



## **2013 Communication on Progress for Bouygues Construction**



**Sustainable Development Department – September 2013**





The President

18 September 2013

#### **Statement of support for the Global Compact**

Since 2006, Bouygues Construction has been committed to supporting and promoting, within its sphere of influence, the ten principles of the United Nations Global Compact regarding human and labour rights, protecting the environment and fighting corruption.

We are renewing our commitment to translating these principles into concrete actions, through our sustainable development policy, which is based on four main themes relating to the environment and sustainable construction, the involvement of our clients and partners in sustainable projects, local commitment and solidarity, and the personal development of our employees.

Over the course of the year, our businesses have implemented numerous actions arising from these major strategies. These are described in our corporate social responsibility report of response to the French article 225 from Grenelle Law but also in our activity report, which is enclosed with this Progress Report. In this report, one section is dedicated to the sustainable development policy management and presents the non-financial indicators enabling us to measure the progress of our sustainable development policy.

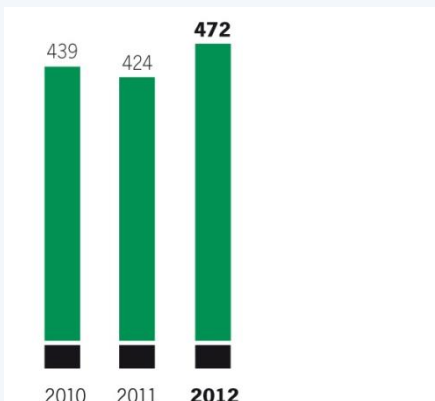

We also wanted to highlight the way our actions are implementing the ten principles of the Global Compact, and have therefore drawn up a summary table taking the actions put in place by Bouygues Construction for each of the principles, and presenting the associated performance indicators as well as the link with corporate social responsibility report (see further on).

As President and Chief Executive Officer of Bouygues Construction, I would like to confirm our company's commitment to the initiative for progress created by the Global Compact.

A handwritten signature in blue ink, consisting of a large 'Y' and 'G' intertwined.

Yves Gabriel



GLOBAL COMPACT PRINCIPLES	2012 KEY ACTIONS	SECTIONS ADDRESSED IN THE 2012 CSR REPORT (response to Article 225)																
Human rights																		
1. The companies are encouraged to promote and comply with international laws on human rights protection within their sphere of influence;	<p><b>Ethics and respecting basic human rights</b></p> <ul style="list-style-type: none"><li>- The Bouygues code of ethics is distributed to all employees.</li><li>- An Ethics and Compliance training programme for all Management Committees and sales/management functions.</li><li>- Company's local staff are held to stricter health and safety standards than local legislation in many countries.</li><li>- Decent working conditions and lodgings which are sensitive to culture and community.</li><li>- A rule to refuse any work in UN embargo countries.</li></ul> <p><b>Citizen engagement</b></p> <ul style="list-style-type: none"><li>- Subsidiaries located in various countries conduct community advocacy actions for education, social inclusion and health. In 2012, there were 472 partnerships supported representing a total of €3.9 million.</li><li>- Bouygues Construction offers grants through its Terre Plurielle Foundation for projects sponsored by Group employees to give disadvantaged populations better healthcare, education and social inclusion both in France and overseas (104 projects sponsored so far in 18 countries)</li><li>- Several ongoing partnerships Restos du Cœur (donations of funding and logistical resources), Care (social business in Morocco) etc.</li></ul>	<p>p 39 - The regional, economic and societal impact of the company's activities</p> <p>p 41 - Relations with people or organisations expressing an interest in the company's activity</p> <p>p 47 - Loyalty in practices</p>																
	<div><table><tr><th>Year</th><th>Number of partnerships</th></tr><tr><td>2010</td><td>439</td></tr><tr><td>2011</td><td>424</td></tr><tr><td>2012</td><td>472</td></tr></table><p>Number of partnerships seeking to support social inclusion, education and healthcare or respond to emergencies in the course of the year (World – Internal).</p></div>	Year	Number of partnerships	2010	439	2011	424	2012	472	<div><table><tr><th>Year</th><th>Total amount paid (€M)</th></tr><tr><td>2010</td><td>€3.1M</td></tr><tr><td>2011</td><td>€2.5M</td></tr><tr><td>2012</td><td>€3.9M</td></tr></table><p>Total amount paid directly to support integration, education, health or emergency response (World – Internal).</p></div>	Year	Total amount paid (€M)	2010	€3.1M	2011	€2.5M	2012	€3.9M
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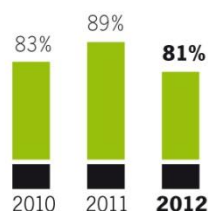


2. to ensure that its own companies are not complicit in committing human rights violations.

### Responsible purchasing

- Human rights requirements formalised in the Supplier and Subcontractor CSR Charter: 68% of turnover generated by operational units that included the charter in all of their contracts.
- Suppliers reviewed by specialised independent firm Ecovadis for their CSR performance, which provides an objective analysis and a benchmark on suppliers. In 2012, 33% of purchasing turnover was generated with suppliers that had been reviewed by Ecovadis and with special SME/very small enterprise questionnaires (2,409 suppliers).
- Buyers are trained in responsible purchasing: 67% of buyers trained in responsible purchasing in 2012.
- Signed the French Ministry of Economy's Major Contractor-SME Charter that includes 10 responsible purchasing commitments.
- Audit procedures to ensure that subcontractors and suppliers are not using forced or child labour.
- Expansion of community-based purchasing: Bouygues Construction is part of an AFNOR working group on employing people from the protected worker sector and designing a special manual (€1,808,000 in turnover slotted for the protected worker sector in 2012)
- A selection of upstream products and materials to develop eco-design offers. Partnership with the WWF for supplies of lumber, Polygreen and Edodie® internal tools, ecolabels for external tools, for example.
- Supplier relations management for over 500 suppliers in 2012 using a quality survey on buyer-supplier relations and expanded partnered innovations (insulating concrete with Lafarge, Panobloc® wood with Techniwood, etc.).

p 44 - Subcontractors and suppliers



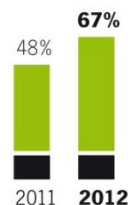
Percentage of sales carried out by operating units that have developed an action plan to involve partners, subcontractors and suppliers in the Quality-Safety-Environment drive (World – Internal).



Percentage of purchases made from suppliers subject to CSR evaluation (World – Internal).

**68%**

Percentage of sales carried out by operating units that systematically include the CSR Charter in their subcontractor and supplier contracts (World – Internal).



Percentage of buyers trained in responsible purchasing (world – internal).

## Workplace standards

<p>3. Companies are encouraged to uphold freedom of association and the right to collective bargaining;</p>	<p><b>Social dialogue</b></p> <ul style="list-style-type: none"> <li>- Social dialogue on a variety of topics beyond the legal requirements (large-scale movements, personal right to training, time savings account, etc.): 104 collective agreements signed in 2012 (including Annual Mandatory Negotiations).</li> <li>- 86% of employees voted in the last Works Council elections in 2012.</li> </ul> <div data-bbox="352 555 837 730"> <p><b>104</b> collective agreements were negotiated in 2012, including mandatory annual negotiations (France - Internal).</p> </div> <div data-bbox="967 568 1452 716"> <p><b>86%</b> of employees took part in most recent Works Council elections (France - Internal).</p> </div>	<p>p 10 - Social relations</p>
<p>4. eradicating all forms of forced or compulsory labour;</p>	<p><b>Preventing illegal labour</b></p> <ul style="list-style-type: none"> <li>- Audit procedures on construction sites: identity papers checked for all employees, work permits aligned with the competent authorities, badge entry system at construction sites, training for work hierarchies, etc.</li> <li>- Framework agreements signed with temp agencies that include specific clauses stipulating that staffed workers must have legal work status.</li> </ul>	<p>p 17 - Observing International Labour Organization conventions</p>
<p>5. effectively eradicating child labour;</p>	<p><b>Preventing child labour</b></p> <ul style="list-style-type: none"> <li>- Audit procedures to ensure that subcontractors and suppliers are not using forced labour or child labour (principles in the Bouygues Construction Code of Ethics and the Supplier CSR Charter).</li> </ul>	<p>p 17 - Observing International Labour Organization conventions</p>
<p>6. eliminating job and occupational discrimination.</p>	<p><b>Diversity</b></p> <p>Diversity and Equal Opportunity expertise unit that implements a policy to promote diversity and equal opportunity:</p> <ul style="list-style-type: none"> <li>- <u>Seniors</u>: in addition to the agreements each entity signs, an ambitious action plan devised in 2011 features four sections on skills management, employability, health and working conditions, and retirement advice. Since 2010, employees 55 and older are offered a retirement course to teach them end-of-career management techniques and provide them with personal guidance.</li> <li>- <u>Gender equality</u>: implementation of 2008 agreements on gender equality in the workplace. <ul style="list-style-type: none"> <li>• Operation "Déployons nos elles" (Let's put our women to work) with IMS-Entreprendre pour la Cité to introduce career diversity for young women. The "Réussir au féminin" (Success for women) course for managers.</li> <li>• A three-pronged gender diversity action plan was officially launched in 2012, with a focus on attractiveness, advancement and work-life balance and featuring five key initiatives: planning a kickoff event, setting up a gender diversity scoreboard, creating</li> </ul> </li> </ul>	<p>p 14 - Equal treatment</p>

6. eliminating job and occupational discrimination.

special training modules, leading a women's network and writing a guide on gender diversity.

- **Disabilities:** In France, the Bouygues Construction disability policy is supported by a network of disabled project managers, Agefiph agreements and conventions, and a four-part commitment that focuses on employee awareness, hiring, job retention and subcontracting from the specially adapted and protected worker sector. Several initiatives have been carried out: Bouygues Construction subsidiaries conducted additional awareness campaigns ("Handitour" mobile campaigns)

- **Social inclusion:** 410 actions conducted in collaboration with local social inclusion groups in France in 2012.

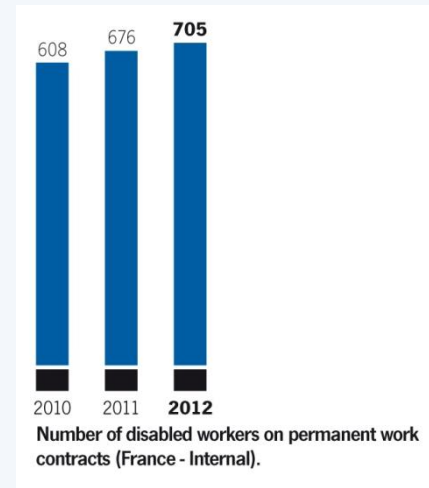
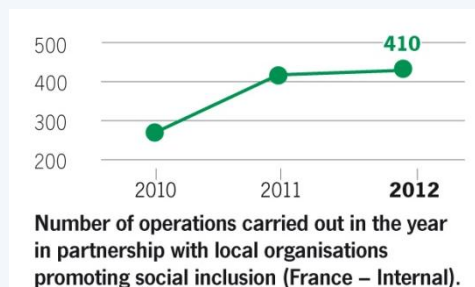
Three momentous partnerships:

- Fondation Agir Contre l'Exclusion (FACE): training module, design for practical tools, support for construction sites in France's regions, etc.
- Association Française des Managers de la Diversité (AFMD): proposals for public institutions, organising "Pathway Day" for people graduating from a back to work programme, etc.
- Institut du Service Civique: helping devise its structure and administration

A specialised subsidiary (Themis FM) also works to encourage the inclusion of inmates in building, operating and maintaining certain prisons as part of public-private partnerships.

	2010	2011	2012
<b>SENIOR MANAGEMENT</b> (members of management committees)	9%	9%	13%
<b>MANAGERS</b>	21%	21%	22%
<b>SUPERVISORS</b>	32%	32%	32%
<b>SITE WORKERS</b>	1%	1%	2%
<b>TOTAL</b>	16%	17%	17%

**Breakdown of female employees by status (France - GRI LA13).**



## Environment

7. Companies are encouraged to take a cautionary approach to environmental issues;

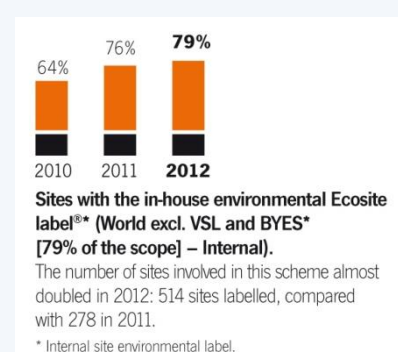
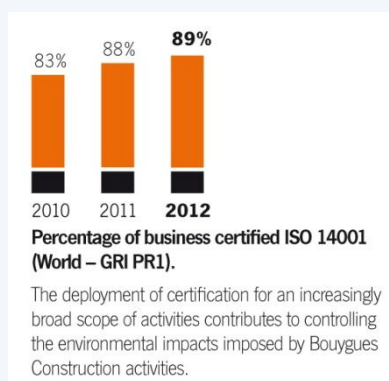
### Environmental risk management

- Environmental risk analysis for projects integrated into internal processes; 89% of turnover is covered by an ISO 14001 certified environment management system.

Environmental risk analysis is also one of the 12 standards in the Ecosite system, an internal environment label awarded to 79% of the Group's worksites in 2012.

- A full selection of internal training programmes (targeted population) and awareness campaigns for all employees

p 18 - General environmental policy



8. undertaking initiatives to encourage greater environmental stewardship;

### Environmental protection in our production processes

#### - Eco-design:

- Environmental impact of our jobs reduced while seeking ways to optimise the total cost. This includes energy performance, consideration for comfort/function/health requirements, limiting the carbon footprint, conserving resources, and restricting waste production.
- In 2012, 57% of global orders taken were for buildings with an environmental label or certification (versus 55% in 2011).
- CarbonEco® software developed and used internally to track greenhouse gas emissions generated by jobs. It compares eco-variants and tests various operating options.
- Partnership with the Building Technical and Scientific Centre (CSTB) to optimise the Elodie® software program, a lifecycle analysis tool that uses a multicriteria study to assess the environmental quality of jobs.
- Digital modelling deployed to compare a variety of design concepts and guide the final decision for eco-design projects.
- New offers developed (i.e. Be Green®) specifically for the private services building market to help customers make sustainable enhancements to their property assets.

#### - Construction:

- Environmental impacts of construction sites reduced using Ecosite's environmental worksite system and its label that identifies standards in 12 areas such as waste management, biodiversity protection and noise pollution reduction. In 2012, 79% of labelled construction sites earned the label, up from 76% in 2011.

p 18 - General environmental policy



8. undertaking initiatives to encourage greater environmental stewardship;

- Noise reduced for local residents by simulating and controlling sound levels at worksites and using self-compacting concrete to eliminate vibrations.

- Operations:

- Guidance on energy management problems provided for customers during the operational phase: energy performance contract (Green Office® in Meudon), real-time controls for building energy consumption (Hypervision®, EnergyPass®) and consumption control.

- Environmental partnerships:

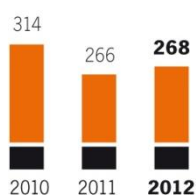
- Member of the WWF's Global Forest and Trade Network to increase purchasing volumes for lumber from forests that are sustainably managed and protect biodiversity and social wellbeing.
- Bouygues Bâtiment Ile de France joined Natureparif, Europe's first regional agency for biodiversity.
- Biodiversity partnership with the Noé Conservation Association for infrastructure, public lighting and green space management projects.

Environmental protection in our operating procedures:

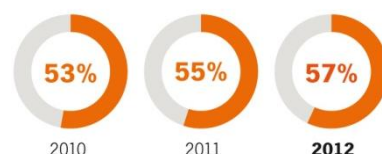
- Transport-related emissions reduced: low CO2 emissions company cars, Company Transit Plan, eco-driving courses, electric vehicles, etc.
- Reduced consumption at our facilities: IT, consumption of paper, electricity, water, etc.
- Awareness-raising for office employees and construction workers: the Eco-gestures campaign.

p 18 - General environmental policy

**CERTIFIED BUILDINGS**



Number of buildings with a commitment to environmental labelling or certification incorporated in the global amount of orders taken in the year (Building activities, France and international [74% of sales] - Internal).

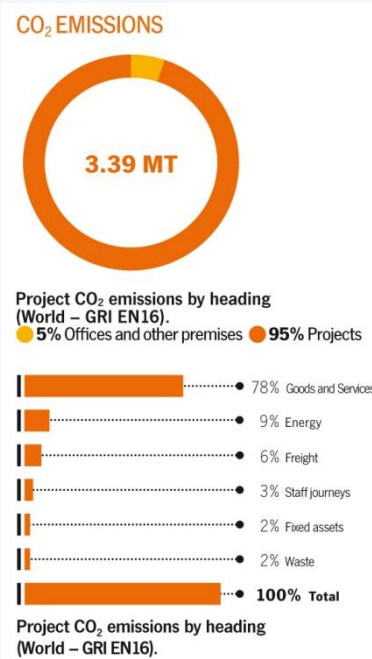


Total percentage of buildings with a commitment to environmental labelling or certification incorporated in the global amount of orders taken in the year (Building activities, [74% of sales] - Internal).

Bouygues Construction is supported by national and international environmental certifications in promoting the principles of sustainable construction to its customers. The company has also developed its own in-house expertise, with a network of more than 90 expert staff and/or assessors for the most widely-recognised certification schemes (BREEAM®, LEED®, HQE®, etc.).

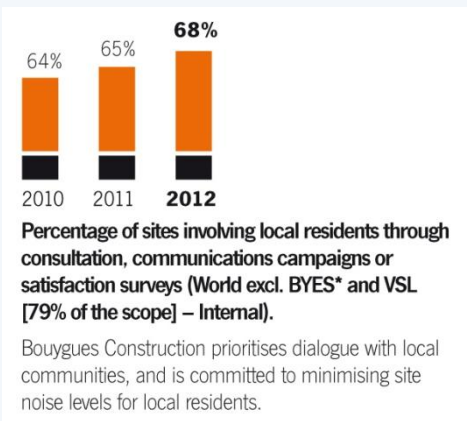
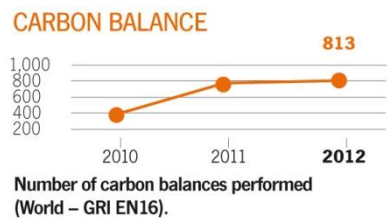


8. undertaking initiatives to encourage greater environmental stewardship;



The overall figure for Bouygues Construction emissions in 2012 was 3.39 million tonnes CO<sub>2</sub> equivalent. This figure covers scopes 1, 2 and 3a and all emissions resulting from:

- Bouygues Construction Group head office and branch office operations (5% of emissions) and the energy, goods and services, freight, staff journeys and fixed assets items;
- projects conducted by Bouygues Construction Group entities. For each project transferred to the CarbonEco® internal measurement system, the total calculated figure for CO<sub>2</sub> emissions (relative to the energy, goods and services, freight, site personnel journeys, fixed assets and waste items) is spread pro-rata over the full duration of the project. In generating €1 million of revenue, Bouygues Construction emitted 330 tonnes equivalent CO<sub>2</sub> (compared with 338 in 2011).



9. advocating for the development and distribution of environmentally-conscious technologies.

#### R&D and innovation

- The new Build Sustainable and Innovate Chair in partnership with the Ponts ParisTech School, Centrale Paris and the Building Technical and Scientific Centre (CSTB). The goal is to encourage researchers and PhDs to work on low-carbon technologies, sustainable buildings and cities, total cost approach, uses, etc.

- The majority of the Group's R&D projects are focused on sustainable construction with 49% of research spending slotted for sustainable construction in 2012. Key research programmes: building energy efficiency, reduced carbon emissions, indoor air quality, total building cost analysis, eco-design.

- Research programme on self-sufficient buildings in terms of energy, water and waste (Autonomous Buildings for Citizens).

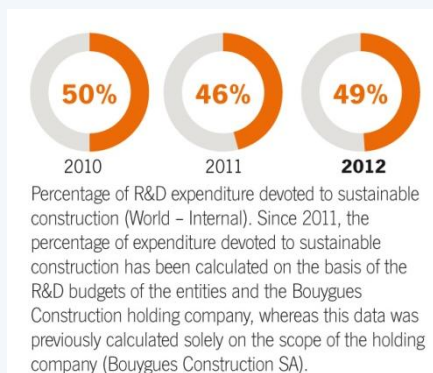
- Cooperative agreements with industry and laboratories. For example, a partnership with Lafarge resulted in the development of Thermédia™ 0.6 B, a structural insulating concrete, and Panobloc® wood with Techniwood, etc.

- Biannual innovation competition organised by the entities and the Group. Some of the innovations recognised in 2012: crowdsourced website to increase innovation among employees in Purchasing, the My Eco-High School Project that involves high school students in reducing energy consumption in their building, using renewable energies in tunnels, etc.

#### Knowledge transfer and sharing

- Leadership of the Sustainable Construction Club, a space for customers and Bouygues Construction partners to discuss issues. Three Trade Clubs (Housing, Offices and Infrastructures) and several theme-based think tanks on function, new living arrangements and urban recreation. Members currently include over 300 customers and partners.

- Knowledge sharing and exchanges with many people from civil society working on sustainable construction: assistance with projects led by Afnor, Committee 21, Sustainable Building Plan, the Green Building Council, the HQE Association, ECTP (European Construction Technology Platform), E2BA (Energy Efficiency Building Association), Efficacity (sustainable city research group comprised of industry leaders, *grandes écoles* (French engineering schools) and universities as part of France's National Investment Programme), the Advancity Centre of Excellence.



p 20 - General environmental policy (all paragraphs)

p 42 - Relations with people or organisations expressing an interest in the company's activity

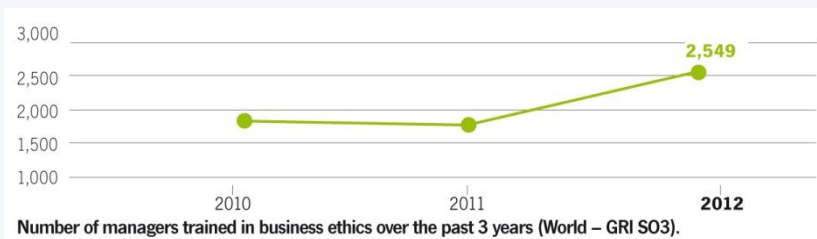
## Fight corruption

10. The companies are encouraged to actively fight all forms of corruption, including embezzlement and bribery.

### Business ethics

- Implementing a workplace alert system expanded to include anti-trust practices.
- More stringent background checks for newly appointed retail agents.
- Leadership of an ethics committee.
- An Ethics and Compliance training programme for all Management Committees and sales/management functions: 2,549 executives trained in the last three years.

p 47 - Loyalty in practices



### For more information:

Link to the 2012 CSR Report (Bouygues Construction's response to Article 225):

[Bouygues Construction – 2012 CSR Report](#)

Link to the Bouygues Construction 2012 Corporate Report:

[Bouygues Construction - 2012 Activity Report](#)

Link to the Bouygues Construction sustainable development brochure:

[Bouygues Construction – sustainable development brochure](#)