90% of Bouygues Construction's consolidated sales	386	467	Bouygues Construction has affirmed its commitment to civil society by maintaining a high number of community-related partnerships while keeping the funds allocated to these projects at a substantial level.

(a) A partnership contract, a long-term commitment to a charity, a one-time operation committing to minimum funding of €1,000.

Focusing on staff involvement

Several subsidiaries have made arrangements so that employees can take part in community action initiatives during their worktime.

For example, Bouygues Construction's corporate foundation, Terre Plurielle, supports employee-sponsored community action projects promoting access to education, employment and healthcare, through financing, skills patronage or both. In 2016, 203 projects from 25 countries were selected. Outside France, all long-term sites must carry out patronage initiatives in their local communities. In 2016, the foundation forged ties with the non-profit Entraide Scolaire Amicale, encouraging employees to give up their time to provide academic support for children from underprivileged backgrounds. Volunteers pledge to visit the student once weekly during a school year.

As part of its patronage policy, Bouygues Construction also helps rehabilitate schools and build housing in disaster-stricken areas, specifically Thailand and Haiti.

Under the Colas Life programme, employees of the company have the possibility of supporting selected NGOs. Many employees have, through volunteering, donations and skills patronage, joined efforts to promote access to education, through the "On the road to school" scheme.

The Bouygues Telecom Foundation comprises more than 600 volunteers from within the workforce. By officially becoming a charity volunteer, each staff member of Bouygues Telecom can spend 14 hours of their worktime each year on patronage initiatives. The foundation, in addition, offers employees an opportunity to propose favourite charities of their own choice for patronage, in the context of a special call for projects. Since 2011, customers have also had the opportunity to put forward charities for patronage by means of an exclusive annual call for projects. Between October 2015 and September 2016, the foundation supported 30 projects sponsored by customers and 25 by employees.

Bouygues Immobilier's Médiaterre and Solid'R schemes are also ways of involving employees (see p. 102).

Committed to urban planning and urban environments

The priorities of the Bouygues Immobilier corporate foundation are based around raising public awareness of architecture and urban planning, encouraging thinking among experts about the city of the future from a sustainable development standpoint, and promoting community action.

Since 2007, it has partnered with La Cité de l'Architecture et du Patrimoine in Paris^a. In 2016, this partnership was extended for a further three years. Its aim is to share analysis on matters such as the place of architecture in daily lives, urban construction and future land use. All of this corresponds to Bouygues Immobilier's own strategic vision, which encompasses urban environments, architectural innovation, energy efficiency, biodiversity and mobility.

Furthermore, Bouygues Immobilier's corporate foundation supports l'Observatoire de la Ville, an urban think-tank through which it can converse with all those who shape today's towns and cities. In the autumn of 2016, La Cité de l'Architecture et du Patrimoine hosted l'Observatoire de la Ville's exhibition entitled "Réver(cités), villes recyclables & résilientes," on the strategies available to towns and cities to adapt to the massive economic, social and environmental shifts that are under way.

3.4.2.3 Academic partnerships

The Bouygues group has set up partnerships with the academic world in an effort to meet major environmental and social challenges more effectively. For example, Bouygues SA took part in the creation of a specialist masters-level course called "Integrated Urban Systems", in partnership with École des Ponts ParisTech and the EIVP engineering school. To develop training programmes in sustainable construction techniques, the Bouygues group has co-designed the specialist masters-level course in sustainable housing and construction alongside ENSAM and ESTP. Bouygues Telecom and TFI have run Open Innovation initiatives (such as Hackathons and student project support) in the context of "Le Spot Bouygues" at Epitech (École de l'Innovation et de l'Expertise Informatique), where 120 m² of space is dedicated to students working on some of the Group's innovative projects.

Bouygues Immobilier, through its support of l'Observatoire de la Ville, has forged partnership ties with the urban-planning department of l'Institut d'Études Politiques in Paris, l'École des Ponts ParisTech, l'École du Design de Nantes Atlantique and Nantes University. In 2016, Bouygues Immobilier also supported students following the MBA in Environment and Sustainable Development at Pôle Universitaire Léonard de Vinci at Paris-La Défense, assigning a project on the circular economy.

For additional information, see section 1.1.4 "Bouygues and Innovation".

3.4.3 Partners, suppliers and subcontractors

Bouygues' overall performance is intrinsically linked to that of its suppliers and subcontractors. The selection of innovative products and services in technological, environmental and societal terms is essential to be able to offer the most high-performance and responsible solutions. Application of CSR to Group purchasing is one of the conditions required for promoting this partnership mindset and developing joint value creation for its customers. Lastly, Open Innovation policy at Bouygues can also be seen through its programme supporting start-ups.

3.4.3.1 Integrating CSR criteria into the purchasing policy

For a number of years, the Bouygues group has undertaken to comply with the Corporate Social Responsibility (CSR) principles defined in the UN Global Compact, and to integrate them into the purchasing processes of its subsidiaries both in France and abroad.

In 2015, the Group updated its CSR Charter for suppliers and subcontractors, which affirmed its duty of vigilance with regard to the

(a) Bouygues Immobilier has retained its status as the exclusive founding partner of La Cité de l'Architecture et du Patrimoine in Paris, the largest architectural centre in the world (22,000 m²).

social and environmental risks facing suppliers and subcontractors, as well as its determination to maintain and strengthen trusting relations and the dialogue established with them. This CSR Charter defines the Group's expectations of its suppliers and subcontractors and is systematically appended to purchasing contracts.

The Group's business segments completed the definition of their responsible purchasing policies in 2016. The purchasing departments of the Group's business segments are key to implementing these policies, which have two main components: assessment of subcontractors and suppliers, and careful selection of products and materials for their operations.

Assessment of subcontractors and suppliers

Bouygues Telecom, Bouygues Construction, Bouygues Immobilier and TF1 use external assessments to evaluate and monitor the social and environmental performance of their suppliers and subcontractors. All business segments conduct supplier CSR audits. In late 2016, for example, Bouygues Construction signed a framework contract with SGS for the latter to carry out supplier CSR audits in countries and sourcing categories classified as high risk, starting in 2017.

At Bouygues Telecom, CSR risk mapping by purchasing category is the starting point of the supplier assessment policy. The company conducts on-site audits for high-risk purchasing categories. This includes verifying the manufacturing conditions for Bouygues Telecom-branded home gateways. In 2016, the suppliers identified as high risk (of which there were ten) were subjected to at least one on-site audit.

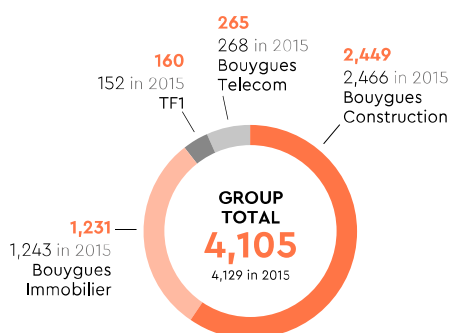
Bouygues Immobilier assesses all suppliers and subcontractors using a framework contract based on the EcoVadis platform. Small, medium-sized and micro businesses, which until now had been evaluated using a self-assessment form, will from 2017 be assessed using a digital platform to enable better tracking of their CSR performance. The company wants all of its suppliers assessed using this platform by 2020.

At TF1, a gross risk map that focuses on the critical issues of 57 families in the ex-rights purchasing nomenclature was created in 2015, based on two standards, ISO 26000 and 31000. Potential risks – covering the environment, employment law and health & safety as well as failure to respect TF1's commitments in the ethics and compliance of the content it produces and broadcasts, plus defects and hacking – have been summarised and current and planned measures indexed. The latter has been complemented with an improvement plan.

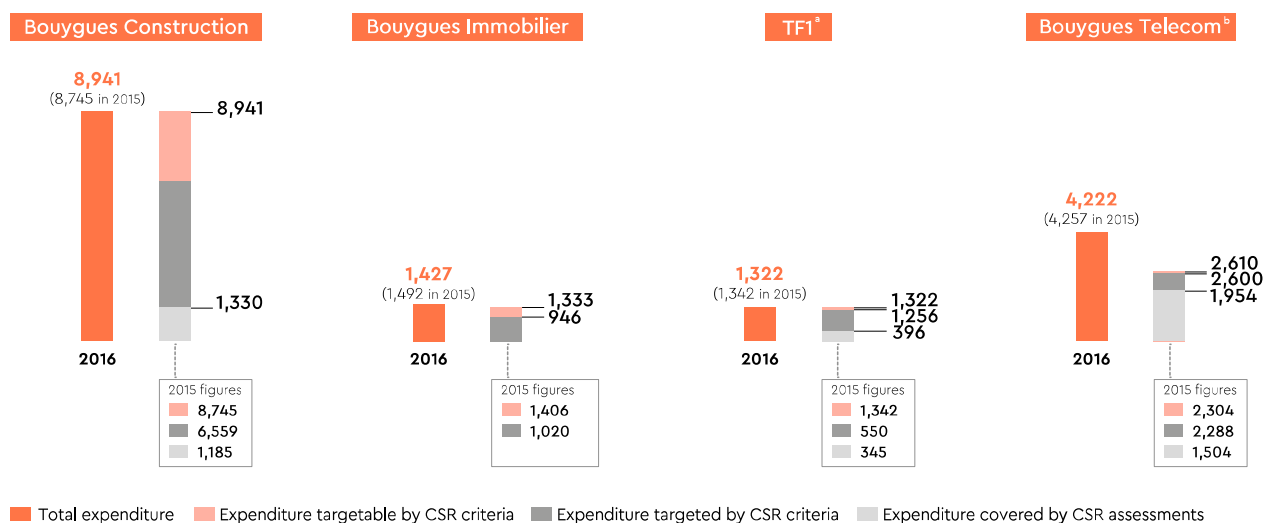
3

NUMBER OF SUPPLIERS AND/OR SUBCONTRACTORS THAT UNDERWENT A CSR ASSESSMENT

over the past three years



SHARE OF BUSINESS SEGMENT EXPENDITURE TARGETED BY CSR CRITERIA OR COVERED BY CSR ASSESSMENTS



(a) Purchasing of audiovisual rights excluded from TF1 data.

(b) Concerning Bouygues Telecom, "Total expenditure" is calculated on the basis of invoiced expenditure. The indicators measuring "targetable expenditure" and "targeted expenditure" are calculated on the basis of expenses incurred. The discrepancy between the total of invoiced expenditure and the total of incurred expenditure amounted to €4 million in 2016. This will be adjusted for in the calculation for 2017.

The Group indicators provide a snapshot, based on the overall scope of expenditure, of the proportion that is potentially targetable by CSR criteria and that which is actually covered.

Some types of expenditure (e.g. expenditure relating to rental guarantees, notary fees and financial expense) are labelled as "non-targetable" because CSR requirements cannot be realistically attributed to them.

Furthermore, a distinction is drawn between expenditure that is covered by CSR criteria and expenditure that is covered by CSR assessments, the latter being more ambitious. On the one hand, CSR criteria include all types of possible action, such as expenditure that is covered by a responsible purchasing policy, contracts with a CSR charter or clause, and suppliers selected with help from CSR criteria and/or having undergone a CSR assessment or audit over the past three years. On the other, the "Expenditure covered by CSR assessments" indicator can be used to assess the initiatives that involve suppliers the most (solely using questionnaires and internal/external CSR audits), thereby potentially giving rise to improvement plans.

Colas' responsible purchasing approach is designed to be cautious, gradual and targeted, considering the large number of suppliers, service providers and subcontractors as well as the decentralisation of purchasing decisions to subsidiaries. In 2016, Colas defined its purchasing policy with the inclusion of environmental, social and ethical commitments.

Selecting responsibly sourced products and materials

The Bouygues group's business segments are also developing policies for sourcing more responsibly sourced products and materials, based on a risk analysis of various purchasing categories.

For example, Bouygues Construction's commitment to responsible purchasing of all-important timber is reflected in its measures to fight the illegal timber trade, identify and eliminate all sourcing of threatened wood-based products, and increase the proportion of eco-certified timber purchases. This policy is enacted as part of its partnership agreement with the WWF, which was renewed for three years in 2014. Bouygues Construction has also developed a database of eco-products called Polygreen® (see p. 109). Accessible to all employees, this database contains more than 5,500 products listed according to technical, economic, health and environmental criteria, with production sites and the associated labels also specified. By consulting Polygreen®, buyers are steered towards those products most respectful of end-users' health and the environment.

In 2014, Colas won several awards for its new work clothes made in accordance with fair trade principles. A sign of the high sustainability credentials of these uniforms, to be worn by 30,000 employees, is that the organic cotton fibre from which they are made is Fairtrade-certified by Max Havelaar. The cloth was produced in European ISO 14001-certified factories, and the dyes used are Oeko Tex® Standard 100-certified. In 2016, several initiatives were pursued, such as the introduction of these uniforms outside France and the integration of initial feedback. Colas is also developing business models that enable comparison and the selection of the most appropriate solution (from the standpoint of total cost of ownership, or TCO) – one which saves on resources, reduces energy consumption and which is kinder on the environment.

Bouygues Immobilier, as part of its drive to improve air quality in its buildings and reduce pollutants responsible for VOCs (volatile organic compounds), only selects those products whose health labelling is A+. Labelling has been mandatory since 2012. This concerns materials and products, listed in nationwide catalogues, in direct contact with indoor air.

Use of the sheltered-workshop and disability-friendly sector

The use of companies in the sheltered sector, coupled with an effort to broaden the range of activities outsourced to these workshops, is a key part of the Group's responsible purchasing policy.

TF1's purchasing department lists sheltered workshops and disability-friendly companies by type of service provided (printing, catering, packaging and mail preparation, creation and communications, garden maintenance, cassette recycling, etc.).

Buyers at Bouygues Telecom question suppliers about their capacity to work on a co-contracting basis with the sheltered and disability-friendly sector, using this as a criterion to choose between them. The company is also a member of Handeco-Pas@Pas, created on the initiative of CDAF^a and major companies, to promote and facilitate subcontracting to sheltered workshops, disability-friendly companies and occupational integration programmes.

At Bouygues Immobilier, the Disability Task Force (formed in 2011) works hard to promote outsourcing to companies in the sheltered and disability-friendly sector. Disability liaison officers, coordinated by the disability officer, are responsible for implementing subcontracting initiatives with Gesat^b which markets the services of the sheltered and disability-friendly sector. A second company-wide agreement – dedicated to the employment of people with disabilities – was negotiated in 2014. This latest agreement set forth a target for increasing the amount of sales generated with the sheltered and disability-friendly sector by 5% annually.

Responsible purchasing

Lastly, the Group's business segments uphold responsible purchasing principles in accordance with the pledges set forth in the Bouygues "Conflicts of interest" compliance programme. This commitment is also enshrined and promoted in codes of ethical conduct followed by buyers at Bouygues Construction, Bouygues Telecom and TF1, and by Bouygues Construction's conclusion of a charter for major accounts and SMEs as well as the SME Charter. In 2017, Colas will officially launch its ethics charter and provide special training to increase awareness among purchasing staff of legal and CSR-related issues.

Bouygues group's requirements in favour of worker health & safety at its locations apply equally to employees, subcontractors and suppliers (see section 3.2.4. on p. 88).

(a) French Association of Purchasing Managers and Buyers.

(b) A national disabled employment network.

3.4.3.2 Supporting start-ups and SMEs

Convinced that open innovation between start-ups, SMEs and large firms can yield benefits, Bouygues began a group-wide initiative in this area in 2015^a

This implies, within each business segment, the creation of an organisational structure for co-developing projects with innovative start-ups, and a Group-wide structure to make investment decisions and back the selected start-ups within the annual budget allocation. Bouygues Développement, which is part of the Group's parent company, is responsible for selecting start-ups in search of seed money and providing innovation in connection with the operational topics identified by the business segments. It also coordinates the network of innovation structures within the business segments.

■ As part of its innovation drive, which draws on 126 partnerships (with companies, universities, start-ups and NGOs), Bouygues Construction in 2015 founded Construction Venture, which is a fund that will invest in at least three or four start-ups per year, supporting them for a period of five years. To expand the scope of this venture, Bouygues Construction is participating in an open innovation scheme in Asia bringing together several French multinationals, including Veolia, PSA and Thales. The company has also forged a policy for promoting relations with start-ups and SMEs. In 2016, meetings were held with more than 500 start-ups and SMEs, 70 trials were launched, ten start-ups and SMEs started serving the entire company and four investments were made, for example in Saagie, which uses big data for the purposes of predictive maintenance, and in Intent Technologies, which runs an "app store" offering building-related services to residents, property investment companies/landlords and service providers.

A special sourcing operation was launched through the MatchingUp scheme, focusing on the offices of the future.

■ In 2015, Bouygues Immobilier founded Bird (Bouygues Immobilier R&D), a subsidiary investing in start-ups focused on the property development sector. Bird has set itself the target for supporting 50 start-ups out to 2020. Since its creation, it has invested in five start-ups. One is Bepark (smart parking), which enables car drivers to use the parking spaces not occupied by businesses outside of office hours plus during weekends and public holidays. Another is Yad Space, a creative agency specialising in the design and lay-out of unique and innovative spaces that aims to design the next generation of office and business premises. It has already worked together with Nextdoor, a subsidiary of Bouygues Immobilier.

Additionally, Bouygues Immobilier, through its Lyon regional office, partners with Tuba, a project run by the Lyon Urban Data public-private consortium. Its aim is to support start-ups specialising in urban services, which specifically generate and reuse data for improving quality of life in the city of the future. Bouygues Immobilier, in conjunction with the French post office (La Poste), Sopra Steria and Veolia, has also created Bordeaux Metro Pulse, an innovation provider aimed at creating new services and applications for improving quality of life in the Bordeaux metropolitan area and increasing its economic appeal.

■ TF1, which sees digital technologies as key to business development, has initiated a partnership policy with the start-up ecosystem through the creation of One Innovation, a private equity fund with an initial budget of €2 million. The latter's aim is to provide financial support to between five and ten start-ups before their first or second rounds of fund-raising.

This arrangement is a useful addition to the existing incubator scheme initiated in tandem with Paris&Co. TF1 and the Municipality of Paris' innovation agency have forged a partnership to create an incubation programme on the theme of "New products and services". Through this, TF1 hopes to form new partnerships in connection with its business activity. In addition, TF1 has developed a Media for Equity strategy, whereby advertising slots are exchanged for equity stakes, thus enabling more mature start-ups with a mainstream slant to gain TV exposure.

■ Bouygues Telecom has supported open innovation since 2010. Since its inception, Bouygues Telecom Initiatives (BTI), a start-up incubator, has:

- reviewed 1,300 projects, conducted 36 co-development projects between a sponsoring operational department within Bouygues Telecom and a fledgling tech start-up;
- acquired nine equity stakes (with four of these companies conducting two or more successive funding rounds);
- created and coordinated a network of several dozen partner incubators and private equity funds. One of the start-ups that it recently invested in is lfeelsmart, which develops and deploys advanced user interfaces for smart TVs. One of its creations is the interface used on the Bbox Miami TV box, sold by Bouygues Telecom.

In 2016, Bouygues Telecom also worked alongside two innovative start-ups: Leankr, which offers additional content for the B.tv app (for watching TV on mobile devices), and ByPath, which offers sales staff in the Entreprises business customer division a system for optimising customer prospecting and follow-up (by processing the plethora of information available on the web using algorithms).

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(a) For additional information, see section 1.1.4. (Open Innovation)

3.4.4 Responsible practices

3.4.4.1 Initiatives in place to guard against corruption

The Group's Code of Ethics, disseminated since 2006, states that the Group's activity and, in particular, the negotiation and performance of contracts, whether in the private or public sector, must not give rise to bribery, influence peddling or similar offences. It describes the Group's position and the resulting obligations and responsibilities.

Approved in 2014, an anti-corruption compliance programme document clearly states the Group's zero-tolerance stance on corruption and its position as to the duty of understanding and care that everyone must exercise, along with the resulting responsibilities – especially for executives.

It summarises the appropriate legislation in force and devotes specific sections to Group rules and recommendations applicable to various practices that are prone to a risk of corruption, namely gifts and services, financing of political parties, patronage, sponsorship, use of business intermediaries and lobbying. Lastly, it lays down the measures with regard to information, training and prevention, together with monitoring and the sanctions that must be taken within each business segment, on the initiative of the respective CEO. The compliance programme will be updated in 2017 to take account of the provisions of the Sapin 2 Act relating to the prevention of corruption.

Prevention

The Group's Anti-Corruption Compliance Programme specifies that all senior executives who have operational responsibility for a Group entity (subsidiary, branch, division, etc.) must implement appropriate corruption prevention measures. They will be supported in this by the compliance officer and the ethics committee of the business segment.

Summarily, the following preventive measures are provided for by the Compliance Programme:

- implementation by legal departments of training and preventive actions in the area of best business practices, expertise in anti-corruption law, selection of specialist lawyers;
- implementation by finance and accounting departments of financial principles mitigating the Group's exposure to risk, particularly in order to prevent the use of payment systems for fraudulent or corrupt purposes;
- a clear statement – when delegating authority to employees in charge of an entity, a department or a project, or who are authorised to make financial commitments or who work in a sales or purchasing department – of rules forbidding corrupt behaviour of all kinds; insertion of same clauses by subsidiaries into the employment contracts of persons concerned and/or into the company's rules of procedure;
- review by each business segment of compliance of operations with applicable legislation and the Compliance Programme when launching and completing all major projects or when launching a new business activity;
- the requirement, when a company is being acquired, to pay special attention to the target company's compliance with anti-corruption

regulation and, unless otherwise specifically justified, obtain specific warranties from the vendor;

- as part of the annual risk mapping process within each Group subsidiary, analysis of the corruption risks inherent in the business segment's activities.

The Compliance Programme states that senior executives or employees who are aware of a practice that might be considered as corrupt should inform their hierarchy and legal department immediately. It further states that senior executives and employees may also use the whistleblowing facility within each business segment to report corrupt practices.

Training

The Group Anti-Corruption Compliance Programme states that senior executives and employees involved in obtaining and negotiating contracts or purchases for their company must be aware of and understand the broad outlines of the anti-corruption laws and the risks involved in their breach. It specifies that, within one year of their appointment, employees who are given responsibility for a subsidiary or equivalent entity, a sales function, or an assignment within a purchasing department are required to attend an anti-corruption training course run by or validated by the compliance officer of the relevant business segment. The compliance officer will determine the most appropriate training method and make sure that these employees are given regular refresher courses to keep their knowledge and assessment of the risks up to date.

More generally, the Anti-Corruption Compliance Programme requires that each Group entity includes an anti-corruption compliance component in their training modules tailored to the various employee categories concerned. It requires that all business segments must, in line with their training policy, introduce a simple, brief, general training module, accessible at all times through e-learning. Employees should be urged to consult this e-learning programme regularly.

Each subsidiary also organises training courses tailored to the different levels of management. They transmit the Group's ethical principles and values in practical ways, addressing the specific issues and risks associated with the subsidiary's business.

At Bouygues Construction, for example, all existing training programmes for sales staff and future managers incorporate an ethics and compliance module. Following on from initiatives undertaken since 2011, the special ethics and compliance training plan has been implemented within each Bouygues Construction entity through training modules targeting specific categories of employees. In addition, an ethics component has been added to training programmes for young and experienced managers viewed as high potential, as well as to the legal training taken by buyers that have been in their posts for less than a year. Altogether, there are more than 50 training modules relating to business ethics and compliance.

In order to improve performance in this area, a single and common set of communications materials were disseminated to all entities in 2016, although with the option of adapting them to different audiences (France, international activities, high potential employees, etc.).



In order to expand and improve training performance, a specific e-learning module called Fair Deal was launched in December 2015 for 30,000 employees in France and abroad. The Fair Deal programme is available in four different languages. Employees are shown real-life situations whose themes are corruption, anti-competitive practices, gifts and invitations, as well as patronage and corporate sponsoring actions. In 2016, 12,107 employees were asked to take part in the Fair Deal training programme. In 2017, the roll-out of this programme will continue, with the e-learning module being made available to all Group employees so that they may take it at any moment, particularly new hires.

Business at Colas is highly decentralised and a large number of staff members are in a position to enter into contracts, particularly with public-sector customers. Training modules, refresher courses and controls are implemented on a regular basis, according to programmes that aim to cover all of the subsidiaries. The main actions carried out in 2016 related to:

- the appointment of a Compliance officer in every region where Colas does business: North America, Central Europe, Oceania, the Middle East, the Indian Ocean, Belgium, Switzerland, the UK, Northern Europe, Africa, Morocco, the French West Indies/French Guiana, and mainland France;
- ongoing training of subsidiaries in "Business Ethics and Accountability", which includes the Bouygues group's compliance programmes;
- in the US, the development of the ethics programme "The Right Turn" continued in 2016, with the dissemination of its new code of conduct (defined in 2014) to all subsidiaries, complementing local training programmes.

A whistle-blowing procedure for Colas employees was launched at the beginning of 2017. "Fair Play", an ethics e-learning training session in the form of a serious game^(a), is in the process of operational testing; it will be made available to employees (initially at French subsidiaries) from the second quarter of 2017.

At Bouygues Immobilier, an e-learning training module on business ethics has been dispensed since July 2016 to all employees. This practical module comprises a number of actual situations that present an ethical risk. It explains how to anticipate and react using suitable behaviour. It also comprises a presentation of how the whistleblowing procedure works at Bouygues Immobilier. By the end of 2016, out of 1,677 employees present, 972 had taken the ethics module, equating to 58% of the headcount; 894 had completed it fully and 78 were still doing it. Only 705 employees had still not taken the training programme.

At TF1, arrangements are in place – in the form of special training and awareness-building exercises – to support managers in fully understanding and applying these programmes, as well as with raising awareness within their teams. As a follow-up measure to the Code of Ethics, a practical guide containing contextual details and examples from the business segments, was made available to employees. Furthermore, TF1 has made all the members of its general management committee give a clear and personal commitment to comply with, ensure compliance with, and implement the group's compliance programmes within their organisation. This initiative was backed up with a number of specific awareness-raising actions amongst senior executives, particularly concerning the provisions of the Sapin 2 Act, as well as a mapping of the risks within all the group's business activities.

(a) An app that combines the serious aspects (Serious) of instruction, learning, communication or information, with the fun aspects of video games (Game) – based on the definition of researcher Julian Alvarez.

Bouygues Telecom's approach to business ethics aims to help employees in their everyday activity and to prevent the risk of non-ethical practices, such as corruption, via a business ethics guide (accessible to all employees) and training. At the same time, Bouygues Telecom has inserted commitments relating to compliance with the ethics guide in delegations or assignments of duties, contracts, and its general purchasing policy.

For many years, senior managers have been given training in ethics and the Bouygues group's values, dispensed by the Bouygues Management Institute (IMB). Resources and training courses include an international cycle and seminars on "Respect and Performance", "Corporate, Social and Environmental Responsibility", the "Development of Bouygues Values" and, more recently, seminars on "Responsibility within Organisations" and "Respect and Management". More than 700 senior executives have attended training courses since the Bouygues Management Institute was set up in 2002.

Control

The fight against corruption is a theme of the Group's Internal Control Reference Manual. A business segment may add specific provisions to this manual where necessary to make the Compliance Programme more effective. Its effectiveness is monitored regularly by means of a self-assessment of the internal control principles implemented in the business segments and their subsidiaries.

During their regular or specific internal audit assignments, the audit departments, assisted by the anti-corruption compliance officers, periodically make sure that the Group's operations comply with the principles of the Compliance Programme and the Group's and business segment's Internal Control Reference Manual. If necessary, the conclusions of the internal audit report are sent to the business segment's ethics committee and ethics manager. They are then taken into account, where necessary, to strengthen the Compliance Programme and any other mechanisms implemented to ensure that it is duly and properly implemented.

3.4.4.2 Accessibility of offers and services

The Bouygues group's objective is to make its products and services accessible to the greatest number of people possible. Its media and telecoms activities also focus on the accessibility of their services and digital technology.

One of the founding values underpinning Bouygues Telecom's market positioning is to make the benefits of digital technology accessible to as many people as possible. This commitment is conveyed by the practising of entry-level prices, though not at the expense of service quality. An example is the Bbox, which is the best value-for-money home gateway on the market. Bouygues Telecom also offers solutions enabling people to keep pace with technological progress and own a smartphone, e.g. through flexible payment options and the purchasing of pre-owned handsets.

To help expand telecommunications network accessibility and reduce the digital divide, Bouygues Telecom participates in shared network coverage programmes with other operators. For example, it is improving coverage of blind spot areas, and is ramping up the roll-out of its mobile network thanks to the network sharing agreement signed with SFR in 2014. This, in turn, is leading to faster 4G roll-out nationwide, backed with a commitment to provide 4G coverage to 99% of the population by the end of 2018.

Furthermore, since 2005, Bouygues Telecom has been working hard to help disabled people access electronic communications services. One way has been making customer services accessible to people with total or partial hearing loss. Another is the offer of free installation of speech recognition and magnification software for customers who have impaired vision. In 2015, the company observed that 97% of its stores were accessible to disabled people. In 2016, installation and user guides for the Xbox Miami were made available in Braille.

The TF1 main channel ensures that its programmes are accessible, especially to people with impaired hearing (subtitling or sign language) or vision (audio description). The theme channels operated by TF1 have gone beyond statutory requirements in their subtitling. TF1 has also signed the CSA's (French broadcasting authority) Charter on Subtitling Quality.

3.4.4.3 Security of personal data

The protection of personal data^a has become an ever-pressing CSR issue for the Group's media and telecoms operations since 2013.

The websites and applications of e-TF1 comply with the entire range of legal provisions, consultable by visiting the website of the Cnil (French Data Protection Authority) – www.cnil.fr. The privacy policy governing consumers' personal data can be consulted on the TF1 website and must be agreed to when registering for services. Concerning recommendations relative to cookies and other tracking files covered by Article 32-II of the law of 6 January 1978 (according to the specific resolution on cookies, 2013-378 of 5 December 2013), TF1 regularly checks – chiefly through cookie audits – those files placed during visits to electronic communication services published by e-TF1 (standard and mobile websites, applications) to ensure that they are lawful.

TF1 has made all business partners aware of the liability regime established by the Cnil under Article 3 of the specific resolution as agents placing and reading cookies. Likewise, the group makes it clear in contracts signed with technological, publishing and advertising partners that regulations on the protection of web-user data must be respected.

To guarantee data security on websites and in applications, the TF1 furthermore operates an official policy governing the processing and securing of collected personal data, in compliance with legislation. It is regularly checked and audited. Ahead of the application, in 2018, of Regulation (EU) 2016/679 of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, TF1 has set up a working group comprising employees from the legal department, the Innovation and Development department and business lines to prepare for the required technical and organisation changes.

Bouygues Telecom has devoted part of its code of conduct to privacy and informational issues, according to which Bouygues Telecom undertakes to:

- abide by the principles and rules on data protection, including the use of enabling and personalised access control systems;
- implement the necessary means to ensure that data protection, data storage, and the treatment and exchange of data complies with its security policy, in particular the General Policy on Data Security.

Consequently, accessibility of customer data must be limited in terms of nature and usage to those persons expressly empowered for the purpose of their jobs. All customer data exchanged externally is encrypted. Furthermore, Bouygues Telecom secures personal customer data by ensuring that data is only processed for its intended purpose, within the meaning of the 1978 law on the protection of personal data. It uses contract terms to ensure that this commitment is also respected by service providers and business partners to which personal customer data may be transmitted.

Bouygues Telecom's website offers factsheets that advise customers on how to protect their personal data and safeguard their privacy. For example, in 2016, new factsheets were posted online, covering subjects from password protection to the online management of confidential information and virus protection.

This year, Bouygues SA plans to set up a working group of people from the IT and legal departments of all the business segments to discuss how to prepare for Regulation (EU) 2016-679 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data.

3.4.5 Product quality, safety and comfort

At the Bouygues group, respect for customers and users is a core value common to all its activities. This mindset is especially prominent in the commitments that it upholds for protecting the health and safety of users, as well as the requirement that it imposes on the quality and user comfort of its products.

3.4.5.1 Protecting consumer and user health and safety

Air quality within buildings

Bouygues Construction and Bouygues Immobilier have been working for several years to improve the air quality of their buildings. They have begun measuring this and are striving to improve it through the use of suitable materials and more efficient ventilation systems that can be regulated in real time using sensors.

(a) "Personal data means any information relating to a natural person who is or can be identified, directly or indirectly, by reference to an identification number or to one or more factors specific to them." Article 2 of French Data Protection law 78-17 of 6 January 1978.

Bouygues Construction has conducted several campaigns and is designing solutions to lower the levels of primary pollutants. Additionally, the Polygreen® database encourages buyers to procure goods that have no negative impact on end-users' health (see p. 109).

Bouygues Immobilier continues to operate "Inspir"^a, a partnership with seven other companies promoting improved indoor air quality. During the first phase, the impact of building use and operation on indoor air quality was analysed. A second phase began in 2016, aiming to apply the experimental methodology on managing air quality developed by Ademe (the French environment and energy management agency) to four pilot projects at various stages of progress. The ultimate goal is to incorporate air quality at every stage of the process, from design to handover. Feedback from these pilot projects will also serve to substantiate the above methodology by supplying concrete examples and outlining any areas that could be optimised. This trial-and-error approach will in the next 12 months result in better management of air quality in various living spaces.

Electromagnetic fields

Bouygues Telecom contributes through the Ifer^b to the financing of electromagnetic-field measurement by companies certified by the French Accreditation Committee (Cofrac). This is carried out in accordance with new government rules on electromagnetic-field measurement, in force since January 2014. Findings can be consulted by visiting www.cartoradio.fr.

Furthermore, in order to inform its existing and potential customers, Bouygues Telecom continued to distribute the French Telecoms Federation's information leaflet, entitled *Mon mobile et ma santé* (My mobile phone and my health). It has expanded the range of advice given in stores, on websites and in brochures, particularly regarding the specific absorption rates (SAR) of handsets and regarding recommendations promoting the use of the hands-free kits that come with the phones. Lastly, a series of tutorials on issues relating to radio waves and the impacts on health of mobile handsets and masts have been posted on social media. The "Waves and health" page on Bouygues Telecom's corporate website (in French) is devoted to this topic.

Road safety

Colas carries out R&D in several areas to meet road safety challenges, focusing on:

- producing a range of high-performance surfacing that provides better tyre grip (textured and/or draining products to limit skidding in rainy weather);

- improving visibility (work on road markings in cold or wet weather and at night);
- manufacturing road safety equipment (by Aximum, its Road safety and signalling subsidiary).

Additionally, Bouygues Construction has installed a full video-surveillance system for the Abidjan motorway and bridge (Ivory Coast). This covers a total stretch of eight kilometres. Incidents are detected automatically through real-time image analysis. For example, it can detect stoppages on the motorway and unusual behaviour by pedestrians. Extra services, using a surveillance drone, are currently under consideration.

3.4.5.2 Product and service usage quality

Quality and user comfort are distinguishing features in the products and services marketed by the Bouygues group.

For example, the eco-neighbourhoods built by Bouygues Construction and developed by Bouygues Immobilier represent a huge stride forward in improving residents' quality of life, via the provision of convenience services, soft mobility, digital services, urban biodiversity, etc.

For the structures that it builds, Bouygues Construction thinks ahead about every possible issue, employing user surveys to gauge the effectiveness of existing products and services.

For several years, Bouygues Construction has been studying the use value of the office buildings that it builds, with the aim of creating a system for estimating the impact of technical and functional solutions on occupant performance. A reference base developed in tandem with Goodwill Management studies the connection between a building and its occupants' motivation, mood, physical well-being, absenteeism and time wasted in the building. In 2016, a working group comprising Gecina, Foncière des Régions, EDF, Sanofi, Bouygues Construction and Goodwill Management supplemented the process with field surveys, measuring performance variation by addressing occupants directly. The findings of this research highlighted the advantages of taking usage-quality criteria into account right from the design phase.

Since 2016, Bouygues Immobilier has offered connected smart homes to its customers. Thanks to wireless, battery-less 'full-radio', the Flexom app can be used to manage household features such as lighting, shutters or heating, either from inside the apartment or remotely, with a smartphone or tablet. Bouygues Immobilier has pledged that all homes handed over in France will be equipped with Flexom by 2020.

3

Nextdoor, a Bouygues Immobilier subsidiary, is revolutionising workspaces

Since 2014, Bouygues Immobilier has been developing a network of high-quality third places under the Nextdoor brand, offering businesses a range of top-notch workspaces comprising both private and shared offices. This innovative offering reflects the shift towards more nimble working methods while ensuring a pleasant working environment, thanks to coworking spaces, a concierge service, gardens, and business and festive events that promote interaction.

The first Nextdoor opened in Issy-les-Moulineaux, near Paris, in 2015. The network grew in 2016, with two new locations added in the Paris region: Nextdoor Cœur Défense (in Europe's largest business district) and Le Village Nextdoor, in Issy-les-Moulineaux. Nextdoor is part of Bouygues Immobilier's sustainable development policy, and it aims to have 20 such locations in service by 2020. By fleshing out its network rapidly, Nextdoor office spaces will become a useful way of reducing emissions from commuting and business-related travel in the areas where they are located.

In addition, Bouygues Immobilier in 2016 launched Nextdoor Business Solutions, a range of services that large companies can use to rethink their office arrangements with a view to maximising employee well-being, promoting dialogue and collaborative working, as well as optimising floorspace and saving on costs.

(a) This is part of the call for research proposals launched by Ademe under the heading "Responsible Buildings in 2020".

(b) Flat-rate tax on network businesses (Ifer).

Bouygues Telecom endeavours to ensure that its customers have a reliable mobile network at their disposal. In 2016, it once again received accolades from Arcep's^(a) observatory (the nPerf survey) for the high

quality of its 4G network, and was ranked in second place (after Orange) for 4G speeds and coverage.

Diversity within TF1's programming

Fighting stereotypes and broadly representing diversity in society in its broadcasts represent a firm commitment of TF1's diversity policy. The awarding of the "Diversité" equal-treatment label in 2010 provided an opportunity for motivating and training employees on diversity. As a result, all those responsible for programme production, including heads of programme units, followed a dedicated training module for the recognition of diversity in all its forms. TF1 will apply in 2017 for this label to be extended.

To increase overall representation of every kind of diversity in its content, awareness of the issue is raised with outside producers with whom TF1 works. For example, for the TV show *The Voice Kids*, Shine Production ran casting sessions nationwide, which included France's overseas territories and departments. It even ran a session in Mauritius.

In 2016, the channel conducted two studies to gauge the prevalence of diversity in its TV news bulletins, factoring in qualitative criteria and based on a stringent, transparent and replicable methodology. The first study looked at the place of women in news programmes; the second, managed by Credoc, examined representation of ethnic minorities in this same context. The findings will be used to frame action and communication plans to be implemented by the TF1 newsroom.

Lastly, the Group's Media and Telecoms activities endeavour to shield younger viewers from the risks arising from television and the web. At TF1, for the past ten years, a psychologist systematically views series for teenagers bought or co-produced by the channel, working closely with the creative team. This person can suggest edits and may even qualify episodes as not apt for broadcasting, if these images are deemed inappropriate for younger viewers. These recommendations are always

followed. TF1 also pays particular attention to safe browsing by users on its TFou.fr website for children, by moderating content, protecting children's personal data and taking other measures besides.

Bouygues Telecom has adopted a proactive stance to guarantee the protection of children and teenagers from inappropriate online content. A parental-control solution for mobile, PCs and TVs is available free of charge.

(a) French telecommunications regulator

3.5 Independent verifier's report on the consolidated human resources, environmental and social information presented in this Registration Document (year ended 31 December 2016)

To the shareholders,

In our quality as an independent verifier accredited by Cofrac^a under the number n° 3-1050, and as a member of the network of one of the statutory auditors of Bouygues, we present our report on the consolidated human resources, environmental and social information established for the year ended on the 31st December 2016, presented in chapter 3 "Human resources, environmental and social information" of the Registration document, hereafter referred to as the "CSR Information", pursuant to the provisions of the article L.225-102-1 of the French Commercial code (Code de commerce).

Responsibility of the company

It is the responsibility of the Board of Directors to establish a Registration document including CSR Information referred to in the article R. 225-105-1 of the French Commercial code (Code de commerce), prepared in accordance with the protocols used by the company, composed of Bouygues group's human resources, environmental and social reporting protocol in its version dated September 2016, supplemented by the reporting protocols of its five business segments (hereafter referred to as the "Criteria"), and of which a summary is included in introduction to chapter "3.1.3 CSR reporting methodology" of the Registration document and available on request at the company's headquarters.

Independence and quality control

Our independence is defined by regulatory requirements, the Code of Ethics of our profession as well as the provisions in the article L. 822-11 of the French Commercial code (Code de commerce). In addition, we have implemented a quality control system, including documented policies and procedures to ensure compliance with ethical standards, professional standards and applicable laws and regulations.

Responsibility of the independent verifier

It is our role, based on our work:

- to attest whether the required CSR Information is present in the Registration document or, in the case of its omission, that an appropriate explanation has been provided, in accordance with the third paragraph of R. 225-105 of the French Commercial code (Code de commerce) (Attestation of presence of CSR Information);
- to express a limited assurance conclusion, that the CSR Information, overall, is fairly presented, in all material aspects, in according with the Criteria;

Our verification work requiring the expertise of a team of ten people took place between July 2016 and February 2017 for a total duration of eighteen weeks.

We conducted the work described below in accordance with the professional standards applicable in France and the Order of 13 May 2013 determining the conditions under which an independent third-party verifier conducts its mission, and in relation to the opinion of fairness and the reasonable assurance report, in accordance with the international standard ISAE 3000^b.

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(a) Scope available at www.cofrac.fr.

(b) ISAE 3000 - Assurance engagements other than audits or reviews of historical information.

1. Attestation of presence of CSR Information

NATURE AND SCOPE OF THE WORK

We obtained an understanding of the company's CSR issues, based on interviews with the management of relevant departments, a presentation of the company's strategy on sustainable development based on the social and environmental consequences linked to the activities of the company and its societal commitments, as well as, where appropriate, resulting actions or programmes.

We have compared the information presented in the Registration document with the list as provided for in the Article R. 225-105-1 of the French Commercial code (*Code de commerce*).

In the absence of certain consolidated information, we have verified that the explanations were provided in accordance with the provisions in Article R. 225-105-1, paragraph 3, of the French Commercial code (*Code de commerce*).

We verified that the information covers the consolidated perimeter, namely the entity and its subsidiaries, as aligned with the meaning of the Article L.233-1 and the entities which it controls, as aligned with the meaning of the Article L.233-3 of the French Commercial code (*Code de commerce*), with the limitations specified in the methodology described in section "3.1.3 CSR reporting methodology" of the Registration document.

CONCLUSION

Based on this work, and given the limitations mentioned above, we confirm the presence in the Registration document of the required CSR information.

2. Limited assurance on CSR Information

NATURE AND SCOPE OF THE WORK

We undertook interviews with about sixty people responsible for the preparation of the CSR Information in the different departments of the consolidated company and its five business segments, in charge of the data collection process and, if applicable, the people responsible for internal control processes and risk management, in order to:

- assess the suitability of the Criteria for reporting, in relation to their relevance, completeness, reliability, neutrality, and understandability, taking into consideration, if relevant, industry standards;

- verify the implementation of the process for the collection, compilation, processing and control for completeness and consistency of the CSR Information and identify the procedures for internal control and risk management related to the preparation of the CSR Information.

We determined the nature and extent of our tests and inspections based on the nature and importance of the CSR Information, in relation to the characteristics of the Company, its social and environmental issues, its strategy in relation to sustainable development and industry best practices.

For the CSR Information that we considered the most important^a:

- At the level of the consolidated entity and its five business segments (Bouygues Construction, Bouygues Immobilier, Colas, TFI, Bouygues Telecom), we consulted documentary sources and conducted interviews to corroborate the qualitative information (organisation, policies, actions, etc.), we implemented analytical procedures on the quantitative information and verified, on a test basis, the calculations and the compilation of the information, and also verified their coherence and consistency with the other information presented in the Registration document ;
- at the level of the two most contributing business segments to the environmental and human resources impacts (Colas and Bouygues Construction, representing about 90% of the workforce and consolidated greenhouse gas emissions – scope 1, 2 and 3), we selected a sample of representative entities^b, based on their activity, their contribution to the consolidated indicators, their location and a risk analysis. We undertook interviews to verify the correct application of the procedures and undertook detailed tests on the basis of samples, consisting in verifying the calculations made and linking them with supporting documentation. The sample selected therefore represents on average 10% of the sales and the total workforce of the two business segments.
- At the level of the three other business segments (Bouygues Immobilier, TFI and Bouygues Telecom), supporting documents available at headquarters cover almost all activities.

For the other consolidated CSR information, we assessed their consistency in relation to our knowledge of the company.

(a) Human resources information:

- Quantitative information (indicators): workforce (total headcount and trend), share of women managers (International), frequency and severity rates of workplace accidents (World), absenteeism and occupational illnesses (France), share of companies providing social protection (International), share of companies with a training plan and the number of training days (International).
- Qualitative information: employment, health and safety at the work place, training policies, development of digital skills (TFI) and labour relations (TFI and Bouygues Telecom).

Environmental and social information:

- Quantitative information (indicators): percentage of Bouygues Construction's activity covered by an ISO 14001-certified environmental management system, percentage of buildings with environmental labelling or certification in the yearly order intake when Bouygues Construction is the prescriber, percentage of Bouygues Construction's worksites with an Ecosite label, the share of Colas material production activities with a system for managing environmental impacts (environmental certification, Colas check-lists) or implementing initiatives in favour of local dialogue, percentage of aggregate production sites activity working to promote biodiversity for Colas, roll-out of the BiodiverCity label, surface area of Green Office® commercial property developments, number of positive-energy/passive-energy housing units in construction or handed over during the year and number of sites including a commitment for smart grid roll-out for Bouygues Immobilier, recycling percentage of Bouygues Construction's non-hazardous waste, number of Bouygues Telecom handsets collected for recycling or re-use, volumes of recycled materials and asphalt mix for Colas, share of permanent activities located in highly water-stressed areas, energy bill and energy consumed per tonne of asphalt mix produced, and share of warm and cold asphalt mixes for Colas, power consumption at Bouygues Telecom, and expenditure targeted by CSR criteria at TFI.
- Qualitative information: general environmental policy, certification initiatives, measures to improve energy efficiency and raw material consumption (water consumption in water-stressed areas for Bouygues Construction, eco-design of Bouygues Telecom home gateways, Colas' cLEANergie programme), greenhouse gas emissions, relations with subcontractors and suppliers (responsible purchasing policy and percentage of sales outsourced to local companies for Bouygues Construction), business ethics and initiatives in place to guard against corruption (code of ethics and compliance programme), measures to protect consumer health and safety (protection of personal data), diversity in programmes and in news regulated by the CSA for TFI

(b) For Colas, the entities Colas Sud-Ouest (France), Grands Travaux et Voies (GTV – France), Colas Rail Belgique and Colas Belgium, Terrus (Canada); for Bouygues Construction, the entities Bouygues Travaux Publics-Grands Travaux France, Bouygues Bâtiment Ile-de-France Habitat Social, VCES (Czech Republic), Bouygues Thailand limited and VSL Thailand Company Limited.

Finally, we assessed the relevance of the explanations provided, if appropriate, in the partial or total absence of certain information taking into account, if relevant, professional best practices.

We consider that the sample methods and sizes of the samples that we considered by exercising our professional judgment allow us to express a limited assurance conclusion; an assurance of a higher level would have required more extensive verification work. Due to the necessary use of sampling techniques and other limitations inherent

in the functioning of any information and internal control system, the risk of non-detection of a significant anomaly in the CSR Information cannot be entirely eliminated.

CONCLUSION

Based on this work, we have not identified any significant misstatement that causes us to believe that the CSR Information, taken together, has not been fairly presented, in compliance with the Criteria.

Paris-La Défense, 22 February 2017

Independent Verifier

Ernst & Young et Associés

Éric Mugnier

Partner, Sustainable Development

Bruno Perrin

Partner

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HUMAN RESOURCES, ENVIRONMENTAL AND SOCIAL INFORMATION