

To accompany the implementation and rollout of compliance programmes in the business lines and ensure fair practices, the Group's corporate governance bodies have been reconfigured. The procedures for the operation of these governance bodies are described in paragraph 2.2.2 ("Organisational structures involved in risk management and internal control") of chapter D, "Risk factors and management procedures" in the Report of the Board of Directors.

The Ethics and Compliance Club, which brings together the legal heads of the Group's business lines, the Internal Control Director and the Ethics and Vigilance Director, aims to keep abreast of changes in legislation relating to ethics and foster exchanges of best practices, in particular with respect to training tools. It thus contributes to the prevention of actions contrary to business ethics. The club met eight times in 2018.

Lastly, the GDPR Representatives Club was created in early 2018. It brings together the representatives designated by each of the Group's business lines. Its aim is to provide support to the business lines in order to ensure the Group's compliance with Regulation (EU) No. 2016/679, known as the General Data Protection Regulation (GDPR). This body, coordinated by the Ethics and Vigilance Department, supports the sharing of tools and best practices. By way of example, the GDPR Representatives Club helped in the selection of a shared tool to maintain data processing logs at the entities of each business line. In addition, a mini-series consisting of six e-learning modules to raise awareness of the GDPR was made available to employees at the start of 2018, to familiarise them with the new rules in force and their new rights and obligations with respect to the protection of personal data. This club met eight times in 2018.

3.4.2 Practices relating to tax policy

As a global player in concessions and construction, the VINCI Group has operations in over 100 countries. Its highly decentralised organisation is structured around operating subsidiaries rather than by country or geographic region. The Group's substantial expense relating to taxes, fees and other obligatory payments represents a significant portion of its contribution to the economies of the countries where it operates. The Group meets its tax obligations, in full compliance with applicable local and international laws and in line with VINCI's intangible and universal commitments.

In accordance with VINCI's Code of Ethics and Conduct as well as its general guidelines, strict compliance with applicable laws and regulations is a core principle for the Group, one that must be followed in all circumstances by every employee and every business unit in the countries where they operate.

Due to the specificities of VINCI's business model as well as its activities, which are chiefly local in character, the Group's entities tend to favour local suppliers for their purchases of goods and services. For this reason, cross-border transactions between the Group's various companies are simple and not material. Furthermore, the invoicing principles applied follow the OECD Transfer Pricing Guidelines. These guidelines incorporate the recommendations resulting from the OECD/G20 Base Erosion and Profit Shifting (BEPS) Project, and in particular Actions 8-10 "Aligning Transfer Pricing Outcomes with Value Creation", supplementing the Group's adherence to the arm's length principle.

Given the autonomy granted to the Group's subsidiaries, the main tax risks that may arise in connection with their activities relate to the diversity, scale and/or complexity of operations. These risks can be either financial or reputational:

– Financial risks:

- Tax compliance and related risks: late filing of returns, inaccurate tax returns, failure of submission in due time of claims and options, or any other tax compliance failure whatever the reason may be (human error, system error, etc.);
- Operational tax risks: technical or factual inaccuracies, lack of in-depth tax analysis, unanticipated changes in tax legislation, misinterpretation of complex or unclear tax rules;

– Reputational risks: these risks are triggered by financial risks that may impact the Group's relations with various parties, such as the tax authorities.

Tax issues, including tax risks, like all other financial information, are reviewed on a regular basis by the CFOs of all Group entities, in particular during calls for tender, at each budget phase, in connection with the preparation of annual and half-year financial statements, and as often as necessary. Each CFO reports directly to the entity's chairman, to the members of its Board of Directors or other competent supervisory body, as well as to the CFO at the next hierarchical level.

As expressly indicated in the Group's general guidelines, the CFOs must ensure that financial data is presented in accordance with the standards, principles and procedures in force. Financial data, which includes tax data, is reported, managed and verified using reliable accounting systems that are monitored on a constant basis to ensure that they are functioning efficiently. Data audits are carried out frequently and staff using data receive training on an ongoing basis.

For any tax issue, the CFOs can request assistance from in-house experts, at the main holding companies of each division, in the business lines and at the level of VINCI SA, and/or outside consultants, depending on the issue and its materiality. Any outside consultant providing assistance must pledge to abide by the values expressed by VINCI, in particular those set forth in its Code of Ethics and Conduct.

VINCI takes the tax aspects of its operating activities and/or its investments into account and may make use of the options provided by local regulations to alleviate its tax or administrative burden. Nevertheless, in all cases, the Group's fundamental principle is to reject the use of aggressive tax planning or other artificial structures designed in particular to avoid paying taxes, as well as any participation in other arrangements mainly for tax purposes that would offer no real commercial advantage. Similarly, whenever VINCI maintains a presence in a country considered as a tax haven, it is uniquely as a result of its operating activities.

If a tax risk is identified, proportionate solutions are designed and implemented at the appropriate level, in collaboration with the relevant tax and financial teams, so as to minimise this risk. These analyses and solutions are regularly updated in accordance with trends in projects, changes in the Group's organisation, as well as legal and regulatory developments. Whenever necessary, they are discussed and reviewed with auditors and/or the competent tax authorities.

One of the Group's key expectations of its subsidiaries is that they build and maintain good, transparent and constructive relations with tax authorities in each of the countries where they operate.

3.5 Information relating to actions taken in favour of human rights

VINCI's policy in the area of human rights, its framework and the specific actions implemented are described in more detail in the chapter devoted to the Group's duty of vigilance plan (see section 4, "Duty of vigilance plan", page 228).

3.5.1 General policy in the area of human rights

VINCI has been a signatory to the UN Global Compact since 2003. It is thus committed to supporting and promoting respect for human rights within its sphere of influence, and to ensuring that Group companies are not complicit in human rights abuses. VINCI refers to the UN Guiding Principles on Business and Human Rights in defining its strategy. In this vein, VINCI has updated its analysis of the human

rights risks associated with its business activities. The key issues identified were grouped into five categories, themselves divided into 17 themes, covering the entire life cycle of projects (from responses to calls for tenders to entry into service and operations). The five categories are recruitment practices and migrant workers, working conditions, conditions of accommodation, the practices of subcontractors in the area of human rights, and relations with local communities.

A Group-wide reference guide, VINCI's Guide on Human Rights, has been prepared by an ad hoc steering committee, comprised of human resources managers of all Group business lines and divisions. It provides an overview of the issues identified and their implications for the Group's companies. The guide also presents a shared set of guidelines, indicating the specific approaches to be adopted with respect to each of these 17 themes. The Group's guidelines are in keeping with the principles of the Universal Declaration of Human Rights, the eight fundamental conventions of the International Labour Organisation and the OECD's Guidelines for Multinational Enterprises. VINCI's Guide on Human Rights applies to all Group employees. Following its validation by VINCI's Executive Committee in April 2017, several translations of this guide were commissioned in 2018 to make it accessible to the largest possible number of employees. It is now available in 21 languages, thus covering more than 98% of the workforce, based on the official languages of the Group's operating countries. An internal document appended to the guide, intended for operational managers and human resources professionals within the Group, provides detailed descriptions of the issues and presents useful tools, recommendations and best practices.

The guide has been distributed to all of the Group's operating entities. It has been presented to the European Works Council as well as the management committees of all Group business lines and divisions, who took responsibility for cascading the information to their teams. Human rights are also a focus of the new version of Advance, VINCI's sustainable development self-assessment tool used by all management committees of Group companies. Lastly, the guide is a public document and may be accessed by any interested parties via the VINCI website. It has also been printed by the Group in a run of more than 5,000 copies in French and 4,000 in English. Its broad distribution is also ensured via electronic means, in a format allowing it to be printed or reproduced locally by the Group's companies.

In order to supplement the standard contractual clauses on human rights, a comprehensive and gradual approach has been defined by the Group to disseminate these guidelines to staff likely to have to deal with these issues in the course of their projects. As part of this approach, various risk and performance assessment tools were developed and tested in 2018, in advance of a broader rollout. The eight pilot countries selected to test these tools are Morocco, Cambodia, Vietnam, Egypt, Cameroon, Colombia, the Dominican Republic and Poland. This work is still in progress and supplements the actions being taken in other countries, like Qatar.

In relation to its airport concessions in Cambodia, VINCI also decided in 2018 to have an audit of psychosocial risks carried out by an independent third party, whose findings will be discussed with trade unions, and to renew the audits of its temporary employment agency partners. These measures were taken in the context of the mediation and conciliation platform provided by the French National Contact Point (NCP) set up to further the implementation of the OECD Guidelines for Multinational Enterprises. The French NCP found that the Group effectively observes the OECD Guidelines despite a sensitive context in the country and that it has taken the appropriate due diligence measures with respect to its Cambodian subsidiary. A specific monitoring procedure will be put in place in response to the NCP's conclusions and final recommendations, which were communicated in December 2018.

As part of the Group's focus on continuous improvement, an e-learning module to raise awareness and provide information about human rights issues for the Group's businesses was prepared in 2018 and is due to be launched for staff in early 2019.

As is the case for the guide, this comprehensive approach is supported and steered by a dedicated Human Rights committee, consisting of the human resources managers of all Group business lines and divisions, which meets on a quarterly basis.

Lastly, in support of its policy and in order to be able to exert its influence on the value chain, VINCI actively participates in collaborative initiatives, in particular Building Responsibly, a global business initiative co-founded by the Group that serves the engineering and construction industry. Launched in February 2017, Building Responsibly aims to bring together companies in the sector in order to develop common approaches and standards, share best practices, tools and experiences, and engage stakeholders and all actors in the industry's value chain to find concrete and collective solutions to the challenges faced in the sector in looking after the rights and welfare of workers.

In June 2017, VINCI also became a member of the Leadership Group for Responsible Recruitment's Steering Committee. This initiative convened by the Institute for Human Rights and Business (IHRB) focuses specifically on issues relating to recruitment and migrant workers.

In France, VINCI is a member, alongside 15 other leading companies, of Entreprises pour les droits de l'Homme / Businesses for Human Rights (EDH), a non-profit organisation offering a forum for exchanges to better embed human rights within the policies and practices of companies.

At the end of 2017, VINCI joined the Global Deal, a worldwide initiative that aims to foster and promote social dialogue as an important tool to generate decent work and quality jobs, thus leading to greater equality and inclusive growth. VINCI sees its declaration of support for this multi-stakeholder partnership, which brings together governments, businesses, trade unions and other organisations, as an additional opportunity to strengthen its efforts to disseminate and develop labour relations dialogue in all the countries where it operates and across its entire sphere of influence.

In 2018, VINCI continued to engage with its stakeholders on these issues. Ongoing dialogue was maintained with key civil society representatives, international organisations, professional associations, universities, etc. at local level, but also through participation in forums, working groups and collaborative initiatives.

3.5.2 Prevention of human rights risks in Qatar

VINCI is present in Qatar via its joint venture QDVC. For a number of years, this company has sought to ensure better working and living conditions for its employees, and fights against all infringements of fundamental human rights. In 2015, among other steps taken to verify that measures put in place by QDVC were effective, VINCI decided to enlist the services of an independent third party to conduct a human rights impact assessment (HRIA) at the company. The HRIA report concluded that "despite a challenging operating environment, QDVC has achieved a good level of performance that effectively helps to reduce the risk of negative effects on the human rights of its employees and subcontractors". A committee of independent international experts from institutions widely known for their work in this area (the International Labour Organisation (ILO), Building and Wood Workers' International (BWI), the Danish Institute for Human Rights, the Qatar Foundation, and the French National Consultative Commission on Human Rights) also assisted with this assessment. Furthermore,

missions to visit QDVC's worksites are regularly organised with the Group trade union representatives, the employee Board members or the Secretary General of VINCI's European Works Council.

More specifically, QDVC applies rigorous procedures to ensure that its employees enjoy freedom of movement. All of them are in possession of Qatari residence permits and have access to secure lockers where they may store their personal documents – passports, employment contracts, etc. QDVC also issues official no objection certificates (NOCs) to employees wanting to leave the company or seek employment elsewhere, and official exit permits if they need to leave the country for any reason (holidays, emergencies). To fight debt bondage, QDVC has put in place robust control processes for the monitoring of recruitment agencies in the countries of origin (Bangladesh, India, Nepal, etc.), involving precise rules about the expenses paid by QDVC (airfares, visas, medical visits, etc.), with the understanding that migrant workers must not bear any of these costs. Lastly, QDVC pays particular attention to the living conditions and conditions of accommodation of its migrant workers. The accommodation sites, which are owned and managed by QDVC, meet the standards of the Qatar Foundation.

QDVC has continued its actions to improve working conditions, with the introduction, in March 2016, of a system for reporting complaints (for collective as well as individual complaints) that guarantees its employees complete confidentiality, and with the election of 27 employee representatives in November 2016, chosen by their peers to represent them on the company's Workers' Committee. For a month, 75 candidates waged their campaigns. The election's participation rate was 72%, thus 2,894 voting employees out of a total workforce of 4,016. Although QDVC had already set up representative bodies for workers prior to this date, this was the very first time in the country that employee representatives had been elected by their peers.

In addition, following several years of constructive dialogue, VINCI, QDVC and Building and Wood Workers' International (BWI) signed an agreement on workers' rights in November 2017 at the ILO's Geneva headquarters, during a ceremony attended by its director-general. This agreement covers human rights in the workplace, accommodation, and issues relating to the fair recruitment and the employment rights of workers. It applies to all workers employed by QDVC in Qatar and stipulates a due diligence procedure for subcontractors. This agreement is the first of its kind in Qatar between a union federation and a Qatari company. The agreement also calls for an extensive verification system involving follow-up, reporting, monitoring, inspections and audits under the aegis of a reference group composed of representatives of the three parties. All aspects of the agreement's implementation will be reviewed by the parties. The agreement is a public document and may be accessed by any interested party via the QDVC website.

It is also made available by the company to its own employees as well as those of its labour suppliers and subcontractors. Following an initial meeting by the agreement's reference group in April 2018, the first on-site audit was conducted on 8 and 9 January 2019. The Group's trade union representatives also took part in this audit.

Lastly, the ILO Project Office in Qatar and QDVC signed a partnership agreement in May 2018, within the framework of the ILO-Qatar cooperation programme, to pilot a fair recruitment intervention between Bangladesh and Qatar aiming at ensuring a recruitment process that is free of charge for migrant workers recruited by QDVC's placement agencies and sub-contractors. The methodology is based in particular on an initial audit carried out by an independent third party in July 2018, followed by a capacity-building programme for recruitment and placement agencies in the sourcing country. This programme, implemented in October 2018, brings together QDVC, recruitment and placement agencies in Bangladesh and Qatar, the ILO, Qatar's Ministry of Administrative Development, Labour and Social Affairs (ADLSA), and the Fair Hiring Initiative. An impact analysis will be conducted subsequently by the ILO with the assistance of university researchers. This pilot project provides an opportunity for QDVC to generalise fair recruitment practices among its subcontractors and recruitment agencies.

4. Duty of vigilance plan

This section of the annual report aims to satisfy the requirements of French law no. 2017-399 on the duty of vigilance of parent companies and subcontracting companies to identify risks and prevent severe impacts on human rights and fundamental freedoms, on people's health and safety, and on the environment, resulting from the activities of the company, those of its subsidiaries, or those of subcontractors or suppliers with whom they have an established business relationship.

VINCI's duty of vigilance plan builds on the sustainable development commitments in the Group's Manifesto, the Code of Ethics and Conduct and, more broadly, Group policies that help prevent risks to people and promote the implementation of vigilance measures in each of the three areas covered by the law.

The Group's health and safety policy, which has been reinforced by a joint declaration of fundamental actions to promote occupational health and safety, is managed by the Health and Safety Coordination unit, which is under the supervision of the VINCI Executive Committee. Human rights risk prevention policy is disseminated through VINCI's Guide on Human Rights and coordinated at Group level by the Director of Human Resources and Sustainable Development, who is also a member of the VINCI Executive Committee. Environmental policy is promoted by the Manifesto and championed at Group level by the Sustainable Development Delegation and Committee, as well as working groups focusing on specific themes (biodiversity, circular economy, etc.), overseen by the VINCI Executive Committee.

As an additional resource, an Ethics and Vigilance Department, reporting to the Group's Executive Management, was set up on 1 January 2018 and an Ethics and Vigilance Committee was formed in March 2018. This committee, which consists of seven members, five of whom also serve on the Executive Committee, oversees the rollout and any further changes to the compliance systems covered by the Code of Ethics and Conduct, and in particular those relating to the fight against corruption and the prevention of serious breaches of human rights obligations and fundamental freedoms, of health, safety and security procedures in the workplace, or of environmental legislation and regulations, resulting from the Group's business activities.

The committee reports annually on its activities to the Strategy and CSR Committee of the Board of Directors and met eight times in 2018.

VINCI's duty of vigilance plan, encompassing all entities controlled by VINCI, is also underpinned by the Group's cross-activity policies on sustainable development and ethics, particularly the whistleblowing procedure that applies to all duty of vigilance issues.

4.1 The Group's organisation, business activities and value chain

The objective of VINCI's activities is all-round performance, which in addition to economic and financial performance includes attaining workforce-related, environmental and social goals. This is the only possible vision for a regional developer whose activities and constructions are designed for the long term and have a major impact on local communities. Improving the local living environment is a goal shared by all Group companies, which strive to:

- contribute to project in the public interest that benefit local populations;
- proactively offer innovative solutions that best meet the customers' needs;
- work collaboratively by engaging all stakeholders in a shared project.

Due to the very nature and diversity of its businesses and activities, VINCI is first and foremost a multi-local Group. Regardless of whether its companies develop construction projects or infrastructure concessions, they establish local operations, produce locally with mainly local management, partners and staff, for local use and in local conditions. VINCI is made up of a network of companies, often small or medium-sized, that have long-established roots in their operating regions and that strive to contribute positively to their development.

In keeping with its commitments to regional development, the Group works to stimulate local entrepreneurship. At 31 December 2018, VINCI encompassed 1,520 companies, of which 68% had fewer than 100 employees.

Although VINCI has a strong international presence (in more than 100 countries), at 31 December 2018, more than 84% of its workforce was based in OECD countries. At that date, VINCI's global workforce broke down as follows: 75% in Europe (of which 62% in France), 11% in the Americas, 7% in Africa, 4% in Asia and the Middle East, and 3% in Oceania.

Additionally, Group entities frequently undertake project-based work. This means that they provide services over variable periods of time (ranging from a few weeks to a few years), for projects of varying sizes and natures, and work with a variety of partners and subcontractors for varying periods of time, involving fluctuating numbers of workers, in areas with changing geographic boundaries, both as the subcontracting company but also as a hired subcontractor for clients with diverse sets of requirements and priorities with regard to environmental, employment and social issues. Consequently, each project has its own ecosystem, so any action taken must be targeted and address operational issues.

Another aspect of our construction and concessions businesses is the fact that our operations are often highly integrated, meaning that an essential portion of our supply chain operates on our sites. As a result, subcontractors of all levels work alongside the Group's teams at its worksites or sites under operation. In this respect, the subcontractor supply chain is closely monitored and is subject to a shared set of rules. The same applies to workers recruited through temporary employment agencies.

Whether in the construction or concessions business, subcontracting and temporary labour are two essential components of the value chain and account for a significant volume of purchases. Subcontractors, temporary staff and their monitoring has therefore been included as a priority area for improvement in the duty of vigilance plan in its first year of implementation.

Suppliers and other categories of purchases made by the Group are mainly local and part of a short supply chain. For that reason, supplier information is provided as a complement to the non-financial performance statement but is not considered to be a priority for the duty of vigilance plan in its first year. The main issues that have been identified, based on their impact on people and the environment, relate chiefly to projects, worksites and sites under operation.

At the other end of the value chain are our customers. Whatever the business activity, project or worksite of VINCI entities, and regardless of whether their customers are public (such as public or local authorities or government-owned companies) or private (such as property developers or other private-sector companies), VINCI's entities invariably serve customers who order the design or construction of infrastructure or delegate its management, maintenance and operation. Group companies therefore operate within a specific value chain involving a large number of players (architects, design firms, engineers, customers, regulators, inspectors, investors, lenders, partners, government and local authorities, etc.). Each company performs its work under contract and reports continuously on its activity to its customers and, in some cases, to the inspection bodies and regulators in charge of project monitoring and inspection. Contracts with public authorities include social and environmental obligations that are reported on and verified on a regular basis. In an intensely competitive industry, VINCI companies not only meet the requirements set by customers, but also constantly strive to spread best practices and promote innovation, including in social and environmental matters, while applying the laws and standards relating to the Group's commitments. Public sector or quasi-public customers generated 33% of Group company revenue in 2018.

Furthermore, our concession companies often operate under contracts to provide public services, which are strictly regulated by law and continuously monitored by the concession-granting authority and public authorities to verify that the service provided is in compliance with specifications and is being properly carried out. These authorities produce and often publish activity reports on the performance and management of concession contracts as well as audit reports for concessions. Concession holders must also report on the proper performance of the contract and produce activity reports within the time specified in the contract.

These are the parameters that VINCI takes into account in designing and implementing effective vigilance measures with regard to its organisational model, value chain and the specific challenges of each of its activities.

4.2 Duty of vigilance with regard to health and safety

Because its activities carry inherent risks, VINCI has made health and safety at work a priority. The Group's health and safety policy aims to anticipate and prevent these risks, including psychosocial risks, to ensure hygiene, health, safety and quality of life in the workplace, and to ensure the redeployment of employees who have suffered a workplace accident or illness. The Group also has the objective to achieve zero accidents, which applies to employees, temporary workers and external staff at VINCI worksites or sites operated by VINCI. This goal is one of the commitments published in VINCI's Manifesto in 2012. In 2017, the Group reinforced its health and safety policy with a joint statement, signed by the Chairman and CEO of VINCI and the Secretary of the European Works Council and published on the Group's website (<https://www.vinci.com/vinci.nsf/en/item/essential-and-fundamental-actions-concerning-occupational-health-and-safety.htm>). The declaration provides guidelines for the Group by defining fundamental and essential workplace health and safety initiatives. However, due to continually changing jobs, tools, techniques, processes and new technologies, constant vigilance is needed. Therefore, VINCI not only applies rules and procedures, but also calls for the continuous development of a prevention and safety culture shared by all that addresses all types of risk to people's health and safety.

4.2.1 Mapping of the Group's major risks

Taking a targeted approach, based on the business activity and country, has always been fundamental in identifying and preventing risks to people's health and safety. Each business line and division therefore has its own risk map. With regard to major risks to people, which is the focus of the duty of vigilance plan, each business line and division has made strong commitments and developed a risk prevention approach. It consists in analysing situations in which the potential for a severe accident or near-miss is high and developing methods to trace the root causes of major events in order to learn from past experience. Using this approach, each business line and division has built its own health and safety guidelines and golden rules. In addition, at the operational level, each Group site must conduct a health and safety risk analysis ahead of any work situation, taking into account the geographical context, the characteristics of the work being considered and its technical specificities. These multiple levels of analysis are essential to developing initiatives and responses tailored to the operational issues of each project, activity and country.

In 2018, VINCI also commissioned an independent third party, France's Institute for an Industrial Safety Culture (ICSI), to map major risks at Group level. For this purpose, a major risk was defined by combining an assessment of the likely occurrence of an event (actual or potential) and the severity of its outcome (actual or potential). A major risk is therefore the risk that a major event occurs and has severe consequences for a subject (employee, temporary worker, subcontractor or third party). Severity level is determined based on situations and events that have actually occurred as well as those for which the potential severity was high, meaning that in slightly different circumstances, the consequences could have been major.

The health and safety directors of VINCI business lines and divisions were interviewed over several months to highlight the major risks inherent to their respective businesses and analyse documents on the management of these risks and related processes. This work resulted in the identification of six main risk categories and various types of potentially major event, which range from events affecting the entire Group to events specific to the activities of certain business lines and divisions. These main categories of risks to people's health and safety are:

Main risk categories	Types of potentially major event
Risks related to moving masses	Collision with moving equipment or materials
	Collision with worksite machines or vehicles
	Collision with third-party vehicles
Risks relating to falling objects or loads	Blows from falling objects or materials
	Blows from the collapse of a construction
	Crushing from the fall of a suspended load
Risks relating to working at height	Falling from heights
Risks relating to energised or pressure equipment	Electrocution
	Projection of high-pressure fluids
	Projection of pressure machinery parts
Risks relating to handheld mechanical tools	Cuts and punctures from sharp handheld mechanical tools
Risks relating to road traffic	Road accidents

4.2.2 Measures to assess the situation of subsidiaries, subcontractors and suppliers

To monitor these risks, workplace safety policies are implemented using two approaches: rule-based safety and managed safety. Rule-based safety is achieved by anticipating foreseeable situations and applying rules, while managed safety designates the ability to react effectively to unexpected situations, thanks to experience and training. The balance between these two complementary approaches depends on the type of risk and the risk environment.

Business lines and divisions develop their own prevention policies that are adapted to their activity, geographical area and operational environment, using a combination of the two approaches. These policies are implemented with varying degrees of decentralisation, so that any situation that arises can be handled as effectively as possible. The established procedures make no distinction between employees of Group companies and temporary or subcontractor staff: all active personnel at any given site work in the same conditions. Annual action plans and specific audit schedules support these policies, which are monitored by line management superiors and the network of health and security managers. Every business line and division in the Group is therefore equipped with a risk prevention policy, an associated action plan, a schedule of audits and a dedicated team of specialists.

Safety inspections and audits carried out by safety officers, whether of our own entities and employees or of worksites operated by external companies (whether or not they belong to the Group), are an essential part of risk prevention monitoring and assessment. The Group has also developed the practice of cross-auditing by health and safety representatives in its various companies.

For example, VINCI Autoroutes's internal control programme is based in particular on the use of cross-audits led by a member of the prevention team in each of the business line's three companies (ASF, Cofiroute and Escota). Twelve internal audits, each carried out by regional management and based on a shared set of internal guidelines, are conducted annually. Using standard criteria, various aspects are given a score reflecting their level of management and maturity, and strengths and areas for improvement are identified. Audited aspects include prevention policy as well as its organisation and coordination; training programmes and initiatives; preparation and organisation of work; management of materials, equipment and products; management of accidental events; medical monitoring of employees, as well as the management of works and services entrusted to external companies. Each audit concludes with a detailed report of observations made and a plan for corrective actions to be monitored.

At VINCI Construction, its divisions have rolled out robust health and safety systems. VINCI Construction Grands Projets has a dedicated audit team within its Quality, Safety, Environment and Information Systems Department (DQSE-I). According to the established rule, each project is audited by VINCI Construction Grands Projets headquarters every two years. Also according to the rule, as soon as a project is created, a dedicated QSE management system and corresponding schedule of audits is set up at the project level. Each year, the VINCI Construction Grands Projets management committee defines an annual audit schedule to be implemented and monitored by the audit team. A notification is sent prior to each audit, along with a detailed, tailored audit plan. Audits are based on applicable standards (ISO 9001, ISO 14001, ISO 45001, etc.) and guidelines applied by VINCI, VINCI Construction and VINCI Construction Grands Projets, as well as special requirements (a safety plan, process map, contract, partner requirements, local standards, etc.) identified from the start due to the project's particularities. ISO 9001, a core standard for audits, covers all aspects relating to the management, selection, monitoring and assessment of subcontractors. It should be noted that audits cover the entire site and, particularly with regard to health and safety, all site personnel (including subcontractors and other staff) without distinction. Upon completion of an audit, observations are shared with project heads and the audit report is sent to all levels of project management, including the general management of VINCI Construction Grands Projets. In 2018, 42 audits were performed, including internal audits at headquarters, and amount to 50 audit days. Once the audit report is received, the entity suggests actions to remedy any issues. Project managers and the audit team share responsibility for monitoring the action plan: in general, the project's QSE manager informs the auditor when measures are implemented and provides evidence of achievements. Periodic progress reports on achievements and trends are also made. The audit team keeps track of all these measures and supporting documents in a regularly updated dashboard. Lastly, all audits cover the site in its entirety and therefore all personnel without distinction (including subcontractors, etc.).

Audit procedures relating to health and safety at Group entities therefore also involve obtaining certifications. The standards in question often require their own audits, which may be conducted by external auditors. Such audits involve every business line and division. Similarly, at their own level, projects and worksites implement risk management systems and therefore a tool to monitor the management of health and safety risks. These systems draw on the results of the initial risk analysis performed for every Group site, factoring in issues specific to the worksite or site under operation. All these different levels of risk monitoring and assessment reinforce and complement each other.

4.2.3 Tailored actions to mitigate risks or prevent severe impacts

For each site or worksite at which VINCI companies inspect the performance of work, a common set of rules applies to all, with no distinction made between employees, temporary workers or subcontractor staff. Where applicable, the Group entities help the subcontractors and temporary employment agencies they work with to improve their own performance. This assistance is mainly provided at the site under operation or at the worksite.

a. Global actions

• Group-level health and safety policy and guidelines applicable to all

The Group's health and safety policy, which is covered in its Code of Ethics and Conduct and VINCI's Manifesto, was reinforced in 2017 by the signature of a joint declaration by the Chairman and CEO of VINCI and the Secretary of the European Works Council. The statement sets a standard for the Group by identifying essential and fundamental occupational health and safety initiatives. It is currently available in 21 languages and can be accessed by the public on VINCI's website (<https://www.vinci.com/vinci.nsf/en/item/essential-and-fundamental-actions-concerning-occupational-health-and-safety.htm>). The declaration is the product of steady, constructive dialogue between labour and management and contributes to a continuous improvement process that should engage all employees to promote a safety culture at VINCI. Its broad dissemination is evidence of its visibility and the level of engagement at the highest echelon of the Group's management. Another sign of this high-level commitment is the linking of the short-term variable remuneration of VINCI's Chairman and CEO to environmental, social and governance (ESG) criteria, including occupational health and safety indicators.

• Essential and fundamental occupational health and safety actions

The joint statement reiterates the main thrusts of VINCI's health and safety policy, describes the initiatives and measures to be implemented at all the Group's sites and provides for the monitoring of results.

At the operational level, each and every site must conduct a risk analysis at the earliest possible stage ahead of any work situation and, based on the findings of the risk analysis, incorporate preventive measures into operating procedures and methods. Each entity must supply suitable personal protective equipment for each work situation and ensure that each worker fully understands the risks associated with their activity and the measures to take to manage them. Work must also be organised at the site in such a way as to safeguard employee health and safety.

Employee representatives must be involved in the implementation of initiatives, notably for the prevention of workplace accidents and occupational hazards, and consulted for suggestions. Safety awareness and training are essential to promoting occupational health and safety. This training must be provided to employees during their work hours; more specifically, employees must be given instructions and explanations relating to their job or assignment. They must be familiar with operating procedures and safety regulations and comply with them. Materials and tools must be used as intended, and personal protection equipment must be worn correctly. These rules apply to everyone at VINCI, in all activities, in all companies and in all countries where the Group operates.

• Risk prevention for subcontractors and temporary employment agencies

Across the Group, VINCI's Subcontractor Relations Guidelines (<https://www.vinci.com/vinci.nsf/en/item/subcontractor-relations-guidelines.htm>) underscore the Group's determination to ensure that the employees of its partner companies work under the same safety conditions as those of its own staff. The guidelines are disseminated by the regional Pivot Clubs where the regional managers of the Group's businesses meet regularly and exchange ideas. The guidelines are a tool for Group entities to use in their relations with subcontractors. At VINCI Construction France, for example, the guidelines are systematically incorporated into all subcontracting agreements. A two-day safety training session and assessment is also offered to temporary workers to enable them to obtain a safety passport, called Pasi, demonstrating the acquisition of safety fundamentals. Temporary staff must have a Pasi before they start an assignment at a worksite. Initially launched by VINCI Construction France, the Pasi is now used throughout the industry. It was created after it was observed that accidents were more frequent among temporary than permanent staff. The initiative reflects a firm commitment to protect employees and partners alike, in particular by implementing a robust prevention policy. Many VINCI companies have also signed framework contracts with their subcontractors. The zero accidents objective is the common denominator in these contracts, which include special clauses covering essential measures such as wearing personal protective equipment, reporting workplace accidents and providing ongoing information on any change in worksite hazards.

In addition, workforce-related and social criteria have been incorporated into the framework contracts signed by the Group with approved temporary employment agencies. These criteria require that the agency demonstrate a strong track record in people's health and safety and a safety culture in the workplace. During the latest selection process, 47 agencies were excluded as a result of applying the ESG filter. An annual review will be conducted for the 90 approved agencies. Group companies are required to use only approved agencies for their temporary recruitments.

• Innovation Awards

Every three years, VINCI presents the Innovation Awards. This competition aims to accelerate the spread of local initiatives by its operational employees. The awards distinguish not only technological achievements but also innovations that promote the Group's continuous improvement, notably in the areas of safety, sustainable development and working conditions. One of the 12 award categories recognises innovations for the health and safety of employees, partners and/or customers. In 2017, more than 2,000 applications were submitted by more than 5,000 employees and nearly 150 innovations were distinguished around the world, of which 42 were related to people's health and safety. The selection of judges and the organisation of ceremonies give visibility to the event and show all employees that the topic is an important one for the Group's management. Furthermore, highlighting in-house achievements in occupational health and safety innovation is a reminder to all of the need for continuous vigilance, commitment and improvement in this area.

b. Actions adapted to the Group's business lines and divisions

• Guidelines specific to the Group's various activities

Business lines and divisions define guidelines and/or golden rules specific to their activities and take action in their companies, close to the employees who will implement them. Each entity has multiple sources of guidelines – the Group, the business line, the division, the entity itself, and so on. These guidelines reinforce and complement each other to provide a tailored response to the situation of each sector and activity. Prevention measures and audits take into account all these rules and guidelines. For example, VINCI Autoroutes decided to harmonise and standardise a large number of its procedures and internal rules, for greater consistency and to facilitate understanding. VINCI Autoroutes' operational employees all undergo training and assessment in these procedures, which are updated periodically. The business line's three companies apply the same prevention policy, use a shared language and work toward common goals. Their policy focuses on three main areas and sets out golden rules in each.

• Collective agreements on health and safety issues

Labour-management dialogue takes place at every level of the company. As part of its health and safety policy, VINCI negotiates and enters into specific agreements with trade unions and employee representatives on subjects related to improving staff working conditions, thereby enhancing the overall performance of Group companies. In 2018, 31 health, safety & prevention agreements were signed by Group companies.

• Continuous, tailored awareness and training initiatives

Each activity has its own toolbox of measures that are tailored to its own situation and integrates health and safety awareness into its daily routines, such as pre-start and pre-task briefings and 15-minute safety sessions. Initiatives such as these have been rolled out by most activities and offer daily opportunities to review basic safety rules, explain operating procedures, introduce the work environment and engage employees. Many awareness and training sessions address issues specific to an activity, such as working at height, driving vehicles, or preventing hand injuries.

Innovation is also central to these training efforts, in order to continuously improve their effectiveness and adapt them to changing activities. In 2018, several entities of Eurovia, VINCI Energies and Soletanche Bachy tested a virtual reality training module for risk prevention and reduction. The module aims to help trainees analyse and memorise dangerous situations more quickly. VINCI Autoroutes is experimenting with several innovative solutions to reduce risk exposure of employees working on motorways. Some involve technological innovations (such as the detection of a collision risk by a smart built-in camera on their vehicle) while others aim to raise awareness and warn users (such as information campaigns, smartphone alerts for drivers informing them of the presence of maintenance vehicles and personnel).

More broadly, at Group level, in 2018, 38% of the training hours delivered were for health and safety. Also in 2018, ICSI's Safety Academy training resources were added to the VINCI Up! e-learning platform, which makes specialised training modules available to employees at all times.

In addition to on-site training for employees, most of the Group's activities have developed training programmes for executives to strengthen the safety culture among managers. At VINCI Construction, the "Managing with Safety" programme launched in May 2017 reached more than 8,000 managers. It promotes five essential actions, the first of which is to assess the safety culture of managers prior to their annual performance review. Similar training initiatives were developed in other business lines, such as Eurovia's programme entitled "Managing Health & Safety at Eurovia". Worksite visits take place regularly in all Group entities. Meetings of management include health and safety issues on their agenda.

• International health and safety events

Promoting a shared safety culture in the company and in relations with stakeholders is an important driver for developing everyone's skills, motivation and creative potential. For this reason, international health and safety events are regularly organised by the various business lines and divisions, such as International Safety Week or International Prevention Day. VINCI companies continue to involve more and more temporary staff and subcontractors, as well as customers, in safety training and awareness. These events reflect the management's commitment to each activity. Many VINCI subsidiaries organise in-house competitions to reward health and safety initiatives, such as the HSE Challenge at Entrepouse and Soletanche Freyssinet (VINCI Construction) and the Security Challenge by VINCI Concessions.

• Health and safety perception surveys

Surveys of employees' perception of the health and safety culture in their company are becoming more common in various parts of the world. They provide specific, objective evaluations of the effectiveness of health and safety policies and help to encourage dialogue in companies for the development of improvement plans.

• Health and safety certification initiatives

Group companies are stepping up certification efforts in the area of health and safety. Their aim is to promote the continuous analysis of each procedure through a series of audits and thereby improve their performance. In 2018, OHSAS 18001 certification, for the optimisation of occupational health and safety management, covered a scope corresponding to 71% of revenue for VINCI Construction and 50% for VINCI Energies. For Eurovia, in 2018 the certification covered 22% of its revenue in France, 77% in Europe and 41% in the combined region of the United Kingdom and the Americas. VINCI Energies and VINCI Construction have also obtained LSC-VCA-SCC or Mase-UIC certifications. The companies of VINCI Autoroutes have begun a certification process for the new international standard for occupational health and safety: ISO 45001. This standard calls for periodic in-house audits by trained and specialised employees, as well as external audits conducted by competent bodies.

4.2.4 Alert mechanisms and processing of reports

The joint declaration signed in 2017 by Xavier Huillard and the European Works Council emphasises that any situation observed by employees that represents an imminent threat to health and safety must be immediately reported to the employer or relevant superior. No employee can be reprimanded for making such a report. Likewise, depending on the operational context, employees can avail themselves of procedures such as exercising the right to refuse work, if they believe the situation presents a serious and imminent danger to their life or health.

Managers are strongly encouraged to raise alerts and report hazards. Business lines and divisions have developed dedicated tools to facilitate, streamline and process these reports. An application called "Move Safe" is about to be launched for all VINCI Autoroutes entities, and similar applications for reporting hazardous situations have been developed and made available to employees at VINCI Construction and VINCI Energies. In addition, hazard reporting is included in the health and safety targets for the incentive plan, to further encourage each employee to meet quantitative objectives.

4.2.5 Monitoring of measures implemented and assessment of their effectiveness

Health and safety policy is overseen by the Executive Committee and coordinated by a global team made up of the health and safety directors of the Group's business lines, so that a strong safety culture can be spread and shared by all VINCI companies. The team's mission is to build this shared health and safety culture, mainly by facilitating the exchange of best practices and the sharing of feedback, assessing existing procedures, enhancing the reliability of indicators and by suggesting new paths of improvement adapted to each activity. Accident prevention Pivot Clubs and internal collaborative platforms help disseminate and monitor these measures throughout the community of several hundred health and safety managers, coordinators and experts.

Business lines and divisions monitor events with potentially severe consequences in a particular manner. Events that have been identified as such following analysis are consolidated, compared and studied from a macroscopic perspective in order to identify underlying risks, root causes and trends. This helps to develop both curative and preventive measures, by making it possible to anticipate the potential occurrence of a severe accident. Furthermore, for every accident, a methodical and in-depth investigation must be undertaken with the employee representatives and the causes analysed. Severe accidents are presented to management committees once the root cause analysis has been carried out. Any accident resulting in the death of a Group company employee, temporary employee or subcontractor employee is systematically reported to and analysed by VINCI's Executive Management. The information is immediately communicated to the Chairman and CEO and to members of the European Works Council, regardless of the country where the accident took place. Occupational health and safety is on the agenda of every meeting of the European Works Council. Pursuant to an agreement with the VINCI European Works Council, a quarterly report is submitted to the Council's board on workplace accidents, commuting accidents and occupational illnesses.

Local processes to identify and manage risks are measured and reviewed on a regular basis and information is communicated to the Group. The outcomes of initiatives are measured by relevant indicators, which are presented to the management committees of the business lines and divisions, providing the opportunity to discuss how to improve them. At VINCI Autoroutes, the management committee examines key indicators every two weeks. At Group level, in addition to presentations to VINCI's Executive Management, presentations are made to the Strategy and CSR Committee of the Board of Directors, the Remuneration Committee and the Appointments and Corporate Governance Committee, in order to evaluate manager performance, and to the Board of Directors itself.

Safety data on temporary staff and subcontractors is increasingly included in health and safety performance monitoring indicators.

As a result of the various actions taken by the Group, its business lines and divisions, the proportion of companies with no lost-time workplace accidents rose from 66% to 72% in five years, representing an increase of over 9%. Over the same time frame, the lost-time workplace accident frequency rate (number of lost-time workplace accidents x 1,000,000/number of hours worked) declined from 7.77 in 2013 to 6.10 in 2018. The lost-time severity rate (number of days lost due to workplace accidents x 1,000/number of hours worked) was stable in 2017 and 2018, at 0.42%.

In 2018, the number of days lost through occupational illnesses recognised in the Group amounted to 62,149 days out of a total of 48 million days worked. This represents a recognised occupational illness frequency rate (number of recognised occupational illnesses x 1,000,000/hours worked) of 0.80%, which is lower than in 2017, and a recognised occupational illness severity rate (number of days lost through occupational illness x 1,000/hours worked) of 0.17%, which is also lower than the previous year.

In 2018, worldwide, the temporary staff lost-time workplace accident frequency rate was 15.03. The gap between the workplace accident frequency rates of VINCI employees and temporary staff reflects differences in the jobs performed, in safety awareness, and in technical know-how and experience. Reports on workplace accidents involving temporary staff enable VINCI companies to take concrete action to prevent them from recurring.

The Group also tracks the number of companies with no severe accidents.

This data is verified by independent third-party bodies and is published in the Group's annual report. The close monitoring carried out by the Group, its business lines and divisions may trigger the commissioning of a third-party audit, especially in the event of the decline of a key performance indicator.

4.3 Duty of vigilance with regard to human rights

For several years, VINCI has made public commitments to support and protect the rights of people and local communities that may be impacted by its projects and activities. Consistent with this commitment made at the highest level of the Group, VINCI continuously develops and strengthens its procedures to assess and prevent human rights risks, while also assisting its entities to engage on this subject and find operational solutions. This is because VINCI understands that issues affect people's everyday lives at the local level and considers that solutions must therefore be developed on the ground, close to its operations. Fully aware of the complexity of the challenge, VINCI has also adopted a continuous improvement approach with its stakeholders and peers.

Human rights risk prevention is coordinated by VINCI's Human Resources and Sustainable Development Department and promoted throughout the Group by a human rights steering committee, whose members are the human resources directors of business lines and divisions. Following an analysis of risks, a key Group-wide reference document, VINCI's Guide on Human Rights, was prepared, circulated and published on the VINCI website (<https://www.vinci.com/vinci.nsf/en/item/guide-on-Human-rights.htm>). It describes the major risks identified across the Group and presents guidelines for managing these risks, which can be applied in all countries and for all activities.

4.3.1 Mapping of the Group's major risks

• Identification of the main issues

At the end of 2015, VINCI formed a human rights steering committee to step up its work in this area and identify the Group's key issues. The committee based its work on the United Nations Guiding Principles on Business and Human Rights and the commitments made by VINCI and its companies in accordance with international standards, which include the OECD's Guidelines for Multinational Enterprises, the fundamental conventions of the International Labour Organisation (ILO), and the International Bill of Human Rights. Meetings were held with many employees in France and abroad to build awareness of human rights issues and compare viewpoints. At the same time, opportunities were provided for certain representatives of civil society or other companies outside of VINCI to share their experience. The steering committee also took into account various specialised studies (such as those of the Danish Institute for Human Rights) and guidelines or previous work produced by the Group or its entities (the handbook on fundamental social rights, standards for living conditions, etc.). Furthermore, the analysis of risks and issues took into account the results of the human rights impact assessment in Qatar, commissioned by VINCI and carried out by an independent third party, Business for Social Responsibility (BSR), at the end of 2015. The methodology used for the assessment was to first identify, in the rights enshrined in the International Bill of Human Rights and the ILO's fundamental conventions, the issues that were relevant to the Group's activities. Based on this first selection, sectoral research was analysed and interviews were held with key VINCI stakeholders, such as the Building and Wood Workers' International (BWI), the ILO, the International Organisation for Migration (IOM), the French National Consultative Commission on Human Rights (CNCDH), the Danish Institute for Human Rights, and NGOs having worked on human rights issues in that region (Amnesty International, Human Rights Watch, Engineers Against Poverty, Business & Human Rights Resource Centre, etc.).

All or some of the members of the steering committee met monthly, sometimes in the presence of third parties who shared their expertise and/or past experience in a given area. In the summer of 2016, the steering committee validated the Group's key issues and corresponding guidelines, which translate into rules applying to all of our entities.

• Description of the main issues

The critical analysis of all of these sources led to the identification of five main issues, broken down into 17 specific themes, in which VINCI activities can have a significant impact on human rights, including those of employees, subcontractors, temporary staff, local residents and local communities. These five areas cover the entire project life cycle, from the response to the call for tenders to the preparation of sites and construction, through to commissioning and operations.

This work led to the publication of VINCI's Guide on Human Rights, which is a public document available to all on the VINCI website (<https://www.vinci.com/vinci.nsf/en/item/guide-on-Human-rights.htm>). Since the guide's circulation, the relevance of the key issues it identifies has been confirmed by various Group entities and validated by feedback from operational teams in different countries.

The five main issues and 17 themes are:

Main issues	Description	Themes
1. Labour migration and recruitment practices	In the course of their activities, VINCI companies may recruit migrant workers, whether directly or through temporary employment agencies. The situation of these migrant workers can reflect a range of scenarios, depending on the conditions of their migration (travel, administration, recruitment, accommodation, etc.). Because of varying recruitment practices and national legislation on migration, specific risks of breaching the rights of migrant workers might arise.	1. Recruitment fees and debts 2. Contract substitution 3. Work permit, ID, visa, passport, and exit permit
2. Working conditions	This issue relates to potential breaches of fundamental employment rights that could result from a lack of vigilance concerning working conditions, such as wages and their payment, number of hours worked, paid holidays and employment benefits, and restrictions to freedom of association. Given the nature of the Group's activities, employee health and safety is a separate important issue, which has been specifically addressed by the Group and its various entities for many years now.	4. Wage levels 5. Working hours 6. Paid holidays and other benefits 7. Workers representation 8. Hiring underage workers 9. Discrimination 10. Health and safety 11. Worksite security
3. Living conditions	In some situations, employers may supply accommodation to workers, due to the size, location or mobile nature of the project or worksite. In these cases, employers must ensure that the living conditions provided to workers guarantee their physical security and safety and satisfy their fundamental needs.	12. Labour community standards on accommodation: health, safety and security 13. Freedom of movement, consultation, and grievance mechanism
4. Human rights practices in the value chain	This issue concerns the monitoring of the living and working conditions of subcontractor employees or temporary staff on sites. The Group considers that the challenges it faces are identical to those faced by its subcontractors, particularly in the area of health and safety.	14. Raise awareness, identify risks and enter into contractual agreements
5. Local communities	Construction and infrastructure operation projects can impact local communities. Customers, concession holders and construction companies all share responsibilities, varying from one project to another, and must work in close collaboration to identify, avoid and mitigate each project's potentially negative impact on local communities.	15. Socio-environmental issues 16. Land-related issues 17. Community dialogue, engagement, and remediation mechanisms

• Analysis and ranking of priority areas in countries

Although the Group has identified the main issues for all of its activities and defined a common baseline of minimum requirements for each theme, applied to all activities in all countries, it also believes that the national context is pivotal in assessing the relevance of these issues and themes in a given environment and prioritising them. For this reason, VINCI develops human rights risk maps for specific countries in which it operates, enabling priorities to be identified and helping local entities to better understand their environment and find the right response to local issues. All 17 themes identified by the Group are analysed for the given country, using the information in reports from public administrations, international organisations, NGOs, academics, trade unions, the media, and so on. This analysis offers a more precise picture of the specific risks inherent to each country and sector of activity as perceived and reported by a set of relevant third parties. It includes information on the legal and institutional framework surrounding the various aspects covered and reiterates the Group's human rights guidelines. The analysis is an important tool that is used in the assessment of each subsidiary's situation and in setting priorities. It is also an essential resource for raising the awareness of Group employees and teams in relation to risks requiring increased vigilance in a given country, including those faced when entering into contractual relationships or partnerships.

This approach is being deployed progressively, and target countries are chosen based on a combination of recognised international indicators established by international organisations, NGOs or trade union organisations^(*) and internal indicators of the extent of the local presence of VINCI companies (workforce and revenue). Priority is given to countries where VINCI's presence is strong and/or human rights are deemed to be at risk. The initial analyses are subsequently fine-tuned with new research, feedback from operational teams and through alert mechanisms. In addition, the indicators used are collected in a dynamic tool and will be updated annually to closely reflect the Group's most current situation, particularly its geographical locations. The 2018 action plan was therefore developed based on the latest data available on 31 December 2017. In 2018, the Group took this comprehensive approach in eight countries, on multiple continents, where it has operations: Morocco, Colombia, the Dominican Republic, Cambodia, Malaysia, Poland, Cameroon and Egypt. Initiatives were also conducted by the Group in four other countries: Lithuania, France, Vietnam and Qatar. The Group's actions in 2018 covered more than 28% of its workforce outside OECD member countries and will be expanded in 2019. Other studies focusing on specific subjects relating to social risks in subcontracting and issues to do with labour migration in Europe have been launched with external parties.

(*) World Bank Governance Indicators – Rule of Law; Transparency International – Corruption Perceptions Index; United Nations Development Programme (UNDP) – Human Development Index; World Economic Forum – Global Gender Gap Report; US Department of State – Trafficking in Persons Report; International Labour Organisation (ILO) – Eight Fundamental Conventions; Freedom House – Freedom in the World index; International Trade Union Confederation (ITUC) – Global Rights Index.

4.3.2 Measures to assess the situation of subsidiaries, subcontractors and suppliers

• Assessing the situation of subsidiaries with regard to human rights

The Group has also developed a performance assessment tool based on the Group's five main issues and 17 themes, along with the corresponding guidelines. All documents produced are therefore based on the same elements: the country's risk map and the assessment tool. For each of the 17 themes, the tool presents a series of precise questions to determine whether the management systems in place conform to Group guidelines and whether they adequately manage and prevent the risks specifically identified in the country's risk map. This approach offers an in-depth, qualitative analysis of the performance of an entity or a project. Based on its results, entities are then in charge of building a plan of action or improvement and reporting on it to the division's human resources department, which in turn informs the Group through its steering committee representative. Where necessary, the Group will specifically monitor major risks. Where applicable, this assessment tool is also used to varying degrees to analyse major projects, whether during the tender process or once the project is under way.

In Morocco, where the tool was first tested in 2018, a country risk mapping workshop was attended by some 50 managers from all VINCI entities (CEOs and operational heads, human resources and quality, safety & environment managers, administrative and financial directors, legal experts, etc.). This exercise resulted in the validation of a mapping of risks requiring increased vigilance and the creation of a joint working group to monitor changes in the identified risks and develop joint initiatives to reinforce prevention. At the same time, following the assessments carried out, entities develop their own action plans to address the areas needing improvement.

Sometimes, on their own initiative, entities will approach the Group for guidance as to whether the action they are taking is sufficient to prevent a risk. For example, teams in Lithuania asked VINCI to verify, not only that their recruitment process for migrant workers and the workers' working and living conditions complied with VINCI's Guide on Human Rights, but also that the measures taken during the recruitment process were sufficient to protect the rights of these workers in connection with their operations.

With regard to internal control, the Group may initiate unannounced verifications of compliance with the rules set out in its reference documents, as a complement to the controls put in place by business lines and divisions.

• Assessing the situation of subcontractors and suppliers

Since the situation of subcontractors and temporary staff was identified as a key priority in our duty of vigilance approach with regard to human rights, the previously described assessment tool covers issues relating to temporary staff, on-site employees of subcontractors, and the management practices of the latter. The Group has provided all entities with a due diligence methodology in five steps: mapping of human rights risks for subcontractors, use of specific criteria during selection procedures, inclusion of specific clauses in contracts, control of these contractual requirements, and the implementation of monitoring procedures. Other verifications and audits are carried out as needed. In Qatar, the subsidiary QDVC set up a robust assessment and monitoring process for subcontractors many years ago, which includes audits of documentation as well as interviews with management and with workers. Over the 2017-2018 period, QDVC conducted 35 audits focusing on human rights and working conditions and 365 audits looking at the living conditions provided by subcontractors and labour suppliers. To further these efforts, the Group is also implementing new pilot projects on methodologies to analyse and prevent social risks in subcontracting. These projects aim to assess social risk management practices already in place, identify improvement areas and construct an operational method to evaluate, prioritise and manage risks.

For the Group's key categories of purchases such as temporary labour, the Group Purchasing Department, together with Purchasing Coordination and the Sustainable Development Delegation, has set up framework contracts with selected suppliers. Invitations to tender and specifications integrate social and environmental criteria. Depending on the purchasing category, these criteria may include the environmental impact of the suppliers' products and services, the conditions in which they are produced, the suppliers' societal commitments, and so on. Supplier assessment is therefore tailored to the purchasing category and to issues specific to the sector. Based on how they perform against the criteria, some suppliers are eliminated, while for others, a CSR improvement plan is proposed, with the aim to promote collective upskilling. The contracts provide for the possibility of audits, and each year a review is conducted with approved suppliers. In 2012, the Group's Supplier Performance Charter was rolled out. By signing the charter, suppliers make commitments in three areas: human rights and labour standards (including health and safety); ethics in competition and anti-corruption; and the environment. They also accept that social and environmental evaluations may be performed to ascertain whether they are fulfilling their commitments under the charter.

• Audits by third parties

In some cases, audits or other external controls have been set up by the Group and/or its subsidiaries.

This is the case in Qatar, where a framework agreement was signed in November 2017 by VINCI, its subsidiary QDVC, and Building and Wood Workers' International (BWI). The agreement provides for an extensive system involving monitoring, reporting, checks, inspections and audits under the aegis of a reference group composed of representatives of the three signatories. This agreement covers human rights in the workplace, accommodation, and issues relating to the fair recruitment and the employment rights of workers. It applies to all workers employed by QDVC in Qatar, and stipulates a due diligence procedure for subcontractors. An audit was conducted on 8 and 9 January 2019, during which representatives of the three signatories were present, including BWI's auditors and VINCI's trade union representatives. The audit covered every point in the agreement, and the auditors also had the opportunity to observe the election of Workers' Welfare Committee members at the end of a two-year term.

In 2018, with regard to its airport activities in Cambodia, VINCI commissioned an audit of psychosocial risks from an independent body, of which the results will be discussed with trade union representatives, along with new audits of its temporary employment agency partners. These measures were taken following mediation by the French National Contact Point (NCP) regarding implementation of the OECD Guidelines for Multinational Enterprises. The NCP found that the Group was observing the OECD Guidelines in a complex national context and had taken appropriate due diligence measures for its Cambodian subsidiary. The NCP's recommendations, finalised in December 2018, will be specifically monitored.

Some Group entities have also taken steps to obtain corporate social responsibility (CSR) certification that includes human rights aspects. In 2018, two Group entities in Morocco were audited by independent bodies as part of a CSR certification process by the General Confederation of Moroccan Enterprises (CGEM). Human rights protection, in the workplace and in society, is one of the certification label's nine commitments.

4.3.3 Tailored actions to mitigate risks or prevent severe impacts

a. Global initiatives

VINCI issues guidelines to provide a shared framework for all of its business lines and employees.

• Guidelines addressing the main issues and applicable across the Group

At the core of its approach is a framework document developed by VINCI and applied across the Group: VINCI's Guide on Human Rights, which was validated by the Group's Executive Committee in April 2017. It contains guidelines for entities to follow when setting up human rights risk prevention practices and measures. The operational nature of the document, which was designed to reflect the complexities of the Group's sectors and activities, confirms VINCI's commitment to root its action in on-the-ground realities. The guide is distributed with an annexe describing the main issues in detail, explaining the challenges involved and offering recommendations and best practices to better support employees. Prior to publication, in early 2017, the European Works Council was consulted and approved the initiative.

For each of the 17 themes identified by VINCI, specific guidelines have been developed. These guidelines translate each of the human rights issues identified by the Group into operational terms and make practical recommendations for operational teams, all countries and activities combined.

As an example, in the course of the work conducted to identify the Group's main issues, it was revealed that labour migration combined with poor recruitment practices and a restrictive legal environment created a risk with regard to which the Group and its entities must be particularly vigilant. One of the key aspects of this issue, and an identified risk factor, is debt bondage. Accordingly, to provide practical assistance to operational teams on how to prevent this risk, the following guidelines were established:

- no fees are to be charged to candidates at any stage of the selection, recruitment and hiring process;
- all contracts signed with recruitment agencies must include a "no fees" policy;
- recruitment agencies must be transparent to end-user companies with regard to their practices, in particular the use of agents or sub-agents, and their costs and terms of engagement;
- the company and its recruitment agencies must ensure that candidates are made aware that no fees should be charged at any stage of the recruitment process;
- confidential channels for reporting complaints about fees must be made available to migrant workers.

An in-house working group was also formed to work more broadly on the different types of risk relating to recruitment practices in various geographical contexts.

The development and circulation of these guidelines also reflect VINCI's efforts to anticipate risk factors as early as possible and provide suitable responses to prevent abuses. For each of the 17 themes identified by the Group, guidelines of this sort have been developed.

VINCI's Guide on Human Rights was widely distributed among the Group's operational entities and was presented to the management committees of the Group's business lines and divisions. According to the 2018 survey of VINCI's internal control, at end-September 2018, 71% of entities, all business units and divisions combined, had communicated about the Guide and its guidelines to all or some of their employees. For the majority of the remaining entities, a plan of action is under way to do so. To facilitate the adoption and dissemination of the guidelines, a vast translation project was undertaken in 2018. The guide, which primarily targets employees, is now available in 21 languages, thereby covering more than 98% of the Group's workforce, based on the official languages of the countries where the Group operates. External stakeholders can also access the guide on the VINCI website.

Furthermore, some aspects such as wage levels, working hours, paid holidays, workers' representation, discrimination, and hiring underage workers are first assessed against the human resources rules and procedures in force in companies, which thereby form a first level of risk prevention. Likewise, site safety rules enhance risk prevention in our activities as well as at the various levels of subcontracting at the sites under our control. For example, entry to sites of major projects is secured, and the identity of anyone wanting to enter is checked. This applies not only to our own employees but also to all subcontractor employees, suppliers, delivery persons, and so on. Health and safety procedures also dictate that all documents (ID, work permits, work visas) be verified before delivering a construction site access card. This two-level HR verification – before the contract is signed and security at the site entrance – guarantees that all worksite employees are legal and of age and helps to fight identity fraud.

• Risk management and prevention with regard to temporary employment agencies

In our sectors, whether contracting or concessions, our major challenges are at the operational level. Accordingly, when it comes to vigilance with regard to human rights risks in our value chain, the subcontractor and temporary employment agency workers on our sites are a priority. Because temporary labour is a significant purchase category, the Group's Purchasing Coordination unit set up a framework contract to use with selected suppliers. The non-financial criteria used to assess suppliers relate to occupational health and safety, training, diversity, the prevention of illegal and undeclared work, and the existence of a whistleblowing system for employees. The latest selection of approved temporary employment agencies went into effect on 1 January 2016, for a four-year period. It is compulsory for Group entities to use approved agencies for their temporary recruitments. During the selection process, 47 agencies were excluded based on non-financial criteria and 90 were selected after rolling out improvement plans. This process was developed by the Group Purchasing Department, the Responsible Purchasing Coordination unit and the Sustainable Development Delegation.

• Awareness and training initiatives

The Group considers that in matters of human rights, managers play a decisive role. Emphasis is placed on awareness and training initiatives that target executives and employees and reflect on-the-ground realities. The objective is to develop a prevention culture in this area, similar to what has been achieved in safety and security, and to provide operational teams with the means of acting as early as possible. We view it as essential to train our employees in these issues so that they are able to identify problematic risk situations and prevent them. As a complement to the face-to-face presentations and training sessions regularly held in France and abroad, an e-learning module to raise awareness of human rights risks will be launched in February 2019. The module will be available in French, English and Spanish and culminates a year of collaborative development. It will be made available to all entities and employees on the Group's e-learning portal. Priority target groups will be determined jointly with the human resources directors of business lines and divisions.

• Active participation in collaborative initiatives

The issues facing VINCI and its entities are often complex and involve multiple players throughout the value chain. Although we continuously enhance our risk prevention and management systems, we are not always able to exert sufficient influence and thus pursue every possible action, due to our position in the value chain and the cyclical nature of our activities. In addition, as our activities are very closely tied to local communities, the approval process for potential partners is made more complex. For this reason, to complement the efforts pursued within the Group, we decided to join a number of external networks and initiatives, notably, in the construction sector, Building Responsibly, of which VINCI is a founding member. Launched in February 2017, Building Responsibly brings together engineering and construction firms in order to develop common approaches and standards, share best practices, tools and experiences, and engage stakeholders and all actors in the value chain to find concrete and collective solutions to the challenges faced by the sector. In June 2018, Building Responsibly published its Workers' Welfare Principles, the result of extensive work undertaken with a diverse group of stakeholders (research institutes, NGOs, companies, industry initiatives, the ILO, professional organisations, etc.). Since the publication, discussions have been initiated with different players to determine how to incorporate these principles into business relationships. This is an essential step toward effectively addressing challenges, while providing a level playing field and raising industry standards. In June 2017, VINCI also joined the steering committee of the Leadership Group for Responsible Recruitment, a collaboration between large companies and specialised organisations to promote fair recruitment practices. These two initiatives enable VINCI to work collaboratively with other stakeholders to produce tools to assess third parties or to encourage the development of ethical labour sourcing in certain parts of the world.

VINCI is also a member of the Global Compact and the Global Deal and, in France, of Entreprises pour les droits de l'Homme / Businesses for Human Rights (EDH), an association of 16 leading French companies. It is a forum for discussion, initiatives and proposals by these companies to promote improved integration of human rights into business policies and practices.

b. Initiatives adapted to local challenges

This section presents significant examples of initiatives that have been implemented by the Group to prevent risks or promote human rights and that illustrate the complementary nature of our approach, which relies on general guidelines, and on adapting initiatives to local challenges to provide tailored solutions.

• Preventing risks relating to recruitment practices in Qatar

The recruitment situation in Qatar was quickly identified as a major issue. It is especially complex because recruitment is regulated by bilateral agreements between governments, the terms of which require the use of intermediaries in countries of origin and set wage levels of workers on a country-by-country basis. In addition, the choice of countries of origin where labour is sourced is determined by authorities using a quota system. The conditions in which migration takes place also increases risks for workers, particularly to their freedom of movement. QDVC has set up strict procedures to mitigate risks relating to recruitment practices.

As regards freedom of movement, all QDVC employees have a Qatari residence permit, which is needed to travel within the country; they also have access to a secure safe to store their personal documents (passports, employment contracts). When they wish to leave their job, QDVC delivers an authorisation enabling them to change employers (no objection certificate, or NOC). An exit permit is delivered to workers who wish to leave the country any reason (holiday, emergency, etc.).

To fight debt bondage, another major factor contributing to the vulnerability of migrant workers in Qatar, QDVC has set up robust processes to monitor recruitment agencies in countries of origin (Bangladesh, India, Nepal, etc.). There is a specific rule that recruitment costs (airfare, visas, medical check-ups, skills testing, etc.) are covered by QDVC and that, accordingly, migrant workers must not be charged any fees. To monitor the process, QDVC staff have travelled to these countries on several occasions to verify agency compliance with rules, spread the information among applicants that recruitment is free, examine the actual working conditions offered and participate directly in recruitment interviews. In addition, various surveys have been carried out among workers recruited by QDVC to check that measures have been appropriately implemented and, in particular, to find out if any workers did ultimately pay fees to third parties, despite the efforts deployed. What these surveys have shown over the years is that the measures implemented by QDVC have resulted in a clear reduction of these risks. QDVC is pursuing its efforts and is now working to improve recruitment of workers employed by subcontractors and placement agencies through a public-private partnership signed in May 2018 with the ILO Project Office for the State of Qatar. This pilot project is aimed at developing a migration corridor between Qatar and Bangladesh with no recruitment fees for workers. The main components of the project are an initial audit carried out by an independent body, a capacity-building programme for both recruitment and placement agencies in the countries of origin, and an impact study to be carried out by a university. The first two components are both already under way.

• Reinforcing employee representation in Qatar

Where national laws do not conform with international agreements and VINCI's guidelines, Group companies are encouraged to do everything they can to find innovative alternatives that satisfy all requirements. QDVC took steps early on to provide employee representation and encourage and strengthen labour-management dialogue in the company. A workers' committee was formed as of 2011 and has gradually expanded its powers and scope over the years. In November 2016, QDVC held an election for employee representatives (a first in Qatar) in which 27 employees were elected to join the company's worker representation committee and discuss issues such as working conditions, wages, living conditions and health and safety. Seventy-five candidates campaigned for one month, and QDVC communicated extensively on the elections and the committee. The participation rate was 72%. In November 2017, QDVC was also the first Qatari company to sign a framework agreement with a trade union federation, the BWI. The ILO's Director-General was in attendance. Under the agreement, in 2018, BWI delivered training to the 27 elected representatives in Doha, with the support of QDVC and VINCI, to help them develop the skills needed to best represent their fellow workers.

• Wage levels and welfare protection in Cambodia

Cambodia Airports, a subsidiary of VINCI Airports, put in place a responsible employer policy encompassing several commitments, including wage levels above the legal minimum, welfare protection for employees and their families, and access to an employee savings plan. In Cambodia, this plan was an innovation for which the subsidiary worked closely with the country's authorities. Cambodia Airports has therefore implemented a remuneration policy for some time now which sets the company's minimum wage above the country's legal minimum, applying only to the textile industry. In the beginning of 2018, in a step consistent with the introduction of healthcare benefits for all employees and their families, the company opened a medical centre at Phnom Penh International Airport, in partnership with International SOS. The centre provides high-quality medical services to airport employees and their families, representing more than 4,200 beneficiaries. In recognition of its initiatives to improve employee welfare, Cambodia Airports has received the Asia's Best Employer award on two occasions.

4.3.4 Alert mechanisms and processing of reports

Multiple and diverse procedures exist by which employees can report concerns. These grievance procedures include contacting human resources departments, health and safety representatives, line management superiors or employee representative bodies. If confidentiality is a concern, employees can also approach the ethics officers of the Group's business lines and divisions or at Group level. In many countries, employees also have the right to refuse to work in a situation of serious and imminent danger. In addition to these resources, in 2018, VINCI reinforced its alert mechanisms and whistleblowing system to take into account recent legislative changes and also created a new Ethics and Vigilance Department, reporting directly to the Executive Management (see paragraph 4.5, page 245).

Although the Group has a system in place (see page 245), in light of VINCI's multi-local organisation and the nature of its activities, the implementation of local grievance procedures at the project level is also encouraged. The Group's view is that grievance procedures, including those initiated by end users or local residents, are more effective when they are local, since the company, project or worksite is then better positioned to proactively handle reports, identify any weak areas, improve processes and reinforce prevention. Some companies, such as LISEA in France and Lamsac in Peru, have a contact point for the public on their websites. Lamsac has also outsourced the processing of reports to an independent body.

Local procedures are sometimes adapted to very specific contexts and involve independent bodies. In Qatar, in addition to existing internal systems enabling workers to report concerns, in their language, to the CSR or QSE officer or to the Workers' Committee, an independent complaint procedure was created at the end of 2017. Employees of QDVC or its subcontractors can approach the global union federation Building and Wood Workers' International (BWI), which then informs QDVC or VINCI. This independent channel has proven effective, since the BWI has already handled complaints from employees, including those of subcontractors.

Although VINCI entities may act as clients, very often they are also the subcontractor or service provider for clients in the public or private sectors. In these situations, Group entities are encouraged to participate in the processes put in place by their clients.

4.3.5 Monitoring of measures implemented and assessment of their effectiveness

The Group has set up an organisation and procedures to coordinate and monitor the measures taken, and thereby ensure that its commitments and procedures are being cascaded to VINCI entities, their projects and worksites. At VINCI, human rights issues are championed at the Group's highest echelon and by the Human Resources and Sustainable Development Department, whose director is a member of the Group's Executive Committee. Because management in the Group is highly decentralised, a human rights steering committee, comprised of the human resources directors of all business lines and divisions, was created in 2015. The committee meets quarterly and facilitates decision-making, discussions and collaboration among the Group's business lines and divisions.

The committee met four times in 2018. Members keep their respective management committees informed and are in charge of disseminating and rolling out measures in their business lines and divisions. At every meeting, the steering committee evaluates the progress of the duty of vigilance plan, with regard to mainly qualitative criteria and the initial roadmap.

Day to day, implementation and assessment are coordinated by the Social Innovation Department, which provides support to business lines and divisions in integrating and deploying the Group's measures, develops and enhances mapping and assessment tools, conducts assessments, builds awareness among management committees and employees, and communicates with Purchasing, Internal Control, Ethics and Vigilance, and other departments. The team is in frequent contact with external stakeholders regarding human rights issues, to answer questions and provide further information about the measures taken in the Group.

Implementation of the duty of vigilance plan is regularly reviewed by the Ethics and Vigilance Committee, which meets once a month and whose members include members of the Executive Committee. Progress reports are also presented to the Board of Directors, mainly through the Strategy and CSR Committee, renamed in 2018.

4.4 Duty of vigilance with regard to the environment

For many years now, VINCI companies have implemented measures and processes to avoid or reduce the environmental impact of their activity in the countries in which they operate. This "Acting for Green Growth" commitment is part of the Group's Manifesto and extends the environmental initiatives of VINCI companies beyond regulatory compliance.

VINCI continuously works to improve the environmental practices implemented in its companies. This commitment is supported at the highest level of the Group's organisation and cascaded to each entity and then followed up, in accordance with the Group's decentralised management structure, so that the action taken is adapted to local realities.

Identification of risks and their prevention are closely tied to the operational context of companies and their activity in regions. Group-level environmental initiatives are presented in this document and translated into operational steps that reflect these specific characteristics. In the materiality analysis conducted in 2018, the environmental issues that were identified as critical were those relating to VINCI's operational activity. Issues involving supplier and end-user activity are also covered in the duty of vigilance plan, but to a lesser degree, because they are less critical.

Our environmental policy is currently being revised; the updated policy will be published in 2019. It harmonises, at Group level, the various environmental policies and commitments developed by business lines and divisions for their own activity. VINCI's duty of vigilance approach and measures taken will adapt to Group policy through a continuous improvement process. VINCI's decentralised management model encourages companies to make their own commitments, tailored to their activities and geographies. However, company best practices most often align with those of the Group, while also influencing Group policy, in a reciprocal exchange.

4.4.1 Mapping of the Group's major challenges

Identification of major environmental challenges

In order to identify the major environmental challenges resulting from the Group's activity, a structured mapping of risks was performed in 2017 and 2018, in collaboration with an external party to validate the methodology and thoroughness of the task. The map will be updated on a regular basis. Based on a detailed analysis of operational activities and using a collaborative and cross-disciplinary approach, the map provides a view of the environmental risks that could result from the activity of VINCI companies. The environmental officers of VINCI companies were partners in this initiative, and internal and external stakeholders contributed their input.

The first step in identifying the environmental risks that could result from the activity of VINCI companies, at any position in the value chain, was a materiality assessment. It found approximately 20 environmental risks that were critical for the Group, after interviews with about 40 internal and external stakeholders (Executive Committee members, directors of operations, customers, employees, investors, environmental protection organisations, public institutions, etc.). In addition to interviews, the key issues of the relevant business sectors were analysed, using bibliographical research and benchmarking of best environmental practices in the sectors in which Group companies operate. In the second half of 2018, the results were presented to the Group's different committees working on environmental and sustainable development issues.

Four main categories of major challenges

The major environmental issues on which the activity of VINCI companies can have a significant impact were sorted into four main categories. They span the entire project life cycle, from the response to the call for tenders to the preparation of sites and construction, through to the operation phase. They also apply to our subcontractors, suppliers and end users.

• Pollution

The activity of VINCI's construction and concessions companies has an impact on the environment and, in the longer term, may affect the health of nearby residents of our projects, customers of our infrastructure and employees of our companies.

These risks are of different types: water pollution, noise pollution, soil pollution, air pollution, light pollution and visual pollution. They stem from the nature of our activity and that of our suppliers and subcontractors and are present throughout the value chain, from the extraction of raw materials to the end customers' use of our buildings and infrastructure.

• Greenhouse gas emissions and energy consumption, contributing to climate change

The Group's activity, like any business activity, directly and indirectly emits greenhouse gases, mainly through the use of energy for buildings and infrastructure in its own projects or those of end customers. Three types of activity may contribute to energy consumption and greenhouse gas emissions:

- production of the raw materials (aggregates, asphalt mix, concrete, etc.) needed to carry out projects;
- transport of materials, employees and customers of the infrastructure operated by Group companies (motorways, airports);
- operation and maintenance of the infrastructure and buildings that the Group companies build, occupy or operate.

• Short-, medium- and long-term impacts on species and natural environments

The construction and concessions activities of the VINCI Group, its suppliers and its subcontractors impact natural environments, especially if the latter are not taken into consideration during the early design stage for buildings and infrastructure and the production of raw materials:

- loss, fragmentation and destruction of natural land;
- net habitat loss;
- water extracted from aquifers;
- expansion of invasive species;
- collisions with animals.

• Consumption of raw materials (renewable or non-renewable) and risks related to waste production, processing and disposal

The construction sector is the largest consumer of raw materials (sand, steel, bitumen, wood, etc.). The production, processing and disposal of hazardous and non-hazardous waste resulting from our activity and that of our suppliers may cause greenhouse gas emissions, soil pollution, and impacts on biodiversity and ecosystems and on the health and wellbeing of local populations.

Assessment and ranking of priority areas

After identifying these issues and using a collaborative and cross-disciplinary approach, standard assessment criteria were established in the second half of 2018 to assess the inherent and residual risks for the Group and its subsidiaries. These criteria were presented in the form of a risk assessment questionnaire and sent to the environmental and sustainable development managers of the Group's main business lines. Based on their answers, the impacts of their activity and that of their subcontractors, along with risk occurrence and prevention, could be evaluated. The aggregated responses enabled the identification of the inherent and residual environmental risks of the Group's activity. The results were communicated to the various business lines and are an important tool for assessing and prioritising issues in order to implement risk mitigation and prevention. The assessments for business lines are, however, the most relevant, since VINCI's diversity of activities translates into mixed results at Group level.

To be used with this assessment, country-specific environmental risk maps were also produced using statistical data (Maplecroft). They constitute a starting point for targeted environmental risk studies in countries where the activity of VINCI companies is significant. This geographical analysis is fundamental in prioritising risks, because the regulatory framework, environmental policy and local natural resources are decisive in the implementation of risk mitigation actions. For example, the application of materials sorting solutions at worksites will depend on the existing recycling facilities. Likewise, biodiversity conservation measures will correlate with the biological diversity of the sites where the VINCI company is developing its activities.

4.4.2 Procedures for assessing subsidiaries, subcontractors and suppliers

Assessing the situation of subsidiaries

For many years now, VINCI's subsidiaries have developed environmental risk prevention initiatives for their projects, which are assessed through internal and external audits. Each business line defines and adapts its environmental commitments and risk assessment tools to promote continuous improvement, in accordance with the Group's decentralised management structure and with the aim to adapt action to local realities. To prepare this duty of vigilance plan with regard to environmental risks, it was necessary to consolidate the different environmental risk assessment practices of Group subsidiaries.

• Pollution

Environmental pollution risks are carefully monitored by Group companies and project stakeholders. Government agencies form a first line of control of the proper application of regulations at worksites. The New Coastal Highway project on Reunion Island is one example. Representatives of France's government agencies regularly visit the worksite. They can report any non-compliance issues to the construction companies, which must take corrective action as promptly as possible. They monitor implementation of the regulatory commitments made in environmental decrees issued before the start of the work, including water quality measurements and vehicle and machinery use in critical areas, and examine all aspects pertaining to the reduction of pollution that may impact regions and residents.

Project owners and managers often require VINCI companies to establish detailed procedures for monitoring the impacts of their activity and often supervise compliance with regulations at the site. Worksites, such as the construction of the South Europe Atlantic high-speed rail line from 2012 to 2017, underwent continuous environmental audits by design offices, as independent third-party bodies, on behalf of the concession-granting authority (SNCF Réseau), the concession company (LISEA), the construction joint venture (COSEA) and, for self-assessment purposes, the various construction companies involved. Such audits are frequently carried out on worksites. They are concluded by reports containing observations of points requiring attention or any non-compliance with regulatory and contractual obligations (concentration of suspended solids in watercourses, installation of effective wildlife crossings, etc.). The onus is on the companies responsible to explain the shortcomings and promptly correct them. These points are examined and discussed by the committees tasked with monitoring environmental commitments.

Audits are also carried out for subcontractors, who must apply the same standards and environmental management systems as VINCI Group subsidiaries. This is particularly important when work is divided into packages, in which case the day-to-day evaluation of subcontractors is more difficult to achieve.

Financial institutions also have an interest in the environmental risk prevention associated with projects. International financing providers (development banks, international lenders) may establish monitoring processes for projects for which the potential environmental impact of Group companies, their subcontractors and sometimes their suppliers is high.

Construction worksites are increasingly scrutinised by nearby residents and local civil society organisations. The consultation processes set up by VINCI companies for projects sometimes allow partner organisations to visit the sites to verify compliance with commitments. Listening to all stakeholders and their expectations with regard to our activity helps VINCI establish the appropriate mitigation measures, such as creating retention ponds to prevent pollution from reaching natural environments.

Major environmental pollution incidents (requiring clean-up by external specialists and whose consequences extend beyond the entity's responsibility) are identified and included each year in the Group's annual report. In 2018, one major environmental incident involving VINCI or its subcontractors was identified.

• Greenhouse gas emissions and energy consumption

Greenhouse gas emissions from VINCI's activities are tracked each year as part of the Group's centralised environmental reporting system. It measures Scope 1 and 2 emissions by companies, following the ISO 14064 standard. Scope 1 includes direct emissions from the use of fossil fuels (fixed sites, worksites and company vehicles), as well as non-energy emissions. Scope 2 includes indirect emissions produced to make electricity purchased and used at fixed sites and at worksites. The Group's companies closely track their energy consumption and report on consumption of fuel, natural gas, propane and electricity in the Group's annual report. This data is verified and audited by an independent third-party body.

Special attention is paid to materials suppliers, who may be asked for information on their environmental footprint (CO₂ levels, bio-based material, etc.) during the selection process. Increasingly, preference is given to suppliers that integrate environmental protection in their practices, and suppliers' practices are regularly audited in this respect, particularly when contracts are up for renewal. At VINCI Construction France, life cycle analysis calculators for construction materials were developed in collaboration with scientists from the Mines ParisTech engineering school, to assess the exact environmental footprint, especially the greenhouse gas emissions, of buildings and their materials.

• Short-, medium- and long-term impacts on species and natural environments

During the design phase, Group companies carry out or use natural resource impact studies and inventories that highlight biodiversity issues relating to their project. These studies and inventories provide an essential picture of the state of natural resources, so that companies can plan and implement measures in order to avoid, minimise and offset impacts of projects on natural environments. When biodiversity conservation is a major issue for a project, these measures are monitored at worksites by designated environmental officers and environmental protection partners (engineering and design firms, research centres and non-profit organisations). When VINCI companies are in charge of the management and maintenance of sites (such as quarries) or infrastructure (such as airports or motorways), they generally monitor natural resources in order to evaluate the effectiveness of their action to protect biodiversity. For example, VINCI Autoroutes has entered into long-term partnerships with conservation organisations such as the Bird Protection League (LPO) to monitor wildlife protection measures around motorways. Eurovia is a partner of France's Natural History Museum (MNHN), which has developed a special inventory methodology for plant and wildlife at quarry sites, resulting in an environmental quality indicator (IQE). The method was used by MNHN's conservation specialists and local Eurovia partners for several quarries with high ecological risks. Monitoring is generally carried out throughout the lifetime of the concession and operation.

Subcontractors at worksites or sites under operation must fulfil the same obligations as Group companies. In the same way that the greenhouse gas emissions are assessed, materials suppliers are often asked to measure their biodiversity footprint during the bidding process. Preference is increasingly given to suppliers that integrate environmental protection in their practices (see page 223). Arbonis, the subsidiary of VINCI Construction France specialising in timber construction, only uses materials certified by the Forest Stewardship Council (FSC) or the Programme for the Endorsement of Forest Certification (PEFC). Traceability is ensured through significant controls in this area.

In the Group's environmental reporting, VINCI companies describe the internal and external resources devoted to biodiversity conservation and best practices developed for projects. Motorway concession companies measure and limit their consumption of phytosanitary products.

• Consumption of raw materials (renewable or non-renewable) and risks related to waste production, processing and disposal

Each year, for their reporting procedures, VINCI companies measure their consumption of certain resources, such as water purchased, water withdrawn from natural environments and other raw materials. This annual report presents the measures implemented to reduce risks related to waste treatment and the methods used to reduce raw material consumption.

Audits are carried out at worksites by independent engineering and design firms as part of putting in place monitoring systems for waste treatment processes. These assessment bodies examine the presence, storage, sorting and removal of worksite waste by Group companies and their subcontractors. Measures are taken to remedy any non-compliance in waste treatment observed at the worksite. The traceability of waste, from its removal from the worksite through to recycling at waste treatment facilities, is documented by transfer notes.

Subcontractors in projects for which raw material consumption, use and recycling is particularly significant are also required to keep close track of the quantities of materials used or reused. Accordingly, for the Grand Paris Express work packages, the volume of excavated soil is measured and its final destination is determined and reported to the prime contractor and the programme manager.

Suppliers of raw materials must be able to calculate and communicate the footprint of their materials.

4.4.3 Tailored actions to mitigate risks or prevent serious impacts

Avoiding or minimising our environmental impact around the world is the approach adopted by VINCI companies throughout the entire life cycle of their projects.

The Group's environmental policy is to embed environmental protection into every stage of a project, from design to operation. VINCI's construction and concessions activities can significantly impact the environment, if potential consequences are not taken into consideration as of the initial design of buildings and infrastructure. VINCI therefore promotes eco-design, which means taking environmental impacts into account at the earliest design stage in order to better protect the environment throughout the entire project life cycle.

• Pollution

A large number of prevention measures are taken to limit the pollution risks related to the Group's activities. To prevent accidental oil and chemical leaks into soil or water, machine operators are systematically provided with containment trays to be placed under fuel tanks when working in high-risk natural environments. Retention ponds are created on the sites of VINCI Autoroutes, VINCI Airports and Eurovia infrastructure to allow suspended solids in pumped water to settle and avoid polluting neighbouring watercourses receiving the discharge, once water quality has been verified through sampling.

In addition, to reduce light and sound pollution from the operation of infrastructure, opaque barriers are often placed along motorways, and adapted lighting systems (light directed only towards the ground) may be installed.

Procedures have been established to respond urgently to any pollution detected at worksites or operating sites. For example, at most sites, machine operators are equipped with anti-pollution kits to be used if their machine contaminates the natural environment. If pollution occurs, companies must rehabilitate the site and environment affected. These responses are prepared in advance and rehearsed during 15-minute environmental sessions, which are used to raise awareness and deliver short training courses on environmental issues at worksites.

Subcontractors at worksites also apply these measures and regularly receive training by VINCI's teams during these 15-minute sessions.

• Greenhouse gas emissions and energy consumption, contributing to climate change

Ensuring the energy efficiency of buildings under construction or renovation

The Group encourages activities that help to reduce the energy consumption of buildings through the rollout of solutions developed internally.

The companies of VINCI Construction meet the requirements of labels and certificates setting the highest standards in the building industry, going beyond compliance with current regulations. They are able to make commitments with regard to the actual energy performance of buildings (through the OXYGEN® label, attributed to 80 buildings in France), which is consistent with the energy efficiency guarantee by VINCI Energies applying to the operation phase. Thanks in particular to eco-design software developed in partnership with the Mines ParisTech engineering school, VINCI Construction teams also offer solutions for planning and managing the energy consumption of delivered buildings. These companies therefore predict energy consumption throughout the building's life cycle.

For some VINCI Construction France projects, life cycle analysis tools make it possible to propose various alternatives, during the building design stage, that will reduce the building's environmental footprint:

- using materials that have been recycled, locally sourced or produced using low-energy construction techniques (low-carbon concrete plants, hybrid or electric-powered machines, etc.) during construction;
- optimising the biggest consumers of energy (heating and cooling systems, lifts, etc.) and using renewable energy sources during the operational phase;
- recycling or promoting the reuse of materials used during the building's life cycle (recycled concrete) during demolition.

Acting for sustainable mobility

VINCI companies have taken measures to use less energy-intensive transport for their activity and that of their customers, thereby reducing air pollution:

- by promoting sustainable mobility among infrastructure users, as VINCI Autoroutes did by creating parking facilities for carpoolers and partnering with the BlaBlaCar carpooling network;
- by optimising the vehicle and machine fleets of Group companies, through the use of hybrid and electric-powered vehicles, and by planning employee mobility in such a way as to reduce related emissions;
- by promoting the implementation of renewable energy sources on their infrastructure and that of their customers; for example, Omexom has installed solar panels and VINCI Construction is developing windows with built-in solar panels.

• Short-, medium- and long-term impacts on species and natural environments

VINCI companies, which operate in about 100 countries, must comply with a diverse set of regulations on biodiversity, ranging from succinct rules to extensively detailed requirements. Group companies implement a comprehensive set of measures to avoid or reduce the impact of their activity on species and natural environments. Most often, residual impacts are offset by specific ecological restoration measures.

Biodiversity conservation is an issue that has long been integrated into the Group's concessions and construction businesses in France and Europe. It was first incorporated through compliance with regulatory requirements, notably the sequential "avoid, minimise, offset" steps established by international and European regulations. The sequence defines a hierarchy in which projects, or the conditions in which they are executed, must first be adapted to avoid or minimise the impacts of the activity on species and their habitats. Ecological offsets are only a last resort, after all possible prevention and mitigation action has been taken. This sequence is applied whenever possible, as of the response to the call for tenders, in collaboration with many ecological partners.

Compliance with the hierarchy may also come into play in choosing subcontracting partners, whose particular expertise in ecological engineering, for example, may be decisive. Special attention is paid to the source of materials, such as the plants supplied in the course of our activity. Group companies support the Végétal Local brand created by France's National Botanical Conservatory, which guarantees that plants are of local origin.

Risk mitigation measures, implemented to the extent possible, include:

- identifying the short- and long-term impacts of activity on natural environments, by conducting and analysing natural resource inventories, in partnership with external specialists (non-profit organisations, design offices, etc.);
- designing and deploying methods to first avoid and minimise impacts, based on available feedback. Offsetting may be used, as a last resort, for the residual biodiversity impacts of our activity. Avoidance measures during the design stage can include grouping the movement of work areas or transforming certain engineering structures. Reduction measures during the construction phase can include changing the timing of operations or installing suitable fencing or temporary basins. Offsetting measures often include implementing environmental measures for areas with high biodiversity potential, such as agricultural land;
- setting up structures for dialogue with all stakeholders, to listen to their expectations with regard to our activity and the planned environmental measures. For the Tours-Bordeaux high-speed rail line, the companies of the construction-concession joint venture, conservation organisations, government agencies, chambers of agriculture, forest owners associations, fishing federations and natural areas conservatories all participated in discussions about environmental measures;
- conduct awareness-raising and training to encourage employees to consider biodiversity issues in the course of their work, such as during 15-minute environmental sessions on worksites.

• Consumption of raw materials (renewable or non-renewable) and risks related to waste production, processing and disposal

Helping to protect natural resources

Implementing recycling platforms for materials, especially inert materials, facilitates their reuse on worksites of the Group's companies in a more systematic manner. For example, about 10 years ago, Eurovia rolled out its Granulat+ programme, which uses innovative treatments and recovery-sorting-recycling facilities to recover 100% of the resources needed to produce aggregates. Quarry sites receive all inert excavation material from worksites: earthworks or demolition materials, rubble collected from recycling centres, and so on. Using a combination of manual and mechanical sorting, recyclable waste can be separated from final waste. Final waste, which is usually sent to landfill, is used for the quality redevelopment of quarry sites. The recyclable waste can be used to create new infrastructure. Some suppliers are selected because of their ability to provide recycled materials. Many such suppliers provide the Group's construction companies with concrete and aggregates.

Helping to protect water resources

Group companies roll out innovative initiatives to reduce their water consumption, especially in regions that sometimes face high levels of water stress.

VINCI Construction France has established, through scientific research partnerships, calculators of the water consumption of buildings throughout their life cycle, from materials production to building use and, ultimately, building demolition.

Recovering waste from building demolition

Increasing proportions of materials are being recycled and recovered from demolition and rehabilitation worksites. VINCI has therefore established specific channels, such as window recycling, to manage them. The Revalo programme developed by VINCI Construction France was tested at renovation worksites. It enables quantitative estimates to be made using sorting scenarios (for example, by comparing economic and environmental indicators), to standardise waste sorting at source, and to enhance the traceability of recycled materials, with new service providers. These efforts to improve waste sorting and recovery are also made with our suppliers and subcontractors, with the aim to increase the quality of waste recovery processes.

4.4.4 Alert mechanisms and processing of reports

Local environmental whistleblowing procedures are being revised to increase feedback to the Group, especially by including external reports (from nearby residents, local organisations, etc.).

Whistleblowing procedures were first developed locally. VINCI's view is that whistleblowing systems, including complaint procedures from end users or local residents, are more effective when they are close to the ground. Consistent with this multi-local approach, such procedures are already in place among Group companies but have not been consolidated. Most construction companies will therefore require environmental officers to make a detailed report of any environmental incident (stating the nature of the incident, the triggering events, and environmental protection measures taken after the incident). These reports are then communicated to the relevant company's management.

Concession companies have also implemented whistleblowing procedures for environmental incidents that could arise in the course of their activity, whether during the programme management or the operational phase of the infrastructure. Internal and external controls are performed to ensure the effective monitoring of measures taken to manage environmental incidents, and they also provide the opportunity to report environmental incidents.

At the Group level, environmental pollution incidents are only reported during the annual reporting process; a new system involving more frequent feedback is planned and will also include information from subcontractors working on projects.

4.4.5 Monitoring of measures implemented and assessment of their effectiveness

The monitoring of these measures and the assessment of their effectiveness are supervised by VINCI's Sustainable Development Delegation, together with the Internal Control, Ethics and Vigilance, and Purchasing departments. The work is performed on a continuous basis, thanks to the coordination of internal committees focusing on the Group's four main environmental issues (the Sustainable Development Committee, the Energy-Climate working group, the Biodiversity Task Force, and the Circular Economy Group). Monitoring and assessment is also carried out by the 100-strong network of environmental correspondents across the Group. Among other tasks, these correspondents respond to the annual environmental reporting questionnaire, containing about 60 quantitative indicators based on Global Reporting Initiative standards, which provide a framework for evaluating corporate sustainable development policy. The annual report is an excellent resource for managing and following up on action taken to reduce the environmental risks of our activity. It also incorporates some data on the subcontractors of VINCI companies.

This monitoring and assessment work accompanies an environmental strategy that aims to strengthen the commitments made by Group companies and that sets targets for reducing the environmental footprint of their activity. The strategy is regularly reviewed by VINCI's Executive Committee and Board of Directors.

4.5 The Group's system for whistleblowing, alerts and the processing of reports

The Group has set up a unique whistleblowing procedure that can be used by any concerned person to report any serious irregularities relating to the work context, and of which they have personal knowledge. The persons covered by the whistleblowing procedure are:

- employees of companies in the VINCI Group;
- external or temporary employees of companies in the VINCI Group (such as temporary staff, and employees of subcontractors, suppliers, service providers, etc.);
- persons who are stakeholders in a project, for subjects relating to duty of vigilance in the environmental and social domains.

Whistleblowing in the work context may involve the following areas:

- behaviour or a situation that infringes VINCI's Code of Ethics and Conduct or its Anti-corruption Code of Conduct;
- behaviour or a situation that infringes VINCI's Guide on Human Rights or is a serious violation of human rights and fundamental freedoms;
- behaviour or a situation that infringes VINCI's "fundamental and essential workplace health and safety initiatives" or will have a severe impact on people's health and safety;
- behaviour or a situation that infringes VINCI's environmental commitments or will have a severe impact on the environment.

Whistleblowing at VINCI is a multimodal procedure. Initially, employees must inform their direct or indirect supervisor, or an officer designated for this purpose within the entity to which they belong. They may then use their entity's online whistleblowing system, if it has one. Employees can also contact the Group's Ethics Officer directly or use VINCI Integrity, the Group's online whistleblowing system, set up at the end of 2018 after receiving the go-ahead from the European Works Council. VINCI Integrity reinforces the existing whistleblowing system and can be used by all employees of companies belonging to the VINCI Group. Due to be rolled out gradually in 2019, external project stakeholders will be able to begin using this system in the second half of the year. The complementarity of whistleblowing systems that cover different scopes ensures that all concerns are reliably reported. These elements are presented to the Risk Committee during their meetings.

Whatever the means used, all exchanges are kept strictly confidential. VINCI guarantees that no employee of the Group will be penalised or dismissed, and that no disciplinary action will be taken against the employee, whether directly or indirectly, for having reported or given evidence, in good faith, under the whistleblowing procedure, concerning acts of which the employee obtained personal knowledge during the course of his or her duties. This remains the case even if the allegation made is determined to be false after investigation.

5. Note on the methods used in workforce-related, environmental and social reporting

VINCI's workforce-related, environmental and social reporting framework complies with Articles L.225-102-1, R.225-104 and R.225-105 of the French Commercial Code, as well as French Order no. 2017-1180 and Decree no. 2017-1265 and is based on the Global Reporting Initiative (GRI) standards – see the cross-reference table on page 365.

5.1 Methodological procedures

VINCI's procedures are specified in the following materials:

- for workforce-related indicators:
 - a guidebook in four languages (French, English, German and Spanish) containing workforce-related indicator definitions;
 - a methodological guide to VINCI's workforce data reporting system, including a reporting tool users' manual in four languages (French, English, German and Spanish);
 - a guide to consistency checks in two languages (French and English);
 - an audit guide helping entities to prepare for audits and make good use of their results (available in French, English, German and Spanish);
- for environmental indicators:
 - a methodological guide to VINCI's environmental reporting system, including a guide to the definition of common indicators, which entities can use to set up their environmental reporting procedures. This guide is available in three languages (French, English and Spanish);
 - a reporting tool users' manual in two languages (French and English);
 - an audit guide helping entities to prepare for audits and make good use of their results (available in French and English).

All of the above materials are accessible on the Group's intranet site.

The Group's efforts to accelerate its workforce-related and environmental reporting process in 2010 resulted in:

- new methods for earlier preparation of workforce indicators, applicable to all entities since 2011;
- the shifting of the reference period for environmental reporting by one quarter (the reference period for year Y is now from 1 October Y-1 to 30 September Y). This change has applied to all entities since 2010.