

COMMUNICATION ON PROGRESS : BOUYGUES

Bouygues is a diversified industrial group working in two sectors: construction, and telecoms and media. The Group's sustainable development issues differ according to its activities, and policies have to be adapted to specific business needs.

Sustainability indicators are not yet consolidated at Group level, apart from certain HR indicators.

However, the parent company, Bouygues SA, coordinates a number of cross-functional projects and maintains a dynamic of progress founded on the sharing of best practices. Together with the carbon strategy and the reduction of greenhouse gases, projects launched in 2010 notably concern the inclusion of HR indicators in the field of sustainable development, green IT, and our policy of responsible purchasing. We gained significant momentum in these cross-cutting projects in 2010.

Human Resources indicators (principles 1 and 2)

The Group has begun to systematically consolidate indicators, under the responsibility of Group Human Resources. Topics include pay, equal opportunities and integration, employee well-being, working hours, social welfare, labour/management dialogue, employment, training and employability, hygiene, health and safety, and internal promotion. Items to be assessed include the results of employee satisfaction surveys, the percentage of employees with social security coverage, the number of hires by job category, the number of disabled employees, the percentage of payroll spent on training, and the frequency and severity rate of occupational accidents.

Respect and Performance seminars (principles 1 and 2)

The Bouygues group has been organising "Respect and Performance" HR seminars since 2005. Participants discuss the managerial implications of respect, in order to better communicate on the topic with their employees. They share ideas and experience on issues relating to the way teams work and the human relations involved (politeness and courtesy). Participants assess the challenges posed both at Group level and in society at large, and develop actions for relaying Group policy at Bouygues companies.

Employees are urged to talk about and analyse situations involving disrespect and all the consequences of deteriorated human relations.

Bypedia (principles 8 and 9)

Developed in 2008 and launched in 2009, Bypedia is the Group's collaborative extranet dedicated to sustainable development and sustainable construction. The site, redesigned in 2010, encourages

employees to share their knowledge and best practices. Bypedia works according to Web 2.0 principles (wikis, forums, self-regulation) and was developed entirely in house. At the end of November 2010, some 7,000 employees were signed up, with 334 external contacts, 202 articles written and 3,000 working groups online, up from 4,000 members and some 20 working groups online at the end of November 2009.

Environment-friendly head offices (principles 7, 8 and 9)

The Group has embarked on a proactive sustainable construction policy, with low-energy consumption buildings or constructions that are far in advance of thermal regulations. The best illustration of this strategic choice is the decision to set an example with its head offices.

The renovation of the head office of Bouygues Construction, Challenger, was launched on an initiative of Bouygues SA. The project is emblematic of the Group's commitment to constructing and renovating energy-efficient buildings for its head offices. When the renovation is complete in 2014, energy consumption will be reduced ten-fold and the building will produce energy through its photovoltaic panels and geothermal heating systems. Biodiversity at the site will be enhanced by introducing phyto-purification in the form of filter gardens. We are working to improve staff well-being by reducing disturbance as much as possible and particular attention will be paid to thermal and acoustic comfort. Challenger in 2014 will become a world reference in environmental renovation and one of the few buildings to qualify for three international certifications, HQE, Bream and Leed.

Bouygues Telecom opened its new head office, Sequana, in September. The environmental performance of the building goes beyond the minimum requirements for HQE certification. Sequana will use 40% less energy a year than towers certified to 2005 Thermal Regulation standards.

Bouygues Immobilier recently moved into its new head office, Galeo, with particularly strong environmental performance. Energy consumption at the HQE-certified building is 25% to 32% lower than that of buildings complying with the 2005 Thermal Regulation. The comfort of users is also optimised.

Carbon strategy (principles 7, 8 and 9)

While relatively simple for the service subsidiaries – Bouygues Telecom and TF1 – carbon calculation is more complex for the property, roads, and building and civil works businesses, which are largely decentralised and work on multiple projects of differing size. To establish rules for this assessment, Bouygues has drawn up the principles of “carbon assessment”. Two major types of carbon balance are carried out: those relative to sales projects and those stemming from the ordinary operations of the company (head offices, agencies, plants, etc.).

Bouygues is working to quantify the financial savings resulting from the reduction of CO₂ emissions and to bring customers low-carbon “eco-variants”.

Special software has been designed:

- **CarbonEco**[®] for building and civil works, and property development (Bouygues Construction and Bouygues Immobilier). This software was developed by the Bouygues group in partnership with the Carbone4 consultancy. It is based on the Bilan Carbone[®] (carbon balance) method of the French

Environment and Energy Management Agency, Ademe, and future development of the software is based on an agreement with the French Building Technology Research Centre, CSTB. CarbonEco® can be used to compare building design choices (materials, construction methods, etc.), to draw up a range of use and performance scenarios (for example, various heating and lighting systems), and to propose different means of transport. Some 500 carbon balances were carried out in June to provide case studies (Ginko eco-neighbourhood in Bordeaux, Green Office in Meudon, Bouygues Immobilier's Galeo head office in Issy-les-Moulineaux).

- **Elodie**, for building and civil works, was also developed by the CSTB, with the participation of Bouygues Construction, to assess the environmental quality of a building. It is an effective tool for building lifecycle analysis.

- **Seve**, for the road sector (Colas). This tool, launched in July 2010, is a product of joint thinking by road sector companies. Available on the extranet, this common software tool harmonises the methods of the sector. As a result, eco-variants can be entered in bids in a fair manner. Colas uses Seve regularly when responding to calls for tender.

In the media sector, the Ecoprod collective has been set up to reduce the environmental footprint of shoots by raising the awareness of industry players and providing them with the right tools. Ecoprod includes six founding members: Audiens, Ademe, the Paris Region Film Commission, the Paris Region Industry, Research and Environment Administration (DRIRE Ile-de-France), France 5 for France Télévisions, and TF1.

Responsible purchasing (principles 7, 8 and 9)

While the product and service purchases of the businesses of the Bouygues group are extremely diverse and to a large extent specific to each activity, responsible purchasing policies target products that are:

- **More environment-friendly:** products and services with reduced environmental impact at each phase in the lifecycle – production, transport, use, recycling and end of life.

For example, the Bouygues group has since 2009 been a member of an “electric vehicle platform” working group, coordinated by the UGAP public merchandising organisation. The policy aims to bring together the orders of 20 public and private players representing a potential order of 50,000 vehicles. The objective is to attain purchasing volume sufficient to give rise to a competitive and economically viable electric vehicle offering on the market. Bouygues made the commitment in April 2010 to buy 473 vehicles, which will replace service vehicles starting in early 2012.

- **Socially responsible:** the aim here is to favour purchasing with suppliers that hire the long-term unemployed, seniors and disabled people, and also to work with small and medium enterprises, and very small enterprises, innovative companies, businesses in local labour market areas, and fair trade firms. For example, the Group signed a contract in 2009 with ATF, a sheltered sector company, for the collection, recycling and resale of waste electrical and electronic equipment (WEEE) concerning all the office and IT equipment of the subsidiaries. In addition, Bouygues Construction has referenced work outfits made from fair-trade cotton (with Öko Tex Standard 100 and Max Havelaar certification).

- Produced in compliance with ethical principles and standards on labour, health and safety protection and environmental protection.

The Group also seeks to develop balanced relations with its suppliers. This consists in involving suppliers and subcontractors in the Group's sustainable development policies and in working to continuously improve mutual CSR performance. In 2009, the CSR performance of some 250 Bouygues group suppliers was measured and communicated to the suppliers, allowing them to identify avenues for improvement and see where they stand compared with the competition in their sector. The pace of these assessments has been stepped up in 2010.

To meet these objectives, a Group-wide, cross-functional Responsible Purchasing committee was set up in 2007. Its remit is to draw up and disseminate a set of common methods and tools to support and favour the implementation of responsible purchasing initiatives at the businesses. The committee brings together responsible purchasing managers and representatives from each Group subsidiary once every quarter to discuss best practices and build on feedback. The committee has been behind the deployment of several cross-cutting initiatives, including a policy on assessing suppliers' CSR performance, a Supplier CSR charter common to all group businesses, and special training courses for buyers.

Assessing the Group's paper policy (principles 8 and 9)

The WWF has published the results of its first study on paper consumption by 50 large French groups, including Bouygues. The Group ranks No. 14 and stands out notably for its implementation of environment and carbon balances, more frequent purchase of recyclable and recycled paper (unbleached) and an encouraging recycling rate.

Green IT (principles 7, 8 and 9)

IT is currently responsible for 2% of the world's greenhouse gas emissions. The Bouygues group set up a Green IT working group in October 2009 to share technological choices and methods Group-wide to reduce the environmental impact of information and communication technologies. The Group is adapting to the arrival of "cloud computing" – a concept that uses storage and processing capacity on distributed computers and servers networked together around the globe.

In addition, Bouygues has selected ATF Gaia to handle the recycling and resale of computer and electronic hardware. Some 10,000 to 20,000 items of equipment, including computers, servers, telephones and printers, are recycled each year.

Green IT initiatives are also enhanced through collaborative work on Bypedia.