



## **Communication on Progress 2014 for Bouygues Construction**



**Sustainable Development Department – September 2014**



The Chairman

15 Sep 2014

### 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 on Human Rights, labour, the environment and preventing corruption.

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

Throughout the year, our businesses have implemented various actions based on these key strategies. These are described in our corporate social responsibility report (in response to the 42 items of article 225 of the 'Grenelle II' environmental law), as well as in our activity report which is enclosed with this Communication on Progress. In the report, a section has been dedicated to managing our sustainable development policy and sets forth non-financial indicators allowing us to measure the progress of our policy.

We also wanted to highlight the way our actions are implementing the ten principles of Global Compact, and have drawn up a table taking the actions put in place by Bouygues Construction for each of the principles, and presenting the associated key performance indicators and the link with our CSR report (see below).

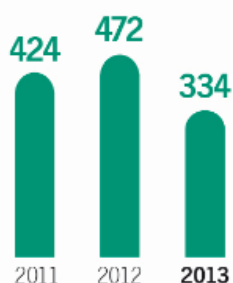
As Chairman and CEO of Bouygues Construction, I am proud to confirm our company's commitment to the initiative for progress created by Global Compact.

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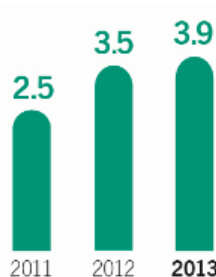
Yves Gabriel

# Human Rights

GLOBAL COMPACT PRINCIPLES	2013 KEY ACTIONS	SECTIONS ADDRESSED IN THE 2013 CSR REPORT (response to article 225 of the Grenelle environmental law)
<p><b>1. Companies are encouraged to promote and comply with international laws on human rights within their sphere of influence</b></p>	<p><b>Ethics and respecting basic human rights</b></p> <ul style="list-style-type: none"> <li>- The Bouygues code of ethics, translated into 23 languages, is distributed to all employees. In the code, the Bouygues Group confirms its commitment to the general principles established by the major international agreements: <ul style="list-style-type: none"> <li>• Universal Declaration of Human Rights</li> <li>• Global Compact</li> <li>• International Labour Organization</li> <li>• OECD Anti-Bribery conventions Convention</li> </ul> </li> <li>- The Bouygues Human Resources Charter, which aims to affirm, explain and promote three principles: respect, trust and equality.</li> <li>- The alert and denunciation procedure</li> <li>- The 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 communities.</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>- 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 abroad (121 projects sponsored so far in 20 countries)</li> <li>- Subsidiaries located in various countries conduct community advocacy actions for education, social inclusion and healthcare.</li> </ul> <p>A total of 334 partnerships were supported in 2013 amounting to €3.9 million.</p>	<p>p 56-57 – Good faith practices</p> <p>p 48-50 – The regional, economic and societal impact of the company's activities</p> <p>p 52 – Partnerships and sponsorship actions</p>



Number of partnerships during the year supporting integration, education and health (World – 97% of consolidated sales).



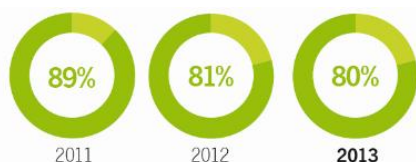
Amount directly paid to support integration, education and health (€ millions) (World – 97% of consolidated sales).

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

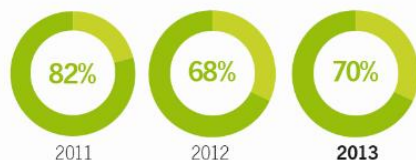
**Responsible purchasing**

- Human Rights requirements formalised in the Supplier and Subcontractor CSR Charter: 70% of turnover generated by operational units that included the charter in all of their contracts.
- Suppliers reviewed for their CSR performance. In 2013, €2,477 million in purchases were reviewed (EcoVadis and specific SME questionnaires) covering 2,457 suppliers.
- QSE audits carried out on our subcontractors: 373 audits in 2013
- Audit procedures to ensure that subcontractors and suppliers are not using forced or child labour.
- Signed the French Ministry of Economy's major Contractor –SME Charter that includes 10 responsible purchasing commitments.
- Expansion of community-based purchasing: Bouygues Construction's Human Resources and the Purchasing Department as part of an AFNOR work group on employing people from the protected worker sector and designing a special manual (€1,626,000 in turnover devoted to the protected worker sector in 2013)

p 53-55 – Subcontractors and suppliers



Percentage of sales generated by units with an action plan to involve partners, subcontractors and suppliers in their QSE policy (World – 97% of consolidated sales)  
The level of requirement for the formalisation of action plans was raised in 2013, which may account for the slight decrease compared to 2012.



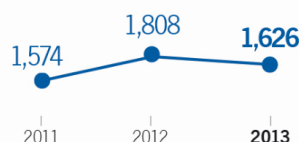
Percentage of sales generated by units that systematically include the Supplier CSR Charter in contracts with subcontractors and suppliers (World – 97% of consolidated sales)  
The Supplier CSR Charter consists of four chapters covering ethics, compliance with labour standards, health and safety and environmental protection.

**€2,477 m**

Purchasing expenditure covered by CSR evaluations (€ millions) (World, scope Bouygues Construction Purchasing – 97% of consolidated sales)



Number of suppliers and/or subcontractors who have been subject to CSR evaluation (World – 97% of consolidated sales)  
These evaluations are carried out either using Ecovadis tools or through the Bouygues Construction suppliers evaluation database.



Total value (in € thousands) of work contracted to sheltered workshops and service industries (France – 46% of registered workforce)

## Workplace standards

GLOBAL COMPACT PRINCIPLES	2013 KEY ACTIONS	SECTIONS ADDRESSED IN THE 2013 CSR REPORT (response to article 225 of the Grenelle environmental law)						
<b>3. Companies are encouraged to uphold freedom of association and the right to collective bargaining</b>	<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, person right to training, time-savings accounts, etc.): 157 collective agreements signed in 2013 (including Annual Mandatory Negotiations).</li> <li>- 86% of employees voted in the last Works Council elections.</li> <li>- Staff representation abroad, even in countries where workers' representatives are not legally required.</li> </ul> <div> <div> <p><b>157</b></p> <p>Number of collective agreements negotiated in 2013, including mandatory annual negotiations (France – 46% of registered workforce)</p> </div> <div> <p><b>86%</b></p> <p>Turnout in the most recent works council elections (France – 46% of registered workforce)</p> </div> </div> <table> <tr> <th>SCOPE: OUTSIDE FRANCE</th><th>2013</th><th>2012</th></tr> <tr> <td>Existence of formalised training plans outside France</td><td>88.1%</td><td>n/a</td></tr> </table> <p>(a) New indicator in 2013.</p>	SCOPE: OUTSIDE FRANCE	2013	2012	Existence of formalised training plans outside France	88.1%	n/a	<p>p 13-14 – Social relations</p> <p>p 21 – Observing International Labour Organization conventions</p>
SCOPE: OUTSIDE FRANCE	2013	2012						
Existence of formalised training plans outside France	88.1%	n/a						
<b>4. Eradicating all forms of forced or compulsory labour</b>	<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 relevant authorities, badge entry systems at construction sites, training for site management, etc.</li> <li>- Framework agreements signed with temp agencies that include specific clauses stipulating that staffed workers have legal work status.</li> </ul>	p 21 - Observing International Labour Organization conventions						
<b>5. Effectively eradicating child labour</b>	<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 or child labour (principles in the Bouygues Construction Code of Ethics and the Supplier CSR Charter).</li> </ul>	p 21 - Observing International Labour Organization conventions						
<b>6. Eliminating job and occupational discrimination</b>	<p><b>Diversity</b></p> <p>A unit within the Human Resources department is in charge of the policy to promote diversity:</p>	<p>p 19-20 – Equal treatment</p> <p>p 8-9 - Employment</p>						

	<p><u>- Seniors:</u> In addition to the generation contract agreements Bouygues Construction has signed, a plan of action is being devised including four sections: defining a community of experts, employability, working conditions including part-time work at the end of worker's careers, and post-retirement skills. Information sessions on retirement-related questions will continue to be given for workers 55 and over. This year, 150 employees took part.</p> <p><u>- Gender equality:</u> Implementation of 2008 agreements on gender equality in the workplace. In 2013, the Group's actions were reinforced: a diversity guide was issued, a women's network 'Welink' was created (currently with 550 members), a new 2013-2014 diversity action plan tackling issues such as hiring, support for women in top management positions, and international communication.</p> <p><u>- Disabilities:</u> 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, subcontracting from the specially adapted and protected worker sector. Disability is also the focus of one of the four key actions of the Success in Diversity policy deployed abroad. Several initiatives have been carried out: an interactive guide listing medical/social establishments for protected work (ESAT &amp; EA) in the Paris region; employment of disabled workers week, including an intranet quiz, workshops, special forums, the "A job for a day" operation; employee awareness campaigns in association with local entities specialising in disabilities in France and in some of our locations abroad.</p> <p><u>- Cultural diversity:</u> Induction days held for trainees, student workers and new arrivals; meetings between companies and universities/schools, special partnerships, sponsoring, coaching, etc; a guide to Religion in the Workplace handed out to the HR sector.</p> <p><u>- Social inclusion:</u> 409 actions conducted in association with local inclusion groups in France in 2013. 3 momentous partnerships:</p> <ul style="list-style-type: none"> <li>• Fondation Agir Contre l'Exclusion (FACE): training module, design for practical tools, support for construction sites in France's regions, etc.</li> <li>• Association Française des Managers de la Diversité (AFMD): proposals for public institutions, organising 'Pathway Day' for people from back to work programmes, etc.</li> <li>• Institut du Service Civique: helping devise its structure and administration</li> </ul>	<p>p 48-49 - Regional, economic and social impact of the company's business on employment and regional development</p>
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Breakdown by gender  
(World – 100% of registered workforce)

	2012	2013
PERCENTAGE OF WOMEN, FRANCE	17.6%	18.2%
Managerial	22.8%	24.2%
Clerical, technical & supervisory	31.6%	31.2%
Site workers	0.9%	0.7%
Women managers (a)	8.4%	9.2%
	2012	2013
PERCENTAGE OF WOMEN, GLOBAL (b)	15.2%	15.1%
Managerial/technical	22.3%	21.9%
Site workers	10.2%	10.7%

(a) As a proportion of employees in supervisory or more senior grades in France.  
(b) Excluding France.

**545**

Number of disabled workers  
(France – 46% of registered workforce)

AVERAGE AGE AND AVERAGE LENGTH OF SERVICE IN THE GROUP (a)

SCOPE: FRANCE	2013	2012
Under 25	7,9%	8,7%
25-34	33,0%	33,2%
35-44	25,6%	25,5%
45-54	24,1%	23,6%
55 and over	9,4%	9,0%

(a) Permanent and fixed-term employees.

Our age distribution in 2013 was unchanged overall: 1/3 of our workforce is still in the 25-34 bracket, thanks to our recruitment policy of hiring beginners and young people with experience (approximately 2/3 of those hired have less than 5 years' experience).  
Coverage: 46% of Group headcount.

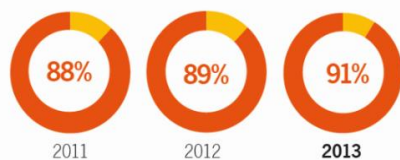
Contributing to local  
development

**409**

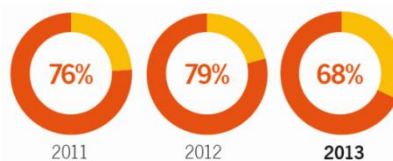
Number of operations carried out during the year in cooperation with local integration bodies (France – 54% of consolidated sales).  
This figure has been stable for three years.

## Environment

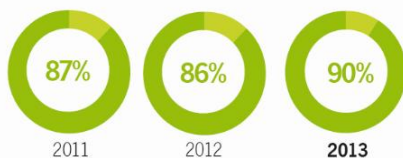
GLOBAL COMPACT PRINCIPLES	2013 KEY ACTIONS	SECTIONS ADDRESSED IN THE 2013 CSR REPORT (response to article 225 of the Grenelle environmental law)
<p><b>7. Companies are encouraged to take a cautionary approach to environmental issues</b></p>	<p><b>Environmental risk management</b></p> <ul style="list-style-type: none"> <li>- Environmental risk analysis for projects incorporated into internal processes: 91% of turnover is covered by an ISO 14001 certified environmental management system.</li> <li>- A full selection of internal training programmes (targeted audience) + awareness campaigns for all employees</li> <li>- Greenhouse gas emissions recorded for scopes 1, 2 and 3 using the in-house software, CarboneEco.</li> </ul> <p><u>- Environmental risk management on construction sites:</u></p> <ul style="list-style-type: none"> <li>• Reduction of the environmental impact of our constructions sites with the company's Ecosite environmental system and label, which defines standards in 11 areas: risk analysis, waste, dangerous substances, noise pollution, air pollution, water, biodiversity, energy consumption, cleanliness &amp; tidiness, communication and emergency situations. In 2013, the Ecosite label was awarded to 68% of the Group's worksites.</li> <li>• Reduction of local pollution: testing and management of noise pollution, use of self-compacting concrete to eliminate vibrations.</li> </ul> <p><u>- Consumer health and safety:</u></p> <p>Campaigns to measure the quality of the air, R&amp;D projects on quantifying pollution caused by construction materials in partnership with Saint-Gobain, an internal database of eco-designed products, etc.</p> <p><u>Environmental conservation in how we operate:</u></p> <ul style="list-style-type: none"> <li>• Reduced transport emissions: Company vehicles that emit lower levels of CO2, Company travel plans, eco-friendly driving techniques, use of electric vehicles, etc.</li> <li>• Reduced consumption of our businesses, including IT, paper, electricity, water, etc.</li> <li>• Employee awareness in our offices and on construction sites: eco-friendly action.</li> </ul>	<p>p 25-27 - Organisation of the company to take into account environmental issues and, if necessary, environmental assessment and certification methods</p> <p>p 29 – Resources devoted to the prevention of environmental risks and pollution</p> <p>p 30-32 - Pollution and waste management</p> <p>p 33-39 – Sustainable use of resources</p> <p>p 40-42 – Climate change</p> <p>p 43-45 - Biodiversity protection</p> <p>p 27-28 – Employee training and information sessions on environmental protection</p> <p>p 57 – Measures to protect consumer health and safety</p> <p>p 40-42 - Climate change</p>



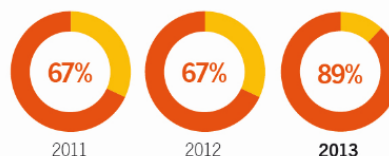
Percentage of business certified ISO 14001 (World – 97% of consolidated sales).  
The percentage of business covered by ISO 14001 certification has been rising constantly since 2007 (it has increased from 61% in 2007 to 91% in 2013).



Percentage of worksites with the Ecosite® label (the Group's in-house environmental label) (World – 97% of consolidated sales).  
In 2013, the scope of reporting was extended to the subsidiaries VSL and BYES\*. The decline in the overall percentage is partially explained by a slowdown in the momentum of labelling at BYBI\*.



Percentage of sales with triple QSE certification (World – 97% of consolidated sales)

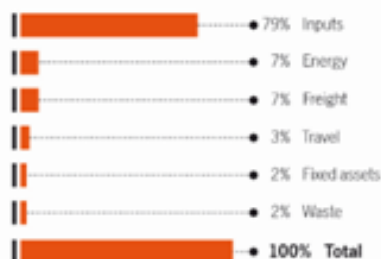


Percentage of non-hazardous waste recycled (World – 97% of consolidated sales).  
This indicator is particularly volatile because of the sharp variations in quantities of inert waste depending on operations.

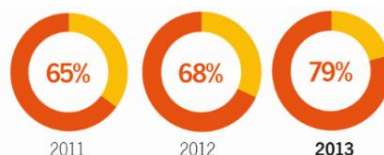
CO<sub>2</sub> emissions by heading for projects (World – 97% of consolidated sales).  
The total figure for Bouygues Construction is 3.02 million tonnes CO<sub>2</sub> equivalent for 2013. This figure, encompassing Scopes 1, 2 and 3a, corresponds to the sum of emissions resulting from:

- the operation of Bouygues Construction's headquarters and regional offices (5% of emissions), relating to energy, goods and services, freight, travel and fixed assets;
- projects of Bouygues Construction entities. For each project added to the CarbonEco® measurement application, the total calculated for CO<sub>2</sub> emissions (relating to energy, inputs, freight, site personnel travel, fixed assets and waste) is prorated to the duration of the project.

To produce €1 million of sales, Bouygues Construction emits 266 tonnes CO<sub>2</sub> equivalent (compared with 330 in 2012).



Number of carbon balances performed (World – 97% of consolidated sales).



Percentage of worksites covered by consultation exercises, communications campaigns or local resident satisfaction surveys (World excl. BYES\* and VSL – 82% of consolidated sales).  
Major strides were made in a number of Bouygues Construction subsidiaries (particularly BYTP\* and BYEFE\*) with respect to dialogue and consultation with local residents in 2013.

**8. Undertaking initiatives to encourage greater environmental stewardship**

**Promotion of responsible environmental operations among our customers and suppliers**

- Suppliers and subcontractors

- Product quality approach: In 2013, 80% of our turnover was made by entities that had developed a plan of action involving partners, subcontractors and suppliers in our QSE approach
- QSE audits carried out on our subcontractors: 373 audits in 2013

- Eco-design:

- Environmental impact of our jobs reduced while seeking ways to optimise the total cost. This includes energy performance, considerations for comfort, function, and health requirements, limiting the carbon footprint, conserving resources, restricting waste production. To promote these initiatives, the Group refers in particular to environmental certifications (BREEAM®, LEED®, HQE®, etc.) which cover requirements to reduce environmental impact.
- In 2013, 58% of global orders taken were for buildings with and environmental label or certification (compared to 57% in 2012)
- An increasing proportion of the Group's construction is covered by end-consumption guarantees to ensure the highest level of energy performance. In 2013, 60 orders were taken with energy performance commitments.
- Digital modelling deployed to compare a variety of design concepts and guide the final decision for eco-design projects.
- CarbonEco® software designed and used internally to track greenhouse gas emissions generated by construction. It compares eco-variants and tests various operating options.
- New offers developed such as Be Green®, specifically for the private services building market to help customers make sustainable enhancements to their property.
- New offers developed such as Biositiv® to protect biodiversity in major infrastructure projects, and BiodiverCity® to protect urban biodiversity.

- 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 management of parks and gardens.

- Operations:

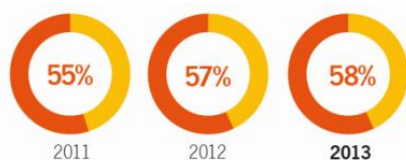
- Guidance on energy management problems for customers during the operational phase: energy performance contract (Green Office® in Meudon), real-time controls for building energy consumption (Hypervision®, EnergyPass®) and consumption control.

p 25-27 - Organisation of the company to take into account environmental issues and, if necessary, environmental assessment and certification methods  
p 29 – Resources devoted to the prevention of environmental risks and pollution

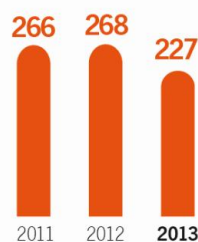
p 37 - Design: Performance commitments

p 43-45 - Biodiversity protection

p 38 Operations : End-consumption control



Total percentage of buildings involving a commitment to environmental labelling or certification schemes in the year's order intake for buildings (Building activities, World – 65% of consolidated sales).  
In 2013, orders were taken for numerous large-scale operations. Bouygues Construction is committed to ensuring that as many of these projects as possible are subject to environmental certification. The percentage of environmentally certified projects in the building order intake has risen from 23% in 2007 to 58% in 2013.



Number of buildings involving a commitment to environmental labelling or certification schemes in the year's order intake for buildings (Building activities, World – 65% of consolidated sales).



Percentage of the infrastructure order intake for which commitments on biodiversity have been given (Infrastructure activities, World – 14% of consolidated sales).

60

Number of projects on which commitments have been given on energy performance.  
This figure is principally made up of facilities management activities and BYBI\* building activities.

## 9. Advocating for the development and distribution of environmentally friendly technology

### R&D and innovation

- The majority of the Group's R&D projects are focused on sustainable construction, with 51% of research spending on sustainable construction in 2013. Key research programmes: building energy efficiency, cutting carbon emissions, indoor air quality, total building cost analysis, eco-design. An important research programme was launched on self-sufficient buildings in terms of energy, water and waste (Autonomous Building for Citizens).

- Biannual innovation competition held by the entities and the Group. Awards for in 2014 will be announced in October. More than 800 entries were made this year. Some of the innovations awarded in 2012: My Eco-High School that involves high school students in reducing energy consumption in their building, using renewable energy in tunnels, etc.

### Innovation collaborative

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

- Partnership with the Building Technical and Scientific Centre (CSTB) to optimise the Elodie® software programme, a lifecycle analysis tool that uses a multicriteria study to assess the environmental quality of jobs.

- Cooperative agreements with industry and laboratories. For example: a partnership with Techniwood resulted in the development of Panobloc wood, while a partnership with DualSun—a French start-up—led to the development of hybrid solar panels. A partnership with Renault was also launched focusing on redeploying used batteries from electric vehicles in buildings to improve energy efficiency.

### Knowledge transfer and sharing

- Leadership of the Sustainable Construction Club, a space for customers and partners of Bouygues Construction to discuss issues. Three Trade Clubs (housing,

p 25-27 - Organisation of the company to take into account environmental issues and, if necessary, environmental assessment and certification methods  
p 34-35 – Consumption of raw materials and measures taken for more efficient use

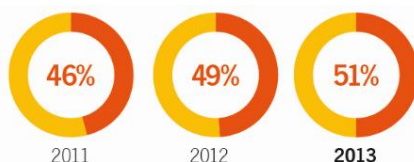
p 38 - R&D (improve energy efficiency)

p 51-52 - Relations with individuals or organisations interested in the company's activity

offices and infrastructure) and several theme-based think tanks. Topics dealt with in 2013 include sharing areas and services in dwellings, free time & urban recreation. Members currently include over 400 customers and partners.

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

p 58-59 - Dialogue between Bouygues Construction and its various stakeholders



Percentage of R&D expenditure devoted to sustainable construction (World – 100% of consolidated sales).

The following R&D topics are considered relevant to sustainable construction: energy, carbon, conservation of resources and materials, biodiversity, the well-being and safety of users, quality of use, eco-design, processes and methods (industrialisation, improvement of product quality, reduction of hardship, etc.) and tools (global cost, digital modelling, new technologies, etc.). This percentage, which has been increasing constantly for the past six years, stood at 21% in 2007, at the time of the launch of the Actitudes policy.

## Fighting corruption

GLOBAL COMPACT PRINCIPLES	2013 KEY ACTIONS	SECTIONS ADDRESSED IN THE 2013 CSR REPORT (response to article 225 of the Grenelle environmental law)
<p><b>10. Companies are encouraged to actively fight all forms of corruption, including embezzlement and bribery</b></p>	<p><b>Business ethics</b></p> <ul style="list-style-type: none"> <li>- Implementing a workplace alert system expanded to include anti-trust practices.</li> <li>- More stringent background checks for newly appointed sales staff.</li> <li>- Leadership of an ethics committee.</li> <li>- An Ethics and Compliance training programme for all Management Committees and sales/management functions: 1,872 executives trained in the last three years.</li> </ul>	<p>p 56 - Actions implemented to prevent corruption</p>

**1,872**

Number of managers trained in business ethics during the last 3 years (World – 97% of consolidated sales)

**For more information:**

Link to the 2013 CSR Report

(Bouygues Construction's response to Article 225 of the 'Grenelle' environment law):

[Bouygues Construction –2013 CSR Report](#)

Link to the Bouygues Construction 2013 Activity Report:

[Bouygues Construction – 2013 Activity Report](#)

Link to the Bouygues Construction sustainable development brochure:

[Bouygues Construction – sustainable development brochure](#)